

THE
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IRS Voluntary Correction Program Goes Digital for 2019

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Beginning April 1, 2019, Revenue Procedure 2018-52, modifies the IRS Employee Plans Compliance Resolutions System (EPCRS) and significantly changes how Voluntary Correction Program (VCP) applications must be submitted to the IRS. In particular, VCP submissions made on or after April 1, 2019, must be filed electronically through the IRS website, Pay.gov. From January 1, 2019, through March 31, 2019, a plan sponsor has the discretion to submit a VCP either electronically through Pay.gov or on paper forms. All VCP submissions made on paper forms submitted on or after April 1, 2019, will be returned unprocessed. As under the previous procedures, a Plan Sponsor may designate an Authorized Representative (such as an attorney), using IRS Form 2848, to prepare and file the VCP submission electronically on their behalf.

Under the VCP electronic submission procedures, the Plan Sponsor or their Authorized Representative completes and signs the Application for VCP (IRS Form 8950) on Pay.gov and submits the applicable user fee through Pay.gov. If an Authorized Representative is preparing the submission on Pay.gov, the Plan Sponsor will need to sign a separate Penalty of Perjury Statement declaring that it has examined the submission and that it is correct and complete to the best of its knowledge. Additionally, the preparer will need to create a PDF of all additional VCP documents (such as the Form 2848, the signed Penalty of Perjury Statement, if applicable, the Model VCP Compliance Statement and Schedules or failure descriptions, the cover letter, and other attachments) and upload the PDF through Pay.gov. This PDF upload cannot exceed 15 MB. All documents that cause the PDF upload to exceed 15 MB must instead be faxed into the IRS. After the submission and payment have been completed on Pay.gov, the preparer will receive a confirmation receipt showing the Pay.gov tracking ID number which will also serve as the IRS control number which can be used to track the submission status.

A Reminder on IRS VCP User Fees - Last year the IRS modified the VCP user fees, under Revenue Procedure 2018-4. Effective for VCP submissions made on or after January 2, 2018, the IRS VCP User Fees are based on net plan assets reported on the most recently filed Form 5500, as follows:

<u>Net Plan Assets</u>	<u>User Fee</u>
\$0 to \$500,000	\$1,500
Over \$500,000 to \$10,000,000	\$3,000
Over \$10,000,000	\$3,500



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