



## IRS Expands Self-Correction Program For Qualified Retirement Plans

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In its latest iteration of the Employee Plans Compliance Resolution System (“EPCRS”), in Revenue Procedure 2019-19, the IRS opened the self-correction window a bit wider by allowing qualified retirement plans that meet certain requirements to self-correct various plan document, operational, and loan failures. Self-correction allows retirement plan sponsors to correct particular retirement plan failures without having to contact the IRS or pay the fee associated with the Voluntary Correction Program (“VCP”). The key changes to the self-correction program include the following:

- **Plan Document Failures.** Plans can now self-correct failures to adopt certain required and interim amendments, so long as correction is made within two plan years following the plan year in which the amendment should have been adopted.
- **Plan Operational Failures.** Plans can self-correct additional operational failures with retroactive plan amendments, but only if the amendment results in an increase of a benefit, right, or feature that is available to all eligible employees and does not discriminate.
- **Plan Loan Failures.** Plans can now self-correct numerous types of plan loan failures, including the following: (i) missed payments; (ii) 1099-R reporting problems; (iii) lack of spousal consent; and (iv) an excess number of loans permitted.

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Employee Benefits and  
Executive Compensation



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These changes are a welcome expansion to EPCRS's self-correction program, but note that the general requirements that apply to the self-correction program continue to apply, and specific conditions may need to be met to take advantage of the self-correction options set forth above. Our employee benefits attorneys are always here to assist with any necessary corrections to plan documents or operations, regardless of whether that requires self-correction or through VCP with the IRS.