Retired Exposure Draft Comments: Addendum

**California Board of Accountancy:** Supports full exploration of a retired status license to increase uniformity amongst state boards of accountancy. The Board has a retired option for CA licensees and noted several differences between their status and the proposal. For example, the Board does not have an age qualification requirement for retired status and does not require retired status licensees to maintain, report, or affirm professional competency; nor do they identify what services retired CPAs can perform.

**Illinois CPA Society:** Generally supports the proposal but is uncertain of the need to create a separate title and status. They suggest an amendment to existing language in Section 6(d) of the UAA that would allow a CPA(Inactive) to perform these voluntary services if competent. They think multiple categories of CPA create confusion to the public.

**Indiana CPA Society:** Supports the concept of the retired status license option but does not support placing an age limitation on the requirement. They do not support expressly limiting the volunteer experiences but instead suggest a broader definition of experiences like “business-related volunteer opportunities” or the insertion of “such as” if experiences are to be delineated.

**Montana Board of Public Accountants:** Applauds this proposal as a start and encourages a continued refinement of the inactive versus retired status differences. The Board currently favors the ability for a retired CPA to continue to contribute to their community utilizing knowledge gained over an entire career. However, they place more limitations and oversight on an inactive CPA than a retired CPA and feel there needs to be a greater distinction between the two.

**Nancy Grzesik:** Wants to know why someone who worked hard to gain CPA status would not want to continue earning CPEs and stay abreast of what is happening in the industry, especially if they are volunteering on boards.

**Ohio Society of CPAs:** Has some concerns with the proposal, including the implication that retired CPAs could not be compensated for serving on non-profit boards if they maintain their retired CPA status. The Society believes it is unfair to prevent retired CPAs from receiving compensation for sitting on such a board. The Society also thinks that retired CPAs should be permitted to serve on for-profit boards. Additionally, the Society would like to know what other activities, other than board service, could be considered of public interest in the future.

**Paul R. Brazina, CPA, Rosenfelt, Siegel & Goldberg:** Thinks the proposal is demeaning to older CPAs. Recommends they receive a CPA Emeritus status that would include recognition of excellence throughout their careers, no further payment of dues to AICPA, reduced CPE requirements, and encouragement to mentor younger CPAs.

**Penny Lane:** Thinks that the designation should say “NAP-CPA,” for Non Actively Practicing.

**Raymond N. Johnson, CPA:** Generally supports the rule change, but believes it is too restrictive. The public understands that an individual may choose to find work for compensation in retirement. A retired CPA should be able to teach at a college or university for compensation.
**South Dakota Board of Accountancy:** Currently has a retired CPA designation and this proposal would require a change in the South Dakota statute to allow retired CPAs to provide volunteer, uncompensated services as they are proposed in the exposure draft.

**Texas State Board of Public Accountancy:** Does not support the proposal as the Board currently has a retirement status for CPAs and feels that rule best addresses the issue. 55 is not always a true retirement age and retirement age should be when an individual makes a decision to leave the practice. The board’s rule establishes retirement at age 60. The Board thinks that the proposal should include non-government sponsored charities and private colleges and universities. There should be greater clarity given to the term “uncompensated services.” The Board does support the effort to recognize a retirement status for eligible CPAs, but does not support the exposure draft as written.

**Virginia Board of Accountancy:** Opposes the proposal as the Board has historically been opposed to the Inactive-CPA status and recently chose the Active-CPE Exempt status as an alternative for their members. The Board believes that modifying the CPA credential diminishes the title and creates additional enforcement and registration processes as well as tracking requirements for the boards.
January 29, 2016

Mat Young, Vice President, State Regulatory and Legislative Affairs  
American Institute of Certified Public Accountants

Louise Dratler Haberman, Vice President, Information & Research  
National Association of State Boards of Accountancy

RE:   AICPA/NASBA Uniform Accountancy Act and NASBA Uniform Accountancy Act  
Rules Section 6(d) and rule 6-7, November 2015 Exposure Draft

Dear Mr. Young and Ms. Haberman:

On behalf of the California Board of Accountancy (CBA), I am pleased to submit our  
response on the proposed revisions to the National Association of State Boards of  
Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA)  
regarding the AICPA/NASBA Uniform Accountancy Act and NASBA Uniform Accountancy  
Act Rules Section 6(d) and rule 6-7 (Exposure Draft).

