

IRS Washington

Update

NCCMP

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EP Rulings & Agreements Organization

Five distinct functions under the Director, EP R&A

1. EP Determinations
2. EP Determinations Quality Assurance
3. EP Technical
4. EP Technical Guidance and Quality Assurance
5. EP Voluntary Compliance (EPCRS)

EP R&A Determinations

- Responsible for processing DL applications
- Current “hot” issues
 - Administrative changes proposed for Staggered DL Program
 - Revisions to interim amendment rules
 - Governmental plan issues
 - Set-up of Section 403(b) programs

EP Determination Quality Assurance

- Responsible for R&A plan compliance follow-up activities
- Current hot issues
 - Section 415 issues
 - Section 401(a)(9) issues

EP Technical

- Responsible for issuance of
 - PLRs
 - Technical Advice
 - Technical Assistance
 - R-mail & Congressionals
- Current hot issues
 - New Section 403(b) programs
 - ESOPs

EP Guidance and Quality Assurance

- Responsible for EP Guidance projects
- Current hot issues
 - Staggered RAP guidance
 - Section 403(b) guidance/LRMs
 - International issues guidance

EP Guidance and Quality Assurance

- Current hot issues (continued)
 - Church Plans
 - Governmental Plans
 - Section 414(d)
 - Section 414(h) guidance
 - Normal retirement age
 - EPCRS

EP Guidance and Quality Assurance

- Current hot issues (continued)
 - 432 Regs
 - 2007-44 Update
 - 5500 EZ Late Filer Program
 - Hybrid Plan Res
 - Lifetime Annuitization

EP Voluntary Compliance

- Rapidly-growing EPCRS Program
- Why Correct Mistakes Immediately?
 - EPCRS (through SCP and VCP) offer financial incentives to correct earlier rather than waiting
 - Mistakes that are not fixed can result in failure to follow the terms of the plan leading to non-compliance and high cost to plan sponsors
 - Failure to correct can negatively impact plan participants

EP Voluntary Compliance

Common Application Issues

- Improper Loans
- PPA 1101 and excise taxes
- Scriveners errors
- Compensation errors
- 401(k) testing and/or contribution errors

EP Voluntary Compliance

Current hot issues

- Integrating VC and DL programs more closely
- Issue EPCRS revenue procedure with Section 403(b) corrections
- Develop customer satisfaction survey

EP Website Includes:

- Correcting Plan Errors
- EP Examination Process Guide
 - Includes Audit Efficiency Guide
- Check-ups for various plans
- Phone Forum announcements (monthly)

Employee Plans FY 2011 Strategies

- Continue to raise awareness and dialog with the **Governmental plans** community
- Focus on **Staggered DL Program**
- Open new **403(b) programs**
- Improve outreach to **small business**

Governmental – Work in Progress

- Processed over 800 Cycle C governmental plans DL applications (4/15/2011)
- Governmental Plan Update newsletter, available by subscription, started in November 2010
 - 42,000 subscribers

Governmental – Work in Progress

- Special training for R&A employees
 - Re: issues unique to this community
- Specialized governmental plan technical cadre
 - Address technical plan issues that arise during DL process
- Governmental Plan Handbook
- FAQs

Governmental – Next Steps

- Provide topical outline for governmental plan sponsors
- Publish additional guidance and compliance tools
- Continue education and outreach efforts, based on issues arising out of DL application process
- Continue providing governmental plan updates

Staggered DL Program-Progress

- Assisted ACT with 2010 Report
 - Analyzed recommendations under current administrative, staffing and funding restraints
- Performed internal analyses/laid groundwork for implementation of new DL processes/procedures over next 2 fiscal years
- Increased efficiencies – batching, auto-closing

Staggered DL Program-Next Steps

- Simplifying changes to interim amendment rules
- Focus on next cycle of DC pre-approved Lead Plans
- Consider expansion of pre-approved plan program to include ESOPs and cash balance plans
- Decrease cycle time and balance inventory grade levels

New 403(b) Programs-Progress

- Development of pre-approved Section 403(b) program near completion
- Initial development actions taken for individually-designed Section 403(b) DL program

Small Businesses Outreach-

- Partnering with ACT to explore ways to reach small businesses re: plan compliance issues
- Providing plain language tools to encourage small businesses to:
 - Adopt and maintain retirement plans
 - Perform self-audits and use IRS correction programs

Employee Plans Examinations

Fix-It Guides

Now with
video!

401(k) SARSEP SEP SIMPLE

-----Trends-----

-----Tips-----

Potential Mistake

How to Find the
Mistake

How to Fix the Mistake

How to Avoid the Mistake

Corrective Action

Correction
Program(s)
Available

1) Has your plan document been updated within the past few years to reflect recent law changes?
[\(More\)](#)

Review annual cumulative list published close to year-end to see if plan made all required law changes (e.g., Notice 2007-94).
[\(More\)](#)

EPCRS
Adopt amendments for missed law changes.

