

employee plans news

PROTECTING RETIREMENT BENEFITS THROUGH EDUCATING CUSTOMERS

Internal Revenue Service
Tax Exempt and Government
Entities Division

A Publication of Employee Plans

EP and EO Examination Areas Are Realigned

After extensive study, the EP Examination field structure has been realigned from six areas into the following five areas.

- Northeast Area
- Mid-Atlantic Area
- Great Lakes Area
- Gulf Coast Area
- Pacific Coast Area

The EP Examination headquarters in Baltimore will remain the same but the boundaries for the Exam Areas will be adjusted to accommodate this organizational change.

In addition to this geographic realignment for EP, TE/GE is also restructuring the EO Exam function to go from six areas to five areas with EO Exam headquarters remaining in Dallas.

Why were these changes made now, after more than five years of operation? There are a number of reasons.

First, our experience during this time suggests that a move to this new structure will let us make more efficient use of available resources, while still maintaining our current workload and case inventories. Second, we will be able to reduce the number of Areas and still maintain effective management of the Exam program. Finally, some current and long-standing Area Manager vacancies have given us the opportunity to enact this reorganization with minimal impact.

With few exceptions, Revenue Agents will not be affected by this change. Most agents will remain with their current manager and maintain the same workload. A few agents may be assigned to a different manager to balance the groups, but the cases and work will remain the same. Case inventories will remain at current levels and agents will continue working in the same geographic locations.

During the analysis and planning for this change, EP placed the highest priority on balancing day-to-day stability of operation with improvements in efficiency and management.

The [new Area map](#) is available on the [Retirement Plans web page](#).

Special Edition of the DOL Corner

On April 6, 2005, the Department of Labor's Employee Benefits Security Administration published in the Federal Register an expanded and simplified Voluntary Fiduciary Correction Program (VFCP) that helps employers and their professional advisors voluntarily correct violations of the law for employee benefit plans. The new program is effective immediately and is available during the comment period.

The proposed amendments to the VFCP include:

- Three new eligible transactions dealing with delinquent participant loan repayments, illiquid plan assets sold to interested parties, and participant loans that violate certain plan restrictions on such loans;
- Simpler methods and an online calculator for figuring out the amount to be restored to plans;
- Streamlined documentation and clarified eligibility requirements, and
- A model application form.

An amendment to add the sale of illiquid assets to the original VFCP class exemption is simultaneously proposed but will not be effective until finalized.

The VFCP allows employers to voluntarily correct specific violations of the Employee Retirement Income Security Act (ERISA). Applicants must fully correct any violations, restore to the plan any losses or profits with interest, and distribute any supplemental benefits owed to eligible participants and beneficiaries. A "no action" letter is given to plan officials who properly correct violations.

The **[proposed revised program](#)** is available on the DOL/EBSA Web site and the **[proposed exemption](#)** is also available. Written comments on the revised program and the proposed exemption are due by June 6. Comments may be mailed or submitted electronically. See the relevant Federal Register document for the appropriate address for submitting comments.

[Further information](#) on the revised and original programs is available at the **[DOL/EBSA web site](#)**. •

Please share this Special Edition of the *Employee Plans News* with your colleagues. To subscribe to our newsletter, please go to www.irs.gov/ep . All editions of the *Employee Plans News* are archived at www.irs.gov/ep . •