The CBA supports full exploration of a retired status license to increase uniformity amongst  
state boards of accountancy while acknowledging the licensee’s years of service in the  
accounting profession. Further, consumers remain well informed when selecting  
professional accounting services which is consistent with the CBA’s mission to protect  
consumers by ensuring only qualified licensees practice public accountancy.

In July 2014, the CBA implemented a retired status option for California licensees. In  
reviewing the Exposure Draft, the CBA noted several differences between the proposed  
revisions to the Exposure Draft and the CBA requirements. The enclosed outlines these  
differences.

The CBA appreciates the opportunity to respond to this exposure draft and your continued  
hard work in creating new opportunities for its licensees while continually striving to ensure  
protection of the consumer.

Sincerely,

Katrina L. Salazar, CPA  
President

Enclosure

c: Members, California Board of Accountancy  
Patti Bowers, Executive Officer
Comparison of the Proposed Revisions between the Uniform Accountancy Act and Uniform Accountancy Act Rules and the California Board of Accountancy Requirements

<table>
<thead>
<tr>
<th>UAA PROPOSAL</th>
<th>CBA COMPARISON</th>
</tr>
</thead>
<tbody>
<tr>
<td>A licensee must hold a license in an inactive status in good standing.</td>
<td>Business and Professions Code (BPC) section 5070.1 provides the holder of a license in a current, expired, or canceled license status to apply for retired status provided he/she meets the qualification requirements. The license may not be suspended, revoked, or otherwise punitively restricted by the CBA or subject to disciplinary action.</td>
</tr>
<tr>
<td>A licensee must be at least age 55.</td>
<td>CBA Regulations section 15.1 outlines the minimum qualifications to apply for retired status. A licensee must have held a license as a CPA or PA in the United States or its territories for a minimum of 20 total years, with a minimum of five years in an active status with the CBA. There is no age qualification requirement for retired status. CBA counsel has expressed concern regarding an age requirement as it is a protected class.</td>
</tr>
<tr>
<td>A licensee who holds an inactive license and is age 55 may then refer to themselves as “Retired-CPA”.</td>
<td>Pursuant to BPC section 5058.3, the holder of a retired license, when lawfully using the title “certified public accountant,” the CPA designation, or any other reference that would suggest the person is licensed by the board on materials such as correspondence, Internet Web sites, business cards, nameplates, or name plaques, shall place the term “retired” immediately after that title, designation, or reference.</td>
</tr>
<tr>
<td>A Retired-CPA may provide services, if competent, such as volunteer tax preparation services, participate in government-sponsored business mentoring programs and serve on the board of a non-profit organization.</td>
<td>The CBA does not require retired status licensees to maintain, report, or affirm professional competency; nor do they identify what services retired CPAs can perform. The Application to have a License Placed in Retired Status requires licensees to declare and sign under penalty of perjury that they do not intend to practice public accountancy with a license in a retired status. BPC section 5070.1 states that no licensee shall engage in any activity for which a permit is required.</td>
</tr>
</tbody>
</table>

In addition, the CBA requires a fee to apply for a retired status license and it must be renewed every two years at the time of the license expiration date. There is no associated fee or CE requirement to renew in a retired status.

Further, the Exposure Draft does not address if there is a limitation as to how many times a licensee may restore his/her retired status license to active status. CBA Regulations sections 15.3 and 15.4 requires completion of a minimum of 80 hours of CE, of which 20 hours must have been completed within the one-year period immediately prior to restoring to active status and allows a retired status licensee to restore his/her license to active status no more than two times.
RetiredExposureDraft@aicpa.org

Re: Exposure Draft on Retired—CPA Status

On behalf of the 23,000 members, the Illinois CPA Society is providing comments and perspective on the Exposure Draft: “Providing for the Creation of a Retired—CPA Status.” The following comments represent the collective views of the Regulation and Legislation Subcommittee and not the individual views of the members or organizations with which they are affiliated. The organization of the subcommittee is outlined in Appendix A to this letter.

