



TaxNewsFlash

United States



No. 2019-196
April 19, 2019

Rev. Proc. 2019-19: Employee plan compliance, self-correction program update

The IRS today released an advance version of Rev. Proc. 2019-19 concerning the Employee Plans Compliance Resolution System (EPCRS).

Background

EPCRS is a system of correction programs administered by the Employee Plans Division (TE/GE) of the IRS for sponsors of retirement plans that have failed to satisfy certain requirements under sections 401(a), 403(a), 403(b), 408(k), or 408(p). EPCRS generally permits plan sponsors to correct these failures and thereby continue to provide their employees with retirement benefits on a tax-favored basis.

The components of EPCRS are the self-correction program (SCP), the voluntary correction program (VCP), and the audit closing agreement program (Audit CAP).

Rev. Proc. 2019-19

[Rev. Proc. 2019-19](#) [PDF 555 KB] (125 pages) expands the use of the self-correction program (SCP) to permit correction of certain “plan document failures” and certain plan loan failures, including the ability to correct defaulted plan loans, the failure to obtain spousal consent on a plan loan, and the failure of permitting plan loans that exceed the number of plan loans permitted under the terms of the plan.

Today’s revenue procedure also provides an additional method of correcting “operational failures” by plan amendment under SCP.

As further explained in a separate [IRS release](#), the IRS expanded the EPCRS self-correction program “to make it easier to fix various failures.” The expansion includes:

- Using SCP to resolve certain plan document failures,

- Correction options and possible relief from deemed distributions associated with specified failures involving plan loans made to participants
- Additional opportunities for correcting certain operational failures by plan amendment

The IRS release also states that all VCP submissions must be made electronically beginning April 1, 2019. Any paper (hardcopy) VCP submissions postmarked after March 31, 2019, will be returned to the applicant.

Rev. Proc. 2019-19 supersedes and replaces Rev. Proc. 2018-52 concerning the voluntary correction program (VCP). Read [TaxNewsFlash](#)

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