

Office of Management and Budget Clearance Package

Web-based Survey Assessment of the
Employee Plans Compliance Resolution System
Self Correction Program

Internal Revenue Service
Tax Exempt and Government Entities Division
February 5, 2021

Introduction

Background

A qualified retirement plan must satisfy the requirements of Internal Revenue Code § 401(a) both in form and operation in order to be maintain its qualified status. When a plan fails to do so, the plan becomes disqualified; the trust loses its tax-exempt status and valuable tax benefits are lost by both the employer and employees.

As an alternative to plan disqualification and revocation of the tax exempt status of the trust, the IRS has developed a comprehensive system of correction programs called the Employee Plans Compliance Resolution System (EPCRS). One component of this system, the Self Correction Program (SCP), permits plan sponsors to correct plan failures and continue to provide employees with retirement benefits that are entitled to favorable tax treatment **without notifying the Service of these corrections.**

The SCP program is believed to be a valuable and popular resource of the practitioner community. Many practitioners in previous workshops and focus groups have pointed out the effectiveness of the program and discussed favorably how it worked for them and their customers. The EPCRS would like to be able to validate these assumptions on how well the program is working and explore the possibility of expanding it to other plan failure corrections.

Objectives of Data Collection

Due to the very nature of the SCP program, which is to correct specified failures without notifying the Service, it is very difficult to ascertain the level of use and effectiveness of the program. Without notification, Employee Plans (EP) is unable to determine the size of the participant population, and thus determine a statistical sample size. However, lack of population size knowledge should not preclude EP from developing a unique way of assessing the participant population. EP, along with TEGE Research and Analysis and the Data Analysis Unit (DAU), have come up with an idea of administering an online survey to the practitioner community that potentially participate in the program. The survey would be distributed via the quarterly *Employee Plans Newsletter* and conclusions of the program can be drawn from those taking advantage of the survey. Participants of the SCP program will answer survey questions on how the program worked for them and those that have not taken advantage of the SCP program can tell us why they did not participate. Without this unique approach, EP is unable to make any type of assessment of the effectiveness of the program.

Methodology

Sample Design

The content of the proposed SCP's online survey will be developed by the Manager of Employee Plans Voluntary Compliance and will be a maximum of five minutes in length. The length of the survey will depend on the participant's use of the SCP program. Practitioners being surveyed that did not participate in the SCP program or are not a part of the practitioner community will have a shorter version of the survey which will last a maximum of one minute or less. Practitioners that have participated in the SCP program will take a maximum of five minutes to complete the survey. Using a web-based survey

will maximize the response rate by reducing the amount of burden on the respondent as well as improve the efficiency of the analysis once the survey is completed.

Data Collected

The content of the survey will include questions regarding the following:

- Type of practitioner
- Type of correction
- Number of participants affected
- Number of times SCP was used
- If practitioner will use program again

How Data Is Collected and Used

The survey will be piloted with a group of five practitioners approximately one month before the actual survey is launched. The purpose of running a pilot is to correct any unforeseen problems with the survey before it goes live to the public.

Once the pilot is completed and successful, a special edition newsletter will be sent out to aid advertisement in the spring issue of the newsletter. The survey will launch in special edition newsletter and will be completed in four weeks.

Currently, EP has developed a working relationship with the practitioner community by providing newsletters regarding various updates and information on retirement plans. To encourage participation, the advertisement will convey to practitioners that their involvement in the survey will help the Service enhance the program, potentially making it easier and/or opening the program up to more types of corrections.

EP will advertise the upcoming online survey through the newsletter and will later launch the survey through a special update newsletter to 26,000 subscribers of the newsletter targeting EP practitioners. The survey will remain anonymous and will not contain taxpayer data. C-Vent, a GSA approved contractor will be hosting the survey online, collecting the results, and then forwarding the data to the DAU.

To encourage a high response rate, EP will send a follow up e-mail to the practitioners about participating in the survey. The follow-up will thank practitioners that have already participated and encourage those that haven't to take advantage of it.

Once the data is collected from the contractor, EP, with the assistance of TEGE Research and the Data Analysis Unit, will analyze of the results. A report will be provided as to the results of the survey. EP will use the results of the study to make an assessment of the program based on the respondents of the survey.

Survey Dates

The Survey will be launched in a special update newsletter in July of 2008. Two weeks following the initial mailing of the survey, a second e-mail will be sent thanking those that have participated in the survey and reminding those that have not yet taken it to do so within two weeks. We expect the survey to be launched and follow-up conducted within four weeks from date of launch.