Comments

The Illinois CPA Society is generally supportive of the concept of allowing an inactive CPA at least 55 years of age to offer volunteer tax preparation services, participate in government-sponsored business mentoring programs if competent, and to serve on the board of a non-profit organization if competent.

We are uncertain of the need to create a separate title and status of “Retired—CPA.” Rather, we offer the suggestion to amend the existing language included in Section 6(d) of the Uniform Accountancy Act addressing “CPA(inactive)” by removing the limiting and prohibitive language and adding narrow language authorizing CPA(inactive) to perform these voluntary services if competent.

We would also like to express a cautionary note of the risks and dangers of creating multiple CPA subtitles. Multiple categories of the CPA credential and statuses (i.e. CPA, CPA(inactive), Retired—CPA) creates confusion to the public as to the meaning of each and the level of services each category can provide. An open question is, “Are we diminishing the CPA brand by creating subtitles?”

Conclusion

The Illinois CPA Society generally supports the concept of allowing an Inactive(CPA) volunteer for tax preparation services, participate in government sponsored business mentoring, or serve on a non-profit board. We are uncertain of the need to create a new title of Retired—CPA and recommend eliminating some of the restrictions of CPA(inactive) in the Uniform Accountancy Act.
We appreciate this opportunity to present our comments on this issue.

Sincerely,

ILLINOIS CPA SOCIETY

[Signature]

Todd M. Shapiro
President & CEO
APPENDIX A
SUBCOMMITTEE ORGANIZATION

The subcommittee of the Regulation and Legislation Committee is composed of the following technically qualified, experienced members appointed from industry and public accounting who serve as members of the Illinois CPA Society's Regulation and Legislation Committee. The subcommittee's comments reflect solely the views of the subcommittee and do not purport to represent the views of their business affiliations.

Harry Bond, CPA
Wayne Ebersberger, CPA
Geoff Harlow, CPA
Floyd Perkins, JD, CPA
Russell Wilson, CPA

Retired CEO, Monicals Pizza
Retired, Ernst & Young LLP
Kessler, Orlean, Silver & Co., PC
Peabody Nixon
Porte Brown LLC
January 21, 2016

Via Email: RetiredExposureDraft@aicpa.org, lhaberman@nasba.org

Mr. Mat Young
Vice President – State Regulatory & Legislative Affairs
AICPA
Washington, DC

Ms. Louise Dratler Haberman
Vice President, Information & Research
NASBA
Nashville, TN

Re: Exposure Draft Proposed Revisions to AICPA/NASBA Uniform Accountancy Act and NASBA Uniform Accountancy Act Rules Section 6(d) and Rule 6-7 (November 2015)

Retired-CPA Status

Dear Mr. Young and Ms. Dratler Haberman:

The Indiana CPA Society provides the following comments on the above-referenced exposure draft. These comments have no official status and do not represent the approval or disapproval of the exposure draft by the Indiana CPA Society or its Board of Directors.

We are committed to uniform rules and regulations that preserve the public’s interest while providing meaningful opportunities to CPA professionals who desire to leverage their business expertise in volunteer capacities beyond their professional capacity.

Indiana established a retired status license option through legislation supported by the Society in 2014 largely to prevent retiring CPAs from allowing their licenses to expire. Creating a retired status separate from inactive provides the Board of Accountancy with the ability to set reduced renewal fees for retired CPAs.

We support the concept of a retired status license with limited allowances for non-compensated volunteer activities, however we do not support placing an age limitation on the requirement. The text in proposed UAA statute provisions in Sections 6 (d) “at least 55 years of age,” would unnecessarily preclude retirees younger than 55 from enjoying the volunteer benefits afforded by the retired status.

