Topical Index Revenue Procedure 2008-50

Purpose: The Tax Exempt and Government Entities ("TE/GE") Division of the Internal Revenue Service has provided this topical index in an attempt to ease taxpayer burden. Specifically, TE/GE hopes that this topical index will assist Plan Sponsors and/or their representatives in researching the Employee Plans Compliance Resolution System ("EPCRS") and in determining the options that are available to resolve certain failures occurring in retirement plans. (Note: This index is not intended to be all-inclusive.)

Note: All references contained herein relate to specific sections of Revenue Procedure 2008-50.

(Body of index begins on page 2.)

```
§ 401(a) plan - see "Plan", "Qualified"
§ 403(a) plan - see "Plan", "Qualified"
§ 403(b) plan - see "Plan", "403(b)"
§ 408(k) plan - see "Plan", "SEP"
§ 408(p) plan - see "Plan", "SIMPLE IRA"
§ 457 plan - see "Plan", "457"
```

Abusive tax avoidance transactions – 4.13, 11.03(15)

ACP (Average Contribution Percentage) test failures – see "Correction", "§ 401(m)(2) failures"

Administrative procedures – see "Procedures"

Administration of plan – see "Plan operations"

ADP (Average Deferral Percentage) test failures – see "Correction", "§ 401(k)(3) failures"

Amendment - see "Correction", "by plan amendment"

Anonymous Submission under VCP:

- compliance fee:
 - ♦ determination of amount 10.07(10), 10.12(2), 12.02, 12.03, 12.05, 12.06, 12.07
 - ♦ form of payment 11.05
 - \bullet payment of 10.01, 10.07(8), 10.11(3)(c)
 - \bullet return of -10.07(2), 10.07(7), 10.07(9), 10.10(1), 10.11(2)
 - ♦ role of Transferred Assets in determining amount 12.07
 - ♦ timing of payment 11.05, 11.06
- defined 10.10(1)
- effect of Anonymous Submission on examination 10.10(2)
- eligibility see VCP
- failure to reach resolution 10.07(7)
- special rules 10.10
- submission requirements 10.10(1), 11.02, 12
- timing of submission of certain documents:
 - \bullet power of attorney 10.10(1)
 - ♦ penalty of perjury statement 10.10(1)
 - \bullet determination letter application 10.10(1)

Appeal – see "Conference right"

APRSC (Administrative Policy Regarding Self Correction) – see "SCP"

Audit CAP – see also "Examination":

- correction of failures 6, 13.01
- closing agreement:
 - \bullet effect of -3.01, 6.12, 13.05
 - ♦ may be conditioned on revision of administrative procedures 13.03
 - \bullet possible need to obtain Favorable Letter before issuance of -4.06, 13.03
- effect of abusive tax avoidance transaction on availability of 4.13
- egregious failures and availability of 4.11
- eligibility -3.01, 4.01(3)
- failure to reach resolution 13.04
- Internal Revenue Manual cite 13.06
- overview 1.03
- plan loan failures:
 - ♦ applicability of Audit CAP to 13.01, 14.01, 14.02

Audit CAP (continued)

- purpose 1.01
- sanction:
 - ♦ determination of amount 14.01, 14.02, 14.03, 14.04
 - ♦ estimation of Maximum Payment Amount ("MPA") for 401(a) plans 5.01(5)
 - ♦ estimation of Maximum Payment Amount ("MPA") for 403(b) plans 5.02(4)
 - ♦ factors considered in determining amount 14.02
 - fee for certain nonamenders identified in determination letter applications -- 10.06(3), 14.04
 - ♦ form of payment 13.02
 - ♦ role of Transferred Assets in determining amount 14.03
 - ♦ timing of payment 13.02
- treatment of failure(s) found by Service during review of determination letter application 10.06(2), 10.06(3)

Audit Closing Agreement Program – see "Audit CAP"

Case processing – see specific entries relating to relevant EPCRS program

Changes made to Programs – 2.01

Closing agreement - see "Audit CAP", "closing agreement"

