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MEMORANDUM

TO: All Inactive and Retired CPAs and PAs

FROM: D. Boyd Busby, CPA *DBB*

DATE: August 12, 2026

SUBJECT: Rules Pertaining to Inactive and Retired CPAs and PAs

The following are the Board's rules defining the inactive and retired statuses, what is allowed and disallowed. They were amended and went into effect on November 14, 2024.

Therefore, please review ALA. ADMIN. CODE r. 30-X-5-.01(2)(b) for compliance:

(1) The continuing professional education requirement applies to all registered Public Accountants and Certified Public Accountants holding annual permits issued by the Board and all non-licensee owners registered with the Board.

(2) The Board may make exceptions from the continuing professional education rules where:

(a) Reasons of health, certified by a medical doctor, prevent compliance by the permit holder; or

(b) CPAs and PAs who are not in the practice of public accountancy and elect Retired or Inactive status. The continuing professional education requirement does not apply to any individual over the age of 55 who is retired from the practice of public accountancy and who informs the Board in writing that he wishes to be placed on retired status with the Board. Also, a licensee may inform the Board in writing that he wishes to be placed on inactive status with the Board. Retirement and inactive status is defined as not performing any of the duties of public accountancy and which for the purposes of this chapter includes, but is not limited to, services involving the use of accounting or auditing skills, including issuance of reports on financial statements, the preparation of tax returns or the furnishing of advice on tax matters. Although nothing in this section shall preclude a retired or inactive CPA or PA from providing the following volunteer, uncompensated services: tax preparation services, participating in a government-sponsored business mentoring program, serving on the board of directors for a non-profit or governmental organization, or serving on a government-appointed advisory body. In addition, retired and inactive CPAs and PAs should place the word "retired"

or "inactive," respective of their status, 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. Requesting to be placed on retired or inactive status shall be deemed to be reasonable cause for the failure of a certificate holder to report continuing professional education. Additionally, electing retired status no longer requires the CPA or PA to renew his annual permit to practice under Code of Ala. 1975, §34-1-11, so as not to constitute grounds for revocation or suspension of the individual's certificate under Code of Ala. 1975, §34-1-12.

c) Other good cause exists.