DOL Adds Self-Correction Component to its VFC Program

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In program amendments recently published in the Federal Register, the DOL announced it is adding a new "self-correction" component to its Voluntary Fiduciary Correction Program ("**VFC Program**"). The self-correction program is limited to correcting only the most common type of fiduciary failure currently being corrected under the existing VFC Program—that is, the failure to timely deposit participant elective deferrals and loan repayments into a defined contribution plan. Although self-correction is available to plans of any size, it is limited to only those corrections where the amount of lost earnings does not exceed $1,000 in the aggregate for the correction. Plan sponsors using the self-correction program must report the self-correction to the DOL online using a new web tool and must also provide the plan administrator with certain information and documentation as listed in the new Appendix F to the VFC Program. There is no cap on how frequently a plan sponsor may use the program. This will be a welcome change for plan sponsors who are frustrated with the cost and hassle of correcting small amounts through the current VFC Program submission process.

The VFC Program amendments are available here.

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