Comments, submission of -2.02

- improving EPCRS 2.02(1)
- § 401(k) automatic enrollment 2.02(2)
- designated Roth contributions 2.02(3)
- section 1101 of the Pension Protection Act of 2006 2.02(4)

Compliance fee:

- determination of amount 10.07(10), 10.12(2), 12.02, 12.03, 12.05, 12.06, 12.07
- form of payment 11.05
- payment of -10.01, 10.07(8), 10.11(3)(c)
- return of -10.07(2), 10.07(7), 10.07(9), 10.10(1), 10.11(2)
- role of Transferred Assets in determining amount 12.07
- timing of payment 11.05, 11.06

Compliance statement:

- contents, conditions, and delegated authority 10.08
- effect on examination on 10.09
- effect on other law, including Title I of ERISA 6.12
- issuance of 10.07(8)
- modification of -10.07(10)
- verification of -10.07(11)

Conference right -10.07(6)

Confidentiality – 6.11

Contribution limits:

- § 401(a)(17) see "Correction", "§ 401(a)(17) failures"
- § 401(k)(3) see "Correction", "§§ 401(k)(3), 401(m)(2), or 401(m)(9) failures"
- § 401(m)(2) see "Correction", "§§ 401(k)(3), 401(m)(2), or 401(m)(9) failures"
- $\S 401(m)(9)$ see "Correction", " $\S \S 401(k)(3)$, 401(m)(2), or 401(m)(9) failures"
- § 402(g) see "Correction", "§ 402(g) failures"
- § 415 see "Correction", "§ 415 failures"

Correction:

- § 401(a)(9) failures Appendix A (section .06)
 - waiver of § 4974 excise $\tan 6.09(2)$
- § 401(a)(17) failures Appendix B (sections 2.06 and 2.07(1))
- § 401(k)(3) failures Appendix A (section .03), Appendix B (section 2.01)
- § 401(m)(2) failures Appendix A (section .03), Appendix B (section 2.01)
- § 401(m)(9) failures Appendix A (section .03), Appendix B (section 2.01)
- § 402(g) failures Appendix A (section .04)
- § 411 failures Appendix B (section 2.03)
- § 415 failures Appendix A (section .08), Appendix B (section 2.04)
- § 416 failures Appendix A (section .02)
- by additional employer contributions -6.02(2)(b), 6.02(4), 6.10(4)(a)
- by corrective allocations -6.02(4), 6.02(5)(b)
- by corrective distributions -6.02(4), 6.02(5)(b)
- by plan amendment 4.05, 4.06, 6.05, 10.05, 10.08, Appendix B (section 2.07)
- consistency requirements 6.02(3)
- designated Roth contributions Appendix B (section 1.03)
- earnings adjustments 6.02(5)(a)
- Employer Eligibility Failure 4.01(2), 4.07, 5.01(2)(a)-(d), 5.02(2)(a)(xii), 5.02(2)(c), 6.03, 6.10(1), 10.11(1), 14.02
- Excess Amounts:
 - \bullet defined 5.01(3)(a)
 - pre-approved correction method Appendix A (section .08)
 - special rules relating to -6.06(1)
 - treatment of small -6.02(5)(e)
 - ♦ under SEPs and SIMPLEs 6.10(5)
- Excess Allocations:
 - \bullet defined 5.01(3)(b)
 - ♦ Reduction of Account Balance correction method 6.06(2)
- exclusion of eligible employees 6.02(7), Appendix A (section .05), Appendix B (section 2.02)
- failures in SEPs 6.10
- failures in SIMPLE IRAs 6.10
- hardship distribution failures Appendix B (section 2.07(2))
- inclusion of ineligible employees Appendix B (section 2.07(3))
- location of missing participants/spouses 6.02(5)(d)
- not permitted if remedial amendment period has not expired 6.08
- on audit see "Audit CAP" and/or "SCP"
- Operational Failures under SCP:
 - ♦ insignificant 8
 - ♦ significant 9
- Orphan Plan, abandoned Appendix A (section .09)
- overcontributions to SEPs -6.10(5)
- overcontributions to SIMPLE IRAs 6.10(5)

