

IRS Revises VCP User Fees

January 12, 2018

For submissions made on or after January 2, 2018, the user fee to correct a qualified plan operational failure under the IRS's Voluntary Correction Program (VCP) will be based on the total amount of net plan assets rather than the number of participants in the plan. Net plan assets are generally determined using the amount listed on the most recent Form 5500 filed for the plan. Additionally, alternative or reduced fees for certain corrections have been eliminated. Therefore, in some cases fees will be significantly lower than under the prior fee schedule, but in other cases, they will be higher because the prior fee schedule based the fee on the number of affected participants, not the number of total participants. Below is the new, simplified fee schedule for VCP submissions, followed by the prior fee schedule.

New Fee Schedule: Net Plan Assets	VCP Fee
\$0 to \$500,000	\$1,500
Over \$500,000 to \$10,000,000	\$3,000
Over \$10,000,000	\$3,500

Prior Fee Schedule: Number of Participants	VCP Fee
20 or fewer participants	\$500
21 to 50 participants	\$750
51 to 100 participants	\$1,500
101 to 1,000 participants	\$5,000
1,001 to 10,000 participants	\$10,000
Over 10,000 participants	\$15,000

[View the new fee schedule, which is set forth in Appendix A, Section .09 \(page 223\) of Revenue Procedure 2018-4.](#)