

LAW & POLICY GROUP | [GRIST](#)

IRS UPDATES VCP KIT FOR LATE ADOPTERS OF PREAPPROVED DC PLANS

*By Mercer's Margaret Berger and Brian Kearney
Feb. 1, 2019*

IRS has updated its website housing the Voluntary Correction Program (VCP) submission kit for employers that missed the April 30, 2016, deadline for adopting a preapproved 401(k), profit sharing or other defined contribution (DC) plan document updated for the Pension Protection Act of 2006 (PPA). The website now reflects the following recent changes to VCP:

- [Rev. Proc. 2018-52](#) requires all VCP submissions to be made electronically through [Pay.gov](#) starting April 1, 2019.
- A new asset-based VCP filing fee schedule took effect Jan. 1, 2018, under [Rev. Proc. 2018-4](#).

Before making a VCP submission, plan sponsors should check with the law firm, bank, broker, other financial institution or plan administrator that created the preapproved DC plan to see if they will request a closing agreement on behalf of all adopters who missed the deadline. If so, the plan sponsor doesn't need to make an individual VCP submission.

The VCP submission kit is available only for failures to adopt preapproved DC plans for PPA; it's not available for other errors, such as failures to amend for post-PPA tax law changes or to operate the plan according to its written terms. Information about fixing these and other failures is available on IRS's [Correcting Plan Errors](#) webpage.

RELATED RESOURCES

Non-Mercer Resources

- [VCP Submission Kit for Failure to Adopt a New Pre-Approved DC Plan by April 30, 2016](#) (IRS website)
- [Correcting Plan Errors](#) (IRS website)
- [Rev. Proc. 2018-52](#) (IRS, Sept. 28, 2018)
- [Rev. Proc. 2018-4](#) (IRS, Jan. 2, 2018)
- [Pay.gov](#)

Note: Mercer is not engaged in the practice of law, accounting or medicine, and this article, which may contain commentary on legal, tax or medical issues or regulations, does not constitute and is not a substitute for legal, tax or medical advice. Mercer recommends that readers of this article secure the advice of legal or tax counsel or a medical expert regarding any legal, tax or medical matters related to this article or otherwise.