Correction (continued)

- Overpayments
 - \bullet defined -5.01(3)(c)
 - \bullet improper distributions 6.03(4), 6.09(5)
 - recovery of small -6.02(5)(c)
 - ♦ Return of Overpayment correction method 6.06(3), Appendix B (section 2.05)
- participant and/or spousal consent 2.01, 6.04, Appendix A (section .07)
- plan loan failures, correction by plan amendment Appendix B (section 2.07(2))
- plan loan failures, loan treated as distribution under § 72(p):
 - \bullet correction methods 6.02(6), 6.07(1), 6.07(2)
 - ♦ correction principle 6.02(6)
 - \bullet no plan provisions required for reporting requirements to apply -6.07(2)(d)
 - required form for reporting -6.07(1)
 - \bullet requirement of employer contributions to correct -6.02(6)
 - ♦ year for which reported 6.07
- pre-approved methods of correction:
 - ♦ applicability to plan types 6.02(2), Appendix A (section .01), Appendix B (section 1.01(2))
 - ♦ examples Appendix A, Appendix B (section 2)
- principles under EPCRS 6.01, 6.02
- reasonable and appropriate:
 - failures relating to nondiscrimination -6.02(2)(c)
 - ♦ inadvertent Qualification Failures 6.02(2)
 - ♦ keeping plan assets in plan 6.02(2)(b)
 - ◆ resemblance to Internal Revenue Code or regulations thereunder 6.02(2)(a)
 - ◆ should not violate Internal Revenue Code section 401(a) or 403(b) 6.02(2)(d)
 - ◆ use of correction methods authorized by other government agencies 6.02(2)(e), Appendix A (section .09)
 - ♦ where Employer ceases to exist or no longer maintains plan 6.02(2)(e), Appendix A (section .09)
- reporting of corrective distributions 6.02(8)
- restoration of benefits 6.02(1)
- special exceptions to full correction:
 - reasonable estimates because of unavailable or imprecise data, excess cost in obtaining precise data 6.02(5)(a)
 - \bullet delivery of small benefits -6.02(5)(b)
 - ♦ recovery of small Overpayments 6.02(5)(c)
 - \bullet recovery of small Excess Amounts 6.02(5)(e), 6.06
 - ♦ locating lost participants 6.02(5)(d)
 - \bullet terminating Orphan Plans 6.02(5)(f)
- spousal consent 6.04, Appendix A (section .07)
- terminated plans, availability of correction for 4.08
- timing of under VCP 10.07(9)
- undercontributions to SEPs or SIMPLE IRAs 6.10(4)
- verification of -10.07(11)
- voluntary and timely 1.02

Defect – see "Failure"

Determination letter:

- applications related to VCP submissions, where to file 10.05
- applications not related to VCP submissions 10.06
- changes made to requirement under EPCRS 2.01, 6.05
- as part of definition of "favorable letter" 5.01(4)
- requirement of under EPCRS 4.06, 6.05, 9.03, 10.06, 11.04(3)
- when review of causes plan to be considered to be "Under Examination" -5.03(3)
- requirement relating to Anonymous Submissions 10.10
- required statement regarding status of application not related to VCP submission 11.03(17)

Disclosure and confidentiality under EPCRS – 6.11

Diversion or misuse of plan assets -4.12

Earnings adjustments – 6.02(4), 6.10(4)(b), Appendix B (section 3)

Effective date – 16

Egregious failure – see "Failure", "egregious"

Eligible Organization – see "Group Submission under VCP"

Employee Plans Compliance Resolution System – see "EPCRS"

Employer -5.01(6), 5.02(5)

EPCRS:

- availability of (or lack thereof) 4.01(5)
- defined 1.01
- effect of abusive tax avoidance transaction on availability of programs under 4.13
- general principles 1.02
- programs:
 - ♦ Audit Closing Agreement Program see "Audit CAP"
 - ◆ Self-Correction Program see "SCP"
 - ♦ Voluntary Correction Program see "VCP"

Error – see "Failure"

Examination – see also "Under Examination":

