Employee Plans News

February 7, 2024

Useful Links

IRS.gov/Retirement

Retirement Plan & IRA Contribution Limits

EP Compliance Priorities

Correcting Plan Errors

Retirement Plan Webinars

Request a Speaker

Form 5500 Corner

Small Employer Retirement Plans

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Pre-Examination Compliance Pilot 2.0

The IRS Employee Plans function has started the second phase of the Pre-Examination Retirement Plan Compliance Program pilot. As a part of this program, plan sponsors are notified by letter that their retirement plan was selected for an upcoming examination.

The letter gives plan sponsors a 90-day window to review their plan's document and operations to determine if they meet current tax law requirements. If you don't respond within 90 days, we'll contact you to schedule an exam. If your review reveals mistakes in the plan's documents or operations, you may be able to self-correct these mistakes using the correction principles in our EPCRS **voluntary compliance program**, described in **Revenue Procedure 2021-30.**

If you find mistakes during your review that aren't eligible to be self-corrected, you can request a closing agreement. We'll use the Voluntary Correction Program **fee structure** to determine thesanction amount you pay under a closing agreement.

The IRS will review your documentation and determine if we agree with your conclusions and that you appropriately self-corrected any mistakes. We'll then issue a closing letter or conduct either a limited or full scope examination.

During the first phase of this program, 100 pre-exam compliance letters were mailed to plan sponsors which resulted in a 72% response rate, indicating plan sponsors are eager to take advantage of this program.

Our goal with this program is to reduce taxpayer burden, reduce the amount of time spent on retirement plan examinations and encourage self-correction.

At the end of this pilot, we'll evaluate its effectiveness and determine if it should continue to be part of our overall compliance strategy.

Find answers to many of your retirement plan or IRA questions at IRS.gov/Retirement.

If you need help with an account-specific question, basic information about retirement plan forms or the status of pending applications, call our Customer Account Services at 877-829-5500.

For the latest retirement plan news, connect via IRS Social Media and subscribe to this and other IRS newsletters.