

Annual IRS Revenue Procedure Includes Surprising Change to User Fees

Article By:

Seth J Safra

On January 2, 2018, the IRS published its annual bulletin that updates procedures for requesting rulings, determinations, and other guidance from the IRS. As in past years, the bulletin includes new user fees for determination requests and submissions under the Voluntary Correction Program (“VCP”). But this year’s update includes a significant surprise for the VCP program; and while changes in past years typically went into effect about a month after they were announced, this year’s changes are effective immediately.

For many VCP filings, the new fees are significantly lower than in the past. Instead of fees based on the number of participants and capped at \$15,000, the new fee schedule is based on plan assets and caps out at \$3,500 (for a plan with over \$10 million in assets). While this is certainly a welcome change, the IRS has eliminated the availability of reduced fees for streamlined filings. For example, in 2017 plan sponsors could correct minor plan loan and minimum required distribution errors for as little as \$300; these streamlined options are no longer available.

Under the new fee schedule, the user fee for a VCP filing is the same for any type of error and there is no limit on the number of errors that can be included in a submission. Plan sponsors considering the pros and cons of self-correction vs. VCP should consider the new fee schedule.

In addition to the VCP change, the user fee for a Form 5310 filing (a determination letter application for a terminating plan) has increased from \$2,300 to \$3,000.

Randall Bunnell contributed to this post.

© 2025 Proskauer Rose LLP.

National Law Review, Volume VIII, Number 2

Source URL: <https://natlawreview.com/article/annual-irs-revenue-procedure-includes-surprising-change-to-user-fees>