- correction of insignificant failures upon 8.01
- effect of anonymous VCP submission on − 10.10(2)
- effect of compliance statement on − 10.09
- effect of pending VCP request on 10.03, 10.04
- effect of Group Submission on 10.11(3)(d)
- effect on correction period under SCP 9.02(3)
- effect on eligibility for SCP 4.02
- effect on eligibility for VCP 4.02
- effect on eligibility for Group Submission 10.11(3)(d)
- referral of VCP submission to -4.13, 10.06(2), 10.07(4), 10.07(5), 10.07(7), 10.07(8), 10.07(11)
- subsequent verification of failures' correction does not constitute an -10.07(11)
- VCP submission requirement that neither plan nor Plan Sponsor is Under Examination 11.03(14)

Excess Amount - see also "Overpayment":

- In general:
 - ♦ relation to "Overpayment" 5.01(3)
 - treatment of small -6.02(5)(e)
 - ♦ as factor under Audit CAP 14.02

Excess Amount (continued)

- 403(b) Plans:
 - \bullet correction of -6.06(2)
 - \bullet defined 5.02(3)
- Qualified Plans:
 - \bullet correction of -6.06(1)
 - \bullet defined 5.01(3)
- SEPs:
 - ♦ correction of Excess Amounts 6.10(5)
 - \bullet correction of failure to satisfy deferral percentage test 6.10(3)
 - ♦ correction of undercontributions 6.10(4)
 - \bullet defined 5.01(3)(e)
 - fees for -12.05(2)
- SIMPLE IRAs:
 - ♦ correction of Excess Amounts 6.10(5)
 - ♦ correction of failure to satisfy deferral percentage test 6.10(3)
 - ♦ correction of undercontributions 6.10(4)
 - \bullet defined 5.01(3)(e)
 - fees for -12.05(2)

Excise taxes – 2.01, 6.09

Failure – see also "Correction":

- $\S 403(b) 5.02(2)$
- $\S 408(k) 5.04$
- $\S 408(p) 5.05$
- additional discovered after submission of VCP request 10.07(5)
- Demographic 4.01(2), 4.05, 5.01(2)(c), 5.02(2)(b), 6.05, 6.10, 14.02
- egregious 4.11, 12.06
- Employer Eligibility 4.01(2), 4.07, 5.01(2)(a)-(d), 5.02(2)(a)(xii), 5.02(2)(c), 6.03, 6.10(1), 10.11(1), 14.02
- need to identify -5.03(3), 10.02, 10.08(4)(b)
- nonamender 2.01, 4.06, 11.11, 12.03, 14.02, 14.04
- Operational
 - \bullet defined, for qualified plans 5.01(2)(b)
 - \bullet defined, for 403(b) plans 5.02(2)(a)
 - ♦ significant vs. insignificant 8.02
 - \bullet other references 4.01(2), 4.05, 6.05, 6.10, 8, 9, 10.11, 14.02
- Plan Document 4.01(2), 4.05, 5.01(2)(a), 6.05, 6.10, 10.11, 14.02
- plan loan -4.01(2), 4.01(3), 12.02(3), 13.01
- Qualification 5.01(2)
- treatment if found by Service during review of determination letter application 5.03(3), 10.06(2), 10.06(3)

Favorable Letter:

- as eligibility requirement 4.03
- defined -5.01(4)

Fee – 1.02, 12, 14.04 see also specific entries under VCP

Form failure – see "Failure", "Plan Document"

Group Submission under VCP:

- compliance fee:
 - ♦ determination of amount 12.04
 - ♦ form of payment 11.05
 - ♦ timing of payment 11.05, 11.06
- described 10.11
- effect of examination on eligibility 10.11(3)(d)
- Eligible Organization 10.11(2)
- Eligible Organization receives unsigned compliance statement 10.11(3)(c)
- notice requirements 10.11(3)(b)
- procedures 10.11(3)(a); see also specific entries under VCP
- special rules 10.11

Income taxes -6.07, 6.09

John Doe request – see "Anonymous Submission under VCP"

Late amender – see "Nonamender"