Additionally, we do not support expressly limiting the volunteer experiences, but instead support a broader definition of experiences like “business-related volunteer opportunities” or the insertion of “such as” if experiences are to be delineated. Section 6(d) could read:

In addition, retired CPAs, at least 55 years of age, may, in lieu of “inactive”, place the word “retired” adjacent to their CPA title or PA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate or PA registration, on which their CPA or PA title appears. Nothing in this section shall preclude a retired CPA at least 55 years of age from providing the following volunteer, uncompensated services; such as tax
preparation services, participating in a government-sponsored business mentoring program, or serving on the board of directors for a nonprofit organization. Licensees may only convert to inactive or retired status if they hold a license in good standing.

We support the proposed rules revisions by article in Rule 6-7 Exceptions (b), (c) except for the delineation of age, (d), (e), (f) and (g) which ensure licensee is in good standing, prevents confusion amongst the public, requires the licensee to affirm understanding of the limitations placed on them, acknowledges responsibility to maintain professional competency and the restriction on offering or rendering professional services and signing documents as a CPA and the necessity of meeting competency requirements to re-enter as an active licensee.

While not addressed in this exposure draft, but related to the retired and inactive license status, increasingly we encounter the question of the appropriate manner in which a retired or inactive CPA should express their status. That is, when those retired or inactive CPAs are engaged in public speaking either as a volunteer or in a compensated situation as it pertains to how they are identified in both their biography and in printed materials promoting the speaking event. We encourage the committees to engage in discussion about this issue and to develop proposed language for future consideration.

Thank you for considering these comments. We appreciate the time, collective wisdom, thought and leadership that generated these proposed changes.

If you have questions or need further clarification of our comments, please contact me at gbolinger@incpas.org or Sherrill Rude at srude@incpas.org or (317) 736-5000.

Respectfully submitted,

[Signature]

Gary M. Bolinger, CAE
President & CEO
Indiana CPA Society
Board of Public Accountants

January 29, 2016

Mat Young, Vice President
State Regulatory & Legislative Affairs
AICPA
RetiredExposureDraft@aicpa.org

Louise Dratler Haberman, Vice President
Information & Research
NASBA
lhaberman@nasba.org

Mr. Young & Ms. Haberman,

The Montana Board of Public Accounts is submitting comment on the proposed revisions to the AICPA/NASBA Uniform Accountancy Act and NASBA Uniform Accountancy Act Rules relating to retired and inactive license status for CPAs.

The Montana Board appreciates the efforts that went into this exposure draft and the UAA Committee’s attempt at clarifying this issue.

Montana currently offers both retired and inactive status to Montana CPA licensees. We see these as two distinct license statuses with different qualifications. We also determine that the licensees utilizing these statuses do so for very different reasons.

We favor the ability for a retired CPA to continue to contribute to their community, utilizing knowledge gained over an entire career. We don’t, however, see a retired CPA simply as an inactive licensee over 55. We place more limitations and oversight on an inactive CPA than a retired CPA. It will create confusion to those licensees attempting to determine what status of licensing is appropriate.

We applaud this proposal as a start, and we encourage you to continue to refine the inactive vs. retired status differences.

Sincerely,

Linda Harris, CPA
Chair
I have to ask why someone who worked so hard to gain the status of being a CPA would not want to continue earning CPE's and staying abreast of what is happening in their chosen industry, especially if they are volunteering or serving on Boards.

Nancy
January 29, 2016

Mat Young, Vice President  
State Regulatory & Legislative Affairs  
AICPA

Louise Dratler Haberman, Vice President  
Information & Research  
NASBA

Subject: Retired CPA Exposure Draft

Dear Mr. Young and Ms. Haberman:

On behalf of The Ohio Society of CPAs, thank you for this opportunity to comment on the AICPA/NASBA UAA exposure draft regarding retired CPA status.

As you may know, Ohio has had both “CPA-Inactive” and “CPA-Retired” status for close to 20 years, and it has worked well in our state. Licensees using those designations have understood that it means they cannot provide public accounting services or hold themselves out to the public without use of the qualifying “Inactive” or “Retired” term. Per Ohio’s Accountancy Board, there have been no issues of public harm resulting from inactive or retired CPAs.