Who is Conducting the Research

EP, with the assistance of TEGE Research and the DAU, will be conducting the research for this study. C-Vent, the GSA approved contractor we will be working with, is hosting the survey online.

Results of the Study

The following information is needed to satisfy OMB requirements. It must be provided within 60 days after the conclusion of the survey data collection.

- Findings – Provide a brief summary of the significant findings that were discovered in the results.
- Actions taken or lessons learned – Provide a brief summary of any actions taken or lessons learned as a result of the findings.
- Taxpayer participations
 - o Number of survey requests sent to taxpayers
 - o Number of survey respondents
- Date the data collection began.
- Date the data collection ended.
- Cost – All cost associated with the administration of the online survey (not including salaries of regular IRS employees).

Cost of Study

The cost of the online survey hosting will be \$3,500. No additional fees or costs are required.

Recruitment Efforts

Special language will be created to encourage participation in the survey. The language will help potential participants understand the importance of the survey to the enhancement of the program and potential expansion. The recruitment language is as follows:

Tell us what you think about our Self Correction Program!

We are looking for feedback on the Employee Plans Compliance Resolution System (EPCRS). IRS Employee Plans is conducting a short, voluntary and anonymous survey designed to gauge the relevance and usefulness of the Self-Correction Program (SCP). Your participation in this survey will greatly assist us in making our programs more responsive to the needs of plan sponsors, employees, and beneficiaries of the retirement plan system.

The anonymous questionnaire includes ten questions, and should take approximately five minutes to complete. We thank you in advance for your participation and look forward to future improvements that work for you!

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1349. Also, if you have any comments regarding the time estimates associated with this study or suggestions on making this process simpler, please write to the, Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224.

Expected Response Rate

Due to positive feedback from practitioners on the program, the short length of the survey and ease of taking the survey online, the group is expecting a response rate of about 50%. Of those that take the survey, we expect that 70% will have taken part in the SCP and will take the full survey, and about 30% will not have taken part in SCP and will only take part of the survey. However, due to the nature of our survey instrument (newsletter), we will not be able to measure an official response rate.

The EP newsletter is distributed through a list serve of practitioners who sign up to receive the newsletter. The listserv is completely anonymous and therefore we are not permitted to use it as a tool to determine our response rate.

Methods to Maximize Response Rate

Typical online surveys of this length and magnitude enjoy a high response. Providing an online survey limits the amount extra steps necessary to provide survey results. The short amount of time involved encourages a greater response rate.

In addition, a follow-up e-mail will remind those participants who may have forgotten to take the survey to do so in the allotted time frame. The language of the follow up email will be the following:

Tell us what you think about our Self Correction Program!

(Two weeks ago), you received the Special Edition Employee Plans News seeking your feedback on our Self-Correction program. If you haven't already done so, there is still time for you to take the survey and provide your valuable input to us. Please click on the link below to access our anonymous questionnaire, which should take less than five minutes to complete. We thank you in advance for your participation and look forward to future improvements that work for you!

The Employee Plans Compliance Resolution System (EPCRS) survey is designed to gauge the relevance and usefulness of the Self-Correction Program (SCP). Your participation in this survey will greatly assist us in to making our programs more responsive to the needs of plan sponsors, employees, and beneficiaries of the retirement plan system.

Participant Criteria

Participants of the survey must be plan sponsors or practitioners that serve the retirement plans community. Initial questions on the survey will aid in eliminating respondents that do not meet this criteria.

Privacy/Disclosure/Confidentiality/Security Issues

Participants will be instructed to click on a link that will be provided in the newsletter. No identifying or taxpayer information will be collected.

The Paperwork Reduction Act Statement & OMB Control Number will be provided on the actual survey.

Burden Hours

Participants in the study will be required to spend approximately five minutes or less answering questions on the survey. EPCRS expects a response rate of 50%.

- Approximately 70% of the participants will meet the criteria and will spend a maximum of five minutes
- Approximately 30% of participants will not meet the criteria and will spend a maximum of three minutes on the survey.

Number of Expected Participants	Total Number of Minutes	Total Burden Hours
26,000 x .50 = 13,000 expected participants	(full survey) 13,000(.70) = 9,100 participants 9100 x 5 minutes = 45,500 min. (part survey) 13,000(.30) = 3,900 participants 3,900 X 3 minutes = 11,700 total min.	45,500 + 11,700 = 57,200 min. 57,200/60 min.= 953 total burden hours

Study Contact

For questions regarding the study, contact:

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