Mailing address, VCP submissions – 11.13

Maximum Payment Amount – see "Audit CAP", "sanction"

Mergers and acquisitions – see "Transferred Assets"

Minimum distribution requirement failures – see "Correction", "§ 401(a)(9) failures"

Mistake – see "Failure"

Multiemployer plan -10.12

Multiple employer plan -10.12

Multiple use test failures – see "Correction", "§ 401(m)(9) failures"

Nonamender:

- definition, determination letter submission requirement 4.06
- fee under VCP 12.02, 12.03
- fee pursuant to unrelated determination letter application 14.04
- sanction pursuant to Audit CAP 14.02

Orphan Plan

- correction method Appendix A (section .09)
- defined -5.03(1)
- Eligible Party 5.03(2)
- exception to full correction for 6.02(5)(f)
- compliance fee, waiver of -12.02(4)

Overpayment – 5.01(3), see also "Excess Amount"

Payment – see "Fee" and/or "Sanction"

Penalty – see "Fee" and/or "Sanction"

Plan:

- § 403(b):
 - \bullet defined -5.02(1)
 - ♦ effect of EPCRS on 3.01
 - ♦ Excess Amounts:
 - \bullet defined 5.02(3)
 - \star correction of -6.05(2)

Plan, § 403(b) (continued)

- resolution of 403(b) Failures under EPCRS
 - ❖ Program eligibility 4.01, 5.03
 - \bullet Definitions 5.02
 - ❖ Correction of Excess Amounts 6.06(2)
 - **❖** SCP − 7
 - ❖ Processing of VCP submission, additional failures discovered 10.07(5)
 - **❖** Anonymous Submissions − 10.10
 - ❖ Group Submissions 10.11
 - ❖ Application procedures, submission requirements 11.02, 11.03
 - ❖ VCP fee − 12.02, 12.04, 12.06
 - ❖ Audit CAP sanction factors 14.02
- § 457(b):
 - ♦ acceptance of submissions on a provisional basis outside of EPCRS 4.10
- correction by amendment see "Correction", "by plan amendment"
- document 11.04(1)
- Oualified:
 - \bullet defined 5.01(1)
 - ◆ resolution of Qualification Failures discovered upon examination see "Audit CAP"
 - ◆ submission of Qualification Failures under the Voluntary Correction Program see "VCP", "Group Submission under VCP", and/or "Anonymous Submission under VCP"
- SEP:
 - ♦ correction of failures 6.10
 - \bullet defined 5.05
 - ♦ effect of EPCRS on 3.01
 - ♦ Excess Amounts:
 - \bullet defined 5.01(3)(e)
 - \diamond correction of -6.05(1)
 - ♦ Favorable Letter 5.01(4)
 - ♦ fee under VCP 12.05
 - ♦ eligibility to resolve insignificant Operational Failures under SCP 4.01, 7
 - ◆ resolution of failures discovered upon examination see "Audit CAP"
 - ♦ submission of failures under the Voluntary Correction Program see "VCP"
- SIMPLE IRA:
 - ♦ correction of failures 6.10
 - \bullet defined 5.06
 - ♦ effect of EPCRS on 3.01
 - ♦ Excess Amounts:
 - \bullet defined 5.01(3)(e)
 - \star correction of -6.05(1)
 - ♦ Favorable Letter 5.01(4)
 - ♦ fee under VCP 12.05
 - ♦ eligibility to resolve insignificant Operational Failures under SCP 4.01
 - ◆ resolution of failures discovered upon examination see "Audit CAP"
 - submission of failures under the Voluntary Correction Program see "VCP"

Plan (continued)

• terminated – 4.08

Plan administration – see "Plan operations"

Plan operations -1.02

Plan Sponsor – 5.01(6), 5.02(5)

Power of Attorney – 11.08

Practices and procedures:

- as eligibility requirement 1.03, 4.04
- defined 4.04

Procedures – see also "Practices and procedures":

- compliance statement conditioned upon 10.08
- conference right 10.07(6)
- eligibility of submission 10.07(2)
- review of submission 10.07(3)
- verification of required revisions to 10.07(11)

