

News Release



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Labor Department Proposes Expansion of Voluntary Compliance Program

WASHINGTON -- The U. S. Department of Labor today expanded and simplified its 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 will be available during the comment period.

Assistant Secretary of Labor Ann L. Combs said, "The Voluntary Fiduciary Correction Program encourages employers to correct violations, improving compliance and enhancing workers' retirement and health security. Expanding the program will allow us to target our enforcement resources even more effectively."

Proposed amendments to the Voluntary Fiduciary Correction Program 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.

The Voluntary Fiduciary Correction Program allows employers to voluntarily correct specific violations of the Employee Retirement Income Security Act. 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. An amendment to add the sale of illiquid assets to the existing Voluntary Fiduciary Correction Program class exemption is simultaneously proposed and will not be effective until finalized.

The proposed amendments and exemption are to be published in the April 6, 2005 *Federal Register*. Comments should be addressed to the U.S. Department of Labor, Employee Benefits Security Administration, Room N-5669, 200 Constitution Ave., N.W., Washington, D.C. 20210, Attention: Voluntary Fiduciary Correction Program, or electronically to e-ORI@dol.gov.

For more information about the Voluntary Fiduciary Correction Program and other compliance assistance activities, contact a local regional office of the Employee Benefits Security Administration through its toll-free number, **1-866-444-3272** or Web Page at www.dol.gov/ebsa.

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