Appendix D, Part II
[\(More\)](#)

VCP
Audit CAP
[\(More\)](#)

Plan sponsors need to resort to a calendar (tickler) of when amendments must be completed. Review your plan document annually. Maintain regular contact with the company that sold you the plan.
[\(More\)](#)

IRS RETIREMENT PLANS NAVIGATOR



Internal Revenue Service

An easy retirement plan guide for small employers

HOME

ABOUT THE NAVIGATOR

CHOOSE A PLAN

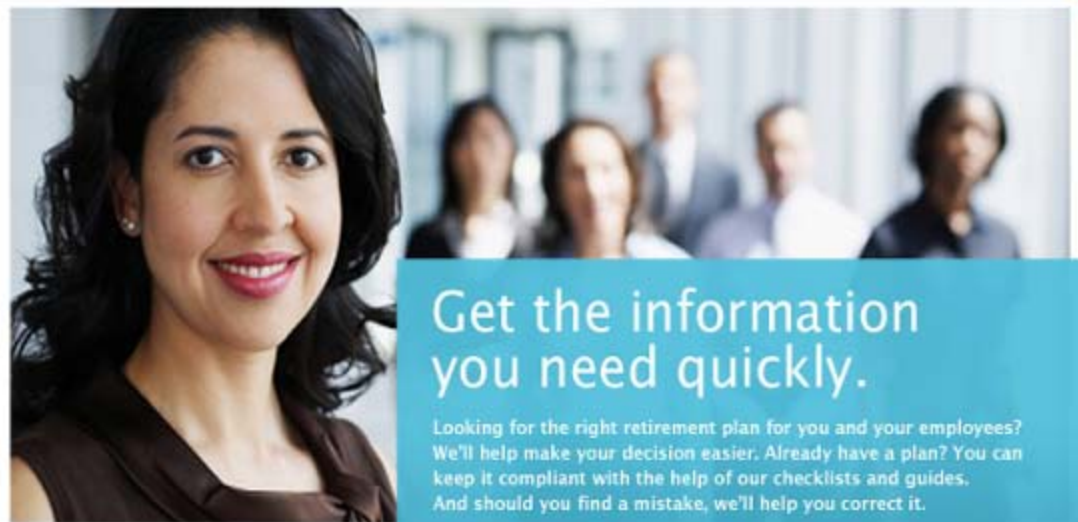
MAINTAIN A PLAN

CORRECT A PLAN

PLAN COMPARISON TABLE

HELPFUL LINKS

GLOSSARY



Get the information you need quickly.

Looking for the right retirement plan for you and your employees? We'll help make your decision easier. Already have a plan? You can keep it compliant with the help of our checklists and guides. And should you find a mistake, we'll help you correct it.

Help your employees plan ahead.

There are [Lots of Benefits](#) (.pdf file) for you and your employees in setting up a retirement plan. Get information on common retirement plan options to help you choose a plan right for your business. If you already have a retirement plan, get information on maintaining that plan and correcting common plan errors.

[CHOOSE A PLAN](#)

Narrow your search for the right plan for your business.

[MAINTAIN A PLAN](#)

Get the information you need to ensure your company's retirement plan stays tax law compliant.

[CORRECT A PLAN](#)

If you've found a mistake in your plan, we can help you correct it.

Dedicated site for Small Businesses:

- Choose,
- Maintain, &
- Correct

IRS RETIREMENT PLANS NAVIGATOR

RetirementPlans.irs.gov



An easy retirement plan guide for small employers

- HOME
- ABOUT THE NAVIGATOR
- CHOOSE A PLAN
- MAINTAIN A PLAN
- CORRECT A PLAN
- PLAN COMPARISON TABLE
- HELPFUL LINKS
- GLOSSARY



Compare Selected

	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Payroll Deduction IRA	SEP	SIMPLE IRA	Safe Harbor 401(k)	401(k)	Profit-Sharing	Defined Benefit	403(b)	457(b)
Type of Plan									
Setting Up and Operating a Plan									
May use IRS Model Form as plan document	No	Yes	Yes	No	No	No	No	No	No
Annual return required	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Annual nondiscrimination testing	No	No	No	Yes	Yes	Yes	Yes	Yes ¹	No
Plan Assets									
Invested in IRAs	Yes	Yes	Yes	Other ²	Other ²	Other ²	Other ²	Other ²	Other ²
Maximum Contributions									
Employee	Up to \$5,000	0	Up to \$11,500	Up to \$16,500	Up to \$16,500	0	0	Up to \$16,500	Up to \$16,500

Features the On-line Comparison Table

How Can I Find Out More?

www.irs.gov/ep



The screenshot shows the IRS website's Retirement Plans Community page. At the top, there is a navigation bar with links for Home, Contact IRS, About IRS, Site Map, Español, and Help. Below this is the Internal Revenue Service logo and the United States Department of the Treasury. A search bar is located on the right side. The main navigation menu includes links for Individuals, Businesses, Charities & Non-Profits, Government Entities, Tax Professionals, Retirement Plans Community, and Tax Exempt Bond Community. The Retirement Plans Community section is highlighted, and it contains a sub-section for Tax Information for Retirement Plans Community. This section features a list of topics: Newsletters, Published Guidance, EP Forms/Pubs/Products, Correcting Plan Errors, Examinations/Enforcement, EP FAQs, and Top of Page. There is also a small image of a person and a link to New 401(k) Tips Available, which provides new tips on how to identify, correct and avoid common errors in 401(k) plans.

newsletters



The image shows the cover of the Employee Plans News newsletter. The cover features a collage of diverse people smiling and working. The text on the cover includes "Promotional Copy Volume 2" in a red oval, "employee plans news" in large white letters, and "Employee Plans News - The Who, What, When, Why and Where of Retirement Plans" in red. At the bottom, it states "Each quarter, the Employee Plans News brings you the latest and greatest retirement plan information. Our articles are".

www.irs.gov/ep

Questions?