OSCPA’s Governmental Affairs Advisory Council reviewed the proposed language and found a number of concerns, most of which centered on unclear provisions and potential limitations that could occur for retired CPAs. Specific issues raised include:

- It is not uncommon for retired business professionals to serve on non-profit boards of directors, whether for compensation or not. Retired CPAs are no exception. This proposal seems to imply that retired CPAs could not be compensated for such service if they maintain their retired CPA status. We believe it is patently unfair to prevent retired CPAs from serving on such a board for compensation as that decision should lie solely between the individual retired CPA and the entity seeking board service. We fail to see how the public would have greater protection under the proposal when individuals who do not have the retired CPA designation – and therefore likely don’t have the years of business experience or acumen - could be a compensated board member. A person using the designation “retired CPA” clearly is no longer a practicing CPA, so we fail to see any public confusion.

- The proposed rule is silent regarding a retired CPA’s service on a for-profit board. OSCP A believes retired CPAs should also be permitted to serve on for-profit boards, whether for compensation or not.

- In either case, if a retired CPA wishes to accept the opportunity to serve on a board of directors for compensation, the rule should be clear on how the that can be accomplished without violating the state’s accountancy rules should a more restrictive UAA rule be adopted.
• This proposal is silent regarding CPA Inactive permit holders. Since both CPA-Inactive and CPA-Retired individuals are not required to take CPE, the UAA rule should be clear on how each category will be treated with regard to service on boards.

• A significant concern deals with the potential for restraint of trade. This issue is at the forefront of licensing boards in view of the recent Supreme Court decision impacting North Carolina dentists, and by extension other professional licensing boards. OSCPA believes this is an area meriting closer attention to avoid unintended anti-trust issues.

• Of additional significance is the precedent of regulating the non-practicing, legal activities of a retired license-holder of a profession. While this proposal singles out board service as a public-interest activity, what other activities could be considered of public interest in the future? This item appears to be outside the scope of regulation of a profession; the use of the word “retired” clearly distinguishes the license-holder’s practicing status.

Thank you for your consideration of The Ohio Society’s views on this proposal. If you have any questions or want additional information, please contact our vice president of governmental affairs, Barbara Benton at BBenton@ohiopca.com or 614-764-2727.

Sincerely,

Thomas M. Zaino, CPA, JD
Chair, Executive Board

Scott D. Wiley, CAE
President & CEO
From: Paul Brazina <Paul@rsgcpas.com>
Sent: Thursday, January 28, 2016 10:55 AM
To: Retired Exposure Draft
Subject: Retired Status

Dear AICPA:

The proposed status for older/less engaged CPA’s is demeaning. After working and maintaining Continuing Education over a career, the older CPAs are a highly talented and skilled group. Many will have careers as partners in CPA firms and high level management positions in corporations. I recommend that CPA’s with long-standing careers and decades of membership in the AICPA be given a CPA Emeritus status. This would include:

1. Recognition of excellence throughout their careers
2. No further payment of dues to the AICPA (similar to many State societies)
3. Reduced requirement for CPE focusing on updates to Tax, A&A and Ethics with reduced costs for attending AICPA CPE.
4. Encouragement to mentor younger CPAs and young entrepreneurs

The term "retired" does not reflect the potential in these skilled, successful professionals and reflects outdated concepts of non-productive, out dated senior citizens that were held in the 20th Century. It is time for our profession to embrace the new realities of the 21st Century.

Paul R. Brazina, CPA
Rosenfelt, Siegel & Goldberg, CPA’s
33 Rock Hill Road
Bala Cynwyd, PA 19004
Telephone: 610-667-2060
Email: paul@rsgcpas.com

Confidentiality Note: This message and any attachments may contain legally privileged and/or confidential information. Any unauthorized disclosure, use or dissemination of this e-mail message or its contents, either in whole or in part, is prohibited. If you are not the intended recipient of this e-mail message, kindly notify the sender and then destroy it.
It would be very easy to differentiate the CPA's who are required to comply with CPE and other requisite requirements for practicing if possibly the designation of say "NAP-CPA", would be a required display to indicate that the CPA is a Non Actively Practicing I.E. "NAP" before any other Certification Credentials that CPA may hold.

