



A Robinson+Cole Legal Update

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New IRS Pre-Examination Compliance Pilot for Retirement Plans

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On June 3, 2022, the IRS announced that it is establishing a new pre-examination retirement plan compliance program beginning this month. This program will notify a plan sponsor by letter that their retirement plan was selected for an upcoming examination/audit. The letter will give the plan sponsor a 90-day window to review its plan documents and operations to determine if they meet current tax law requirements. If a recipient of the letter does not respond within 90 days, the IRS will contact the recipient to schedule an exam.

Mistakes found that qualify for the Self-Correction Program under the Employee Plans Compliance Resolution System (EPCRS) can be corrected in that manner during that 90-day period. For items that don't qualify, the plan sponsor can request remediation through a closing agreement with the IRS. The IRS will review documentation and either issue a closing letter or conduct a limited or full scope examination. The goal of the pilot program is to reduce taxpayer burden and reduce time spent on qualified plan examinations.

The duration of the pilot was not specified, but the IRS will evaluate its effectiveness and determine if the program will become part of their overall compliance strategy.

FOR MORE INFORMATION

If you receive an examination notice from the IRS, or if you would like to conduct a self-audit in the absence of an impending audit, please contact either member of Robinson+Cole's [Employee Benefits and Compensation Practice](#) listed below:

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