Qualified Non-elective Contributions – see "QNECs"

ONECs:

- approved correction methods involving Appendix A (section .03), Appendix B (section 2.02)
- may amend plan to provide for -4.05(1)

Reliance – 1.02, 3.04

Revenue Procedure 2007-44, references to – 5.04, 10.08(1)

Retirement plan – *see "Plan"*

Sanction - see "Audit CAP", "sanction"

SCP:

- correction by retroactive plan amendment 4.05(2), 4.06(2), 9.03, Appendix B (section 2.07)
- correction period 9.02
- defined 1.03
- effect of abusive tax avoidance transaction on eligibility under 4.13
- effect of examination on eligibility 4.02
- eligibility requirements 4.01(1), 4.03, 4.04, 7
- effect of and reliance on 3.01
- practices and procedures 1.01, 1.03, 4.04
- purpose 1.01
- role of Transferred Assets in extending correction period 9.02(2)
- submission of determination letter application for corrective amendment 4.05, 4.06, 9.03
- substantial completion of correction 9.04

Self-Correction Program – see "SCP"

SEP – see "Plan", "SEP"

SIMPLE IRA – see "Plan", "SIMPLE IRA"

Simplified Employee Pension – see "Plan", "SEP"

Tax-sheltered annuities – see "Plan", "403(b)"

Terminated plan – see "Plan", "terminated"

Transferred Assets:

- defined -5.01(7)
- effect on amount of Audit CAP sanction:
 - ♦ as factor in determining amount 14.03

Transferred Assets (continued):

- ♦ alternate calculation of Audit CAP sanction amount 14.04
- effect on amount of VCP fee (alternate calculation of amount) 12.07
- extension of SCP correction period for 9.02(2)
- SCP requirement for established practices and procedures relating to 4.04
- VCP submission requirement relating to 11.03(16)

Under Examination – see also "Examination":

- defined 5.07
- effect on correction period under SCP 9.02(3)
- effect on eligibility for SCP 4.02
- effect on eligibility for VCP 4.02

VCP:

- application:
 - ♦ acknowledgement letter 11.12
 - ♦ assembly 11.15
 - ♦ checklist 11.10, Appendix C
 - ♦ designation of plan type or special submission type 11.11
 - ♦ mailing address 11.13
 - ♦ maintaining copies of 11.14
 - ♦ procedures, in general 11.03, Appendix D
 - ♦ sample Appendix D
 - ♦ streamlined 11.02, Appendix F
- compliance fee:
 - ♦ determination of amount 12.02, 12.03, 12.04, 12.05, 12.06, 12.07
 - ♦ form of payment 11.05
 - ♦ role of Transferred Assets in determining amount 12.07
 - ♦ timing of payment 11.05, 11.06, 12.01, 12.05, 12.06(2)
- correction of failures in a terminated plan 4.08
- defined 1.03
- determination letter, related to failure(s) being resolved under VCP 4.06, 5.01(4), 5.03(3), 10.05, 10.06, 10.10, 11.04(2)
- eligibility
 - ♦ abusive tax avoidance transaction, effect on eligibility 4.13
 - ♦ examination, effect on eligibility 4.02
 - ◆ requirements, in general 4.01(2)
- penalty of perjury statement 11.09
- processing of request:
 - ♦ additional failures discovered after submission of request 10.07(5)
 - \bullet conference right 10.07(6)
 - ♦ eligibility of submission 10.07(2)
 - failure to reach resolution -10.07(7)
 - \bullet issuance of compliance statement 10.07(8)
 - ♦ modification of compliance statement 10.07(10)
 - request for additional information 10.07(4)
 - \bullet review 10.07(3)

TOPICAL INDEX FOR REVENUE PROCEDURE 2008-50

VCP, processing of request (continued)

- screening -10.07(1)
- ♦ timing of correction 10.07(9)
- ♦ verification of correction 10.07(11)
- required documents 11.04
 - plan document -11.04(1)
 - ♦ determination letter application, related to failure(s) being resolved under VCP 11.04(2)
- submission see "application"

Voluntary Correction Program – see "VCP"