

## Compliance Resolutions

### WHAT is a Compliance Resolutions?

Even the IRS and DOL recognize that mistakes can happen. If a plan sponsor finds that their plan is not in compliance, there are several programs available that the Ryding Company can assist you with, to help correct problems and bring the plan back into compliance.

A failure to satisfy plan terms and applicable pension law may result in ineligibility of the plan, including penalties, the loss of tax exempt status for the trust, loss of tax deductions for the employer, and unexpected taxable income to plan participants.

Identifying, correcting, and navigating the programs associated with these issues can be complicated and burdensome. Working with an experienced administrator can ensure accurate resolution, and reduce costly mistakes.

### HOW are mistakes corrected?

Employers can use the IRS Employee Plans Compliance Resolution System (EPCRS) to remedy any mistakes. There are three ways to correct mistakes under EPCRS:

1. Self-Correction Program (SCP) – permits a plan sponsor to correct certain plan failures without contacting the IRS or paying any fee.
2. Voluntary Correction Program (VCP) – permits a plan sponsor to, any time before audit, pay a fee and receive IRS approval for correction of plan failures.
3. Audit Closing Agreement Program (Audit CAP) – permits a plan sponsor to pay a sanction and correct a plan failure while the plan is under audit.

The Department of Labor (DOL) Employee Benefits Security Administration (EBSA) protects the resources of employee benefit plans under Title I of the Employee Retirement Income Security Act (ERISA). EBSA has two voluntary self-correction programs for plan administrators who need help in meeting ERISA requirements:

1. The Delinquent Filer Voluntary Compliance Program (DFVCP) assists late or missed Form 5500 filers in coming up to date with corrected filings.
2. The Voluntary Fiduciary Correction Program (VFCP) affords plan sponsors and officials the chance to identify and fully correct certain transactions such as prohibited purchases, sales and exchanges, improper loans, delinquent participant contributions and improper plan expenses.

➤ For additional details regarding compliance resolutions, please visit our website:  
[www.trco.com/services/compliance-resolution.html](http://www.trco.com/services/compliance-resolution.html)