

Publications

IRS Expands Its Plan Correction Program with Two New Revenue Procedures

ATTORNEYS & PROFESSIONALS

Elizabeth Thomas Dold

edold@groom.com

202-861-5406

David Levine

dlevine@groom.com

202-861-5436

PUBLISHED

07/13/2015

SOURCE

Taxes - The Tax Magazine

SERVICES

The Employee Plans Compliance Resolution System (EPCRS), set forth in Rev. Proc. 2013-12, was recently expanded by two separate revenue procedures, Rev. Proc. 2015-27 and Rev. Proc. 2015-28, providing plan sponsors additional tools to correct and maintain the tax-qualified status of their tax-qualified plans.

As more fully described in the article, these new procedures (1) provide additional flexibility for correcting automatic enrollment and elective deferral failures (including automatic escalation failures), (2) provide reduced filing fees for loan and minimum required distribution corrections, (3) provide helpful clarification that plan overpayments may, in certain circumstances, be corrected a plan amendment or without having to seek repayment from the participant, (4) extend the self-correction period for repeated Code Sec. 415 violations, and (5) offer additional relief in other miscellaneous areas. The first provision is set forth under Rev. Proc. 2015-28 and is effective as of April 2, 2015, while the remaining provisions are set forth under Rev. Proc. 2015-27 and are generally effective July 1, 2015, but plan sponsors may, at their discretion, apply such provisions on or after March 27, 2015.

These new correction options are more favorable and cost-effective than prior preapproved correction methods, and therefore plan sponsors should remember to incorporate these new correction options into their arsenal for addressing plan operational failures going forward. Please see the attached article for further details.

RELATED MATERIALS:

[IRS Expands Its Plan Correction Program with Two New Revenue Procedures](#)