

## **Changes to User Fees for Certain Letter Ruling and Determination Letter Requests Submitted to Employee Plans Rulings and Agreements, Effective January 4, 2021**

Announcement 2020-14

This announcement describes changes to user fees relating to certain requests for letter rulings and determinations that will take effect on January 4, 2021. The increased user fees described in this announcement will be reflected in Rev. Proc. 2021-4, which will be published in Internal Revenue Bulletin 2021-1 on January 4, 2021. This announcement is intended to provide taxpayers and stakeholders with advance notice of these increased user fees.

### Background

Rev. Proc. 2020-4, 2020-1 I.R.B. 148, updated annually, explains how the Internal Revenue Service (Service) provides advice to taxpayers on issues under the jurisdiction of the Commissioner, Tax Exempt and Government Entities Division, Employee Plans Rulings and Agreements Office (Employee Plans Rulings and Agreements), including procedures for requesting letter rulings and determination letters from the Service. It also sets forth the user fees that are required to be paid when requesting various types of advice and describes the requirement under section 7528 of the Internal Revenue Code that user fees are to be determined after taking into account the average time for, and difficulty of, complying with requests in each category and subcategory of submission to the Service.

Appendix A of Rev. Proc. 2020-4 sets forth the user fees applicable with respect to each category or subcategory of submission under the revenue procedure. Section .01 of Appendix A sets forth the user fees applicable to letter ruling requests. Section .06 of Appendix A sets forth the user fees applicable to determination letter requests.

Increased User Fees Effective in 2021

Rev. Proc. 2021-4, effective on January 4, 2021, will reflect increased user fees for the following types of letter ruling and determination letter requests currently listed in Appendix A of Rev. Proc. 2020-4:

| <b>Section</b>    | <b>Type of User Fee</b>   | <b>Current User Fee (Rev. Proc. 2020-4)</b> | <b>User Fee Effective January 4, 2021 (Rev. Proc. 2021-4)</b> |
|-------------------|---|---|---|
| Section .01(3)    | Letter ruling request for Five-Year Automatic Extension of the Amortization Period        | \$1,000                                     | \$6,500   |
| Section .06(1)(a) | Form 5300 (Application for Determination for Employee Benefit Plan)                       | \$2,500                                     | \$2,700   |
| Section .06(1)(b) | Form 5307 (Application for Determination for Adopters of Modified Volume Submitter Plans) | \$800                                       | \$1,000   |
| Section .06(1)(c) | Form 5310 (Application for Determination for Terminating Plan)                            | \$3,000                                     | \$3,500   |

## DRAFTING INFORMATION

The principal author of this announcement is Angelique Carrington of the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). For further information regarding the user fees described in this announcement, contact Don Kieffer of Employee Plans Rulings and Agreements, at 908-301-2655 (not a toll-free number).