

STATISTICS AND SURPRISES

While many assume the greatest source of retirement plan liability is a plan's investments, in reality the vast majority of lawsuits and regulatory actions involve failures in plan administration.

The Employee Benefit Security Association's (EBSA) Voluntary Fiduciary Correction Program (VFCP) and Delinquent Filer Voluntary Compliance Program (DFVCP) encourage the correction of violations of ERISA by providing significant incentives for fiduciaries and others to self-correct. 2023 results may surprise you:



- 1,192 applications for the Voluntary Fiduciary Correction Program (VFCP)
- 18,955 applications for the Delinquent Filer Voluntary Compliance Program (DFVCP)
- 731 civil investigations
- 69% resulted in payment or other corrective action
- EBSA restored over \$1.4 billion to employee benefit plans, participants and beneficiaries
- 196 criminal investigations; indictment of 60 individuals—including plan officials, corporate officers and service providers for offenses related to employee benefit plans

The IRS Top Ten List Of Common VCP Submissions

1. Failure to amend for tax law changes
2. Incorrect definition of compensation
3. Failure to include eligible employee or exclude ineligible
4. Loan errors
5. Impermissible in-service withdrawals
6. Required Minimum Distribution errors
7. Employer eligibility failure
8. ADP/ACP failure not corrected timely
9. Failure to provide minimum top heavy benefit
10. Exceeding maximum contribution limits

Source: <https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/ebsa-monetary-results>

Pentegra's approach minimizes risks and reduces burdens.

For more information, contact the Pentegra Solutions Center at solutions@pentegra.com or 855-549-6689.
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