It seems it would be more publicly known that the individual CPA who is not required to comply with CPE etc. would be designated as Not Actively Practicing?

Yours Truly,
Penny Lane
484195
Dr. Raymond N. Johnson, CPA

Matt Young, Vice President
State Regulatory & Legislative Affairs
RetiredExposureDraft@aicpa.org

and

Louise Dratler Haberman,
Vice President, Information & Research
lhaberman@nasba.org

Re: Proposed Revisions to AICPA / NASBA Uniform Accountancy Act and NASBA Uniform Accountancy Act Rules Section 6(D) And Rule 6-7

Dear Members of the Joint AICPA / NASBA UAA Committee:

I appreciate the opportunity to offer comments on the November 2015 Exposure Draft, Proposed Revisions to AICPA / NASBA Uniform Accountancy Act and NASBA Uniform Accountancy Act Rules Section 6(D) And Rule 6-7. Please recognize that while I am a member of the Board of Directors of the National Association of State Boards of Accountancy, the following comments represent my own personal comments.

Overall Comment
I am writing to generally support the UAA rule changes to create a status for retired CPAs. Many CPAs are approaching retirement age, and many have already chosen to retire. Creating a retired status is a welcome improvement to the NASBA Uniform Accountancy Act Rules. In my opinion, the public understands what retirement means, and the public will not be mislead if a retired CPA puts the term “CPA Retired” on a business card.

The Proposed Rule is Too Restrictive
However, I believe that the proposed rule is too restrictive. I think the public understands that an individual may choose to find work for compensation, particularly part-time work, in retirement. In particular, a retired CPA should be able to teach at a college or university for compensation.

The current UAA rule on inactive status reads as follows:
"The Board may by rule create an exception to this requirement for certificate holders who do not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters."

The rule should allow an inactive CPA to teach accounting in a college or university for compensation. In fact, many current faculty are inactive CPAs. The rule on retired status
Dr. Raymond N. Johnson, CPA

should not be more restrictive than the rule on inactive status. Many colleges and universities find that the pool of qualified faculty is quite limited. Allowing retired CPAs to teach for compensation would benefit both students and accounting programs, and it would support the goals of the Pathways Commission.

While some argue that a university professor should maintain their state’s CPE requirements, I do not agree that a retired CPA needs 40 hours of CPE per year to remain current. Further, many of the activities that faculty do on a regular basis to keep current do not count as CPE. As a faculty member I regularly read articles, download and studied various accounting and auditing rules and proposals from the internet, yet I am not able to claim CPE for this activity. Requiring a retired CPA to meet CPE requirements in order to teach for compensation is too restrictive.

The proposed UAA rule would benefit from a clear statement that a retired CPA can teach at a college or university for compensation. The proposed rule should be clear that a retired CPA can do for compensation, anything that an inactive CPA could do for compensation.

* * *

Thank you for the opportunity to comment on the May 2015 Exposure Draft on Responding to Non-Compliance with Laws and Regulations.

Sincerely,

[Signature]

Dr. Raymond N. Johnson, CPA

18160 Cottonwood Rd. #729, Sunriver, OR 97707
January 19, 2016

Delivered via email to Mat Young at RetiredExposureDraft@aicpa.org
And Louise Dratler Haberman at lhaberman@nasba.org

AICPA and NASBA:

The South Dakota Board of Accountancy (Board) reviewed the exposure draft on proposed revisions to the AICPA/NASBA Uniform Accountancy Act and NASBA Uniform Accountancy Act Rules Section 6(d) and Rule 6-7.

The Board currently has a CPA, Retired status as ARSD 20:75:03:11. However, it would require a change in our current statute of SDCL 36-20B-27 to allow providing volunteer, uncompensated services as proposed in the exposure draft.

