

SUPPORTING STATEMENT
Internal Revenue Service (IRS)
Employee Plans Compliance Resolution System (EPCRS)
Revenue Procedure 2021-30, including Forms 8950, 8951, 14568,
14568-A through I
OMB No. 1545-1673

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Revenue Procedure 2012-30 updates the comprehensive system of correction programs for sponsors of retirement plans that are intended to satisfy the requirements of § 401(a), 403(a), 403(b), 408(k), or 408(p) of the Internal Revenue Code (the “Code”), but that have not met these requirements for a period of time. This system, the Employee Plans Compliance Resolution System (“EPCRS”), permits Plan Sponsors to correct these failures and thereby continue to provide their employees with retirement benefits on a tax-favored basis. The components of EPCRS are the Self-Correction Program (“SCP”), the Voluntary Correction Program (“VCP”), and the Audit Closing Agreement Program (“Audit CAP”).

The collection of information in this revenue procedure is in sections 4.05, 6.02(5)(d), 6.09(5), 6.09(6), 10, 11, 13.01, Appendix A, sections .05(8)(c) and .05(9)(c), and Appendix B, sections 2.01-2.07, and only applies to the Voluntary Correction Program.

Voluntary Correction Program:

- The plan sponsor makes a submission to the IRS via www.pay.gov that:
 - o includes a completed [Form 8950](#) (PDF),
 - o identifies the mistakes
 - o proposes corrections using the general correction principles in Rev. Proc. 2021-30, section 6,
 - o proposes changes to its administrative procedures to ensure that the mistakes do not recur,
 - o pays a [user fee](#),
 - o and may include [Form 14568, Model VCP Compliance Statement](#) (PDF) and attachments of separate narrative documents that describe the qualification failures, correction methods, and other items described in section 11.04. or in lieu of the attachments, Forms 14568-A through 14568-I (Schedules).
- The IRS issues a Compliance Statement detailing mistakes identified by the plan sponsor and the correction methods approved by the IRS.
- The plan sponsor corrects the identified mistakes within 150 days of the issuance of the Compliance Statement.
- While the IRS is processing the submission, Employee Plans will not audit the plan, except in unusual circumstances.

This information will be used to issue closing agreements and compliance statements to allow individual plans to continue to maintain their tax favored status. As a result, favorable tax treatment of the benefits of the eligible employees is retained. The likely respondents are individuals, state or local governments, businesses or other for-profit institutions, nonprofit institutions, and small businesses or organizations.

Revenue Procedure (Rev. Proc.) 2021-30 modified and superseded Rev. Proc. 2019-19 the most recent prior consolidated statement of the correction programs under EPCRS. This update to Rev. Proc. 2019-19 is a limited update and did not result in a change to burden estimates.

Rev. Proc. 2019-19 modified and superseded Rev. Proc. 2018-52, which was a limited update and published primarily to expand SCP eligibility to permit correction of certain Plan Document Failures and certain plan loan failures, and, also to provide an additional method of correcting Operational Failures by plan amendment under SCP

Rev. Proc. 2018-52, 2018-42 I.R.B. 611, which modified and superseded Rev. Proc. 2016-51, 2016-42 I.R.B. 465, and provided that beginning January 1, 2019, Plan Sponsors may file a VCP submission with the IRS (including payment of applicable user fees) using the www.pay.gov website. A complete explanation of the effect of this revenue procedure on programs, to include modifications, see section 2 (page 7).

