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Publications

IRS Expands Its Correction Program (EPCRS) for Qualified Plans

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A plan sponsor of a qualified plan must operate its plan in accordance with the Internal Revenue Code and the Plan terms. Failure to do so raises concerns regarding the loss of the tax favored status of the Plan. The Internal Revenue Service (IRS) has a voluntary correction program—the Employee Plans Compliance Resolution System (EPCRS)—that provides procedures to correct these plan qualification failures. And recently the IRS expanded EPCRS, in Rev. Proc. 2019-19, in large measure to facilitate additional self-correction (i.e., correction without IRS approval) for certain types of failures, including for the first time in the history of the program, certain plan loan violations which are common errors that plan sponsors routinely face.

Set forth in the article linked below, in F&Q format, is a summary of the changes to the program, which are effective as of April 19, 2019, which are welcomed relief for plan sponsors (particularly for small plan sponsors as the VCP filing fees start at $1500, which is avoided through self-correction).

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