

## Plan Corrections: Fixing the Broken Plan - 2018

**8:00 a.m.**                    **Registration Check-in/Danish and Coffee**

**8:30 a.m.**                    *EPCRS procedural requirements* – Overview of SCP, VCP and Audit CAP; sanction fees; significant vs. insignificant failures; streamlined applications; other applications.  
*Did you really fail?* – Using different tests; 11(g) corrective amendment; converting allocations to benefit rates; using different definitions of compensation.  
*Excess Allocations* – Deferrals before eligibility; predominantly NHCE vs. predominantly HCE; 415 failures; failure to follow plan terms.  
*Improper exclusion from the plan* – Missed deferrals; missed deferral opportunity; calculating missed matching contributions; improper application of eligibility provisions; failure to apply automatic deferrals; failure to apply automatic increase; application to 403(b) plans (universal availability).  
*Incorrect compensation errors* – Make-up contribution vs. reallocation; failure to apply 401(a)(17) compensation limit; effect on deferrals and match; failure to include bonuses.  
*Failure to make required contributions* – Safe harbor; match; top-heavy; minimum gateway; money purchase; USERRA.  
*Improper distribution* – Correcting reporting; retrieving improper distribution or employer restitution; rollover issues; making plan whole; incorrect vesting computation.  
*ADP/ACP correction* – “1 to 1” correction; using the OEE or early participation rule; penalty waiver through VCP.  
*Correcting failure to make required minimum distribution* – When to file and when to rely on reasonable cause correction; waive of 50% excise tax.

**Noon**                            **Lunch** (provided)

**1:00 p.m.**                    *Correcting late 5500 filing* – DFVC vs. reasonable cause statement; electronic vs. paper; dealing with an IRS penalty letter; dealing with plans not eligible for DFVC; How far back?  
*Correcting scrivener’s errors* - IRS position; VCP vs. self-correction; corroborating documentation.  
*Correcting late deposit of deferrals and loan repayments* – Calculation of make-up earnings; use of DVCP calculator; prohibited transaction excise tax; 5500 attachment.

*Coverage and nondiscrimination failures* – 9½ month correction period vs. EPCRS; comparison with plan failsafe; choosing which employees to add; amendment requirements.

*Safe harbor 401(k) plan corrections* – Failure to provide SH notice; failure to amend the plan.

*Participant loans* – Loans without plan provision; loans extending too long; failure to withhold loan payments; defaulted loans; reporting failures; VCP vs. self-correction.

*Hardship distributions* – Distributions without plan provision; distributions which did not comply with plan terms.

*Late amenders* – Failure to restate plan; failure to adopt interim amendment; forms for interim amendment correction; how far back should you go?

*Bonding errors* – Failure to have any bond; audit requirement for inadequate bond.

*Late Filing* – DFVC, New IRS requirements, Late filing correction for 5500-EZ

*Calculating earnings for make-up contributions* – Actual earnings; alternative methods; VFCP method.

*SCP correction for errors not identified in EPCRS* – Methodology for selecting correction method; audited vs. plan not subject to audit

## **4:30 p.m.            Adjournment**

CE Credits: Total possible hours: 360 min. ÷ 50 = 7.0 CPE/CE hrs.\*; 360 min. ÷ 60 = 6.0 CE hrs.\*

\*Final decision rests with governing body. Some governing bodies recognize fractions of hours; the program may qualify for a partial credit more than whole hours shown with these bodies.