Thank you for the opportunity to comment on the exposure draft.

Sincerely,

[Signature]

David Pummel, CRA
Chairman
South Dakota Board of Accountancy
January 29, 2016

Mat Young, Vice President
State Regulatory & Legislative Affairs
RetiredExposureDraft@aicpa.org

Louise Dratler Haberman, Vice President
Information & Research
lhaberman@nasba.org

Dear Mr. Young and Ms. Haberman:

This agency appreciates the opportunity to offer the following comments in response to the Exposure Draft of proposed revisions to the AICPA/NASBA Uniform Accountancy Act (Act) and NASBA Uniform Accountancy Act Rules (Rules). The Exposure Draft is proposing a revision to Section 6(d) of the Act and Rule 6-7 of the Rules in order to allow inactive CPAs, no longer in the practice of public accounting, to use the term "retired" next to their CPA title once they have attained the age of 55 years.

Inactive retired CPAs would, in the proposed revision, not be permitted to perform or offer to perform professional accounting services and would be excluded from CPE requirements. Even though not in the practice of public accountancy, retired CPAs would be permitted to offer a limited number of volunteer uncompensated services to the public.

This agency has recognized a retirement status for CPAs since 1981 and we believe that our agency's current rule best addresses the retirement status for CPAs. We therefore do not support the revisions as proposed in the Exposure Draft.

We believe that the proposed retirement age of 55 years does not always represent a true retirement age. Retirement should be the age at which an individual makes the decision to leave the practice with the intent to not practice in the future. An individual that seeks retirement status at 55 often does not really intend to retire but to pursue other interests which may include consulting or similar employment or they may be in retirement for only a couple of years before asking to be reinstated to practice public accounting again. Other CPA's who retire from the practice of public accounting go on to serve on corporate, not-for-profit, private or public foundation boards. We believe that our rule which establishes the eligibility for retirement at the age of 60 to be more representative of de facto retirement.

The proposed rule allows CPAs with retired status to provide volunteer uncompensated services. Tax preparation services such as the IRS VITA program, government
sponsored business mentoring programs such as the Small Business Administration SCORE program and serving on the Board of Directors of a non-profit organization are given as examples of what would be included.

The examples as described in the Exposure Draft are narrow and appear to exclude non-government sponsored charities and private colleges/universities. This agency prefers allowing CPAs with retired status to provide uncompensated services to charity, civic or similar non-profit organizations. It also allows uncompensated service on the Board of Directors, Board of Trustees or in a similar governance position for these organizations. This would allow the retired CPAs to offer their knowledge and experience to deserving non-profit organizations that provide an important public service to our communities.

The Board also suggests that you consider providing greater clarity to the term "uncompensated services." Would a nominal salary to help defer out of pocket meeting expenses or reimbursement for the retired CPAs travel and lodging to attend be considered compensation? Would receiving something in value that was non-monetary be considered compensation? Some non-profit organizations, particularly in the health-care industry and private foundations, pay their board members to serve as board members. Would this be acceptable for a retired CPA?

In addition, would the type of services make a difference? The proposal identified tax preparation but if a retired CPA offered bookkeeping assistance to the non-profit board they served on, would that be permitted? Also, if a retired CPA helped a non-profit prepare work papers for an upcoming audit, would that affect the retirement status?

We hope that the above comments are helpful. We do agree with and support your efforts to recognize a retirement status for eligible CPAs; however, as stated above, we do not support the exposure draft as currently written.

Very truly yours,

Donna J. Hugly

Donna J. Hugly, CPA Chair
Rules Committee
Texas State Board of Public Accountancy

Very truly yours,

William Treacy, Executive Director
Texas State Board of Public Accountancy
February 1, 2016

Mat Young, Vice President
State Regulatory & Legislative Affairs
American Institute of Certified Public Accountants

Louise Dratler Haberman, Vice President
Information and Research
National Association of State Boards of Accountancy

Subject: UAA Exposure Draft – “Retired-CPA” status

Mat and Louise,

The following comments are provided by the Virginia Board of Accountancy (VBOA) in response to the Exposure Draft regarding proposed revisions to the UAA in reference to the creation of a Retired-CPA status.

