

## Compliance Correction Programs

The Internal Revenue Service and Department of Labor offer a comprehensive system of correction programs to sponsors of 401(a), 403(b) and Simplified Employee Pension (SEP) plans. Each program is designed to correct specific problems.

### **DOL Delinquent Filer Program (DFVC):**

- Failure to file Form 5500.
- The DOL fees for small plans (fewer than 100 participants) are \$10 per day after the due date, not to exceed \$750 per return, with a maximum of \$1,500 for multiple late returns. The DOL fees for large Plans (100 or more participants) are \$10 per day after the due date, not to exceed \$2,000 per return, with a maximum of \$4,000 for multiple returns.
- NHI will charge annual administration fees plus \$500 for DOL submission.

### **IRS Penalty Relief for Late 5500-EZ:**

- Failure to file Form 5500-EZ owner-only plans.
- The IRS fee is \$500 per delinquent return up to \$1,500 per plan.
- NHI will charge \$250 for each missed year to prepare 5500-EZ and submission.

### **IRS Voluntary Correction Program (VCP):**

- Failure to timely adopt or amend plan documents.
- Effective January 2, 2018, the IRS fees are based on the net plan assets from the most recent form 5500-series form.
- NHI will charge document fees plus \$500.

### **IRS Self Correction Program (SCP):**

- Operational Failures such as ADP/ACP tests, top-heavy, 415 limits, and minimum distributions.
- There is no IRS fee.
- NHI will charge a fee of \$500.

### **DOL Voluntary Fiduciary Correction Program (VFCP):**

- Late deposit of 401(k) or employer contributions.
- There is no DOL fee.
- NHI will charge a fee of \$1,500 (The client could incur additional NHI fees depending on the severity of the violation and the amount of time required.)

### **Determination of Controlled Groups or Affiliated Services Groups:**

- If research needs to be completed to determine whether the companies are affiliated and/or controlled, our fee is \$500 for a letter. If we cannot determine whether the companies are affiliated and/or controlled, NHI will charge \$2,000 to file for an IRS determination letter.

### **Plan Audit Services:**

- Our fees are \$200 per hour.