2. USE OF DATA

This information will be used to issue closing agreements and compliance statements to allow individual plans to continue to maintain their tax favored status. As a result, favorable tax treatment of the benefits of the eligible employees are retained.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

All VCP submissions must be filed using the Pay.gov website, <https://www.pay.gov/>, and all user fee's must be submitted using the Pay.gov, as well.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

The EPCRS has made it easier for retirement plans to stay within complex rules and to reduce barriers that discourage some businesses, particularly small businesses, from adopting such employee benefits. The IRS has streamlined its system of voluntary correction programs designed to help retirement plan sponsors and administrators retain the favorable tax status of their plans, including simplifying the fee structure for voluntary submissions. This system has made it easier for employee retirement plans to come into compliance with the law and to protect the retirement benefits of participating employees.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Consequences would be that the IRS would not be able to issue closing agreements and compliance statements to allow individual plans to continue to maintain their tax favored status. A less frequent collection of tax information could adversely affect the government's effectiveness and would reduce the oversight of the public in ensuring compliance with Internal Revenue Code and hinder the IRS from meeting its mission

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

There are no special circumstances requiring data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

In response to the Federal Register notice dated April 19, 2022 (87 FR 23320), the agency received no comments during the comment period for these revenue procedures.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Submissions for closing agreements and compliance statements under this revenue procedure are considered tax returns and tax return information, which are confidential as required by 26 U.S.C. §6103. In general, certain matters relating to taxability and deductibility are disclosable under 26 U.S.C. §6110.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Business Master File (BMF)" system and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 24.046-Customer Account Data Engine Business Master File. The Internal Revenue Service PIAs can be found at <http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA> .

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

The estimated total annual reporting and/or recordkeeping burden for the entire information collection is 190,941 hours.

Approximately 4300 Plan Sponsors file Form 14568 (Model VCP Compliance Statement) and schedules A-I (and/or attachments of separate narrative documents) with the IRS for an average response time of 20.03 hours for a total of 86,148 annual burden hours.

Form **14568-A**, Schedule 1: Interim Nonamender Failures.

Form **14568-B**, Schedule 2: Other Nonamender Failures and Failure to Adopt a **§403(b)**

Plan Timely.

Form **14568-C** - Schedule 3: SEPs and SARSEPs.

Form **14568-D** - Schedule 4: SIMPLE IRAs.

Form **14568-E** - Schedule 5: Plan Loan Failures (Qualified Plans and 403(b) Plans).

Form **14568-F** - Schedule 6: Employer Eligibility Failures (401(k) and 403(b) Plans only).

Form **14568-G** - Schedule 7: Failure to Distribute Elective Deferrals in Excess of the

§402(g) Limit.

Form **14568-H** - Schedule 8: Failure to Pay Required Minimum Distributions Timely.

Form **14568-I** - Schedule 9: Limited Safe Harbor Correction by Plan Amendment.

Form 8950 Application for Voluntary Correction Program (VCP), is filed by

approximately 5000 employers or plan sponsors, including a sole proprietors, partnerships, or corporations with a per response time of 9.81 hours for a total annual time of 49,050.

Form 8951 is to provide a user fee is required with each VCP submission. 5,000 are submitted each year with a response time of 10.02 hours and a total response time of 50,100 annual burden hours.

The estimated frequency of responses is occasional.

The burden estimate is as follows:

Authority	Description	# of Respondents	#Responses per Respondent	Annual Responses	Hours per Response	Total Burden
Revenue Procedure 2021-30	Form 14568 Form 14568-A Form 14568-B Form 14568-C Form 14568-D Form 14568-E Form 14568-F Form 14568-G Form 14568-H Form 14568-I	4300	1	4300	20.03	86148
Rev. Proc. 2021-30	And/or attachment in lieu of schedule	1075	1	1075	5.25	5643
IRC §§401(a), 403(a), 403(b), 408(k), or 408(p)	Form 8950	5,000	1	5,000	9.81	49,050
IRC §§401(a), 403(a), 403(b), 408(k), or 408(p)	Form 8951	5,000	1	5,000	10.02	50,100
Totals		15,375		0		0

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

15. REASONS FOR CHANGE IN BURDEN

There are no changes to the regulation that would affect burden at this time.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis, and publication.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

The agency believes that displaying the OMB expiration date is inappropriate because it would cause confusion by leading taxpayers to believe that the form sunsets as of the

expiration date. Taxpayers may not be aware that the IRS intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement for this collection.

Note: The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.