We believe it would be helpful to provide some background on the VBOA’s current regulations, and our approach to the “inactive” status. The VBOA’s regulations allow for a CPA to be exempt from CPE requirements, provided that the CPA is not providing services.

Per Board Regulation 18VAC5-22-90. Continuing professional education. “D. If during the current calendar year a person who holds a Virginia license did not provide services to the public using the CPA title or to an employer using the CPA title, he is not required to have obtained continuing professional education during the three-calendar-year period ending with the current calendar year. However, in order to begin providing those services:

1. He is required to have obtained at least 120 hours of continuing professional education prior to providing the services, including an ethics course of at least two hours.
2. The ethics course shall conform with the requirements prescribed by the board for the calendar year in which the person begins providing the services.
Continuing professional education obtained during the three calendar years prior to the current calendar year and from the start of the current calendar year to when he begins providing the services shall be considered in determining whether the person has complied with the requirements of this subsection.”

Board Regulation 18VAC5-22-40 further clarifies that a licensee “Is providing services to an employer using the CPA title if he provides to an entity services that require the substantial use of accounting, financial, tax, or other skills that are relevant, as determined by the board.”

Prior to July 1, 2014, the Board had no “official” way of screening or tracking CPAs who met this criteria, other than when audited for CPE, nor was there a way to inform the public of CPA’s who were not CPE compliant. Therefore, beginning July 1, 2014, a CPA must apply for this status which is now designated as “Active – CPE Exempt.” If approved, the CPA’s official status is changed from “Active” to “Active – CPE Exempt”. The change of status is reflected in the licensee search on the VBOA website and therefore made available to the public. This status is only available to CPAs who maintain their license (pay the annual renewal fee) and meet the prerequisite criteria. In Virginia, a CPA license is either in an “Active”, “Expired” (did not renew their license), or “Voluntarily Surrendered” (proactively gave up their license) status.

The VBOA has historically been opposed to the “Inactive-CPA” status, recently choosing the Active (having paid the annual renewal fee) – CPE Exempt status as an alternative, or our Expired status.

With this information provided, the VBOA opposes the creation of a “Retired-CPA” status, and shares the following comments regarding the current “Inactive-CPA” and/or the proposed “Retired-CPA” statuses:

- Both statuses require a CPA, when using the title, to specifically modify the CPA credential by placing “Inactive” or “Retired” in front of “CPA”. The VBOA believes that by modifying the CPA title, it diminishes the title. In essence, the VBOA believes that you are either a CPA, or you are not.
- Both the “Inactive” and “Retired” statuses will create additional enforcement and registration processes, as well as tracking requirements for accountancy boards.
- Use of these titles may create a more difficult regulatory environment, creating an additional status that has to be approved/tracked/enforced by the VBOA.
- With reference specifically to the “Retired-CPA” status:
  - The proposed age, at least age 55, is arbitrary and not necessary.
  - The proposal would allow a “Retired-CPA” to perform some services which appear to be arbitrary as well. Why single out these specific services, particularly if these are services that can currently be offered by non-CPAs?
  - The proposal requires that the permissible services be uncompensated. What is the relevance and point to be made with reference to compensated or uncompensated services?
The proposal requires that a “Retired-CPA” maintain professional competency, without a specific CPE requirement, when offering any of the permitted volunteer services. The VBOA believes this opens the door for controversy, confusion, and issues from an enforcement perspective.

In essence the VBOA believes that the proposed recommendation to add a “Retired-CPA” status to the UAA is a further diminishment of the CPA title, creates additional work for board staff, will be difficult to regulate, is arbitrary and opens the door for controversy, confusion, and enforcement issues. Ultimately the question should be asked – is this a public protection issue and does it protect the public? The VBOA does not believe it is or does.

Sincerely,

Stephanie S. Saunders, Chair
On behalf of the Virginia Board of Accountancy

cc: Board members
    Wade A. Jewell, Executive Director, VBOA