

**CLIENT ADVISORY****Establishing Practices and Procedures to Support Retirement Plan Self-Correction**

July 5, 2023

The opportunity to self-correct mistakes in maintaining a retirement plan has been dramatically expanded by the SECURE 2.0 Act of 2022 (“SECURE 2.0”); see [our February 10 blog post](#) for details. However, IRS interim guidance explaining the scope of self-correction under SECURE 2.0 emphasizes that plan sponsors can self-correct inadvertent failures only if they have established – and followed – practices and procedures reasonably designed to promote and facilitate overall compliance with the rules governing retirement plans. See [our June 27 blog post](#) on this requirement, discussing what such practices and procedures might look like.

Given the advantages of being able to self-correct retirement plan failures without obtaining permission from the IRS, we recommend that clients review their existing practices and procedures, formal or informal, and make sure those practices and procedures are documented in a way that will support eligibility for self-correction. While each plan sponsor administers its plans in its own way, we believe all plan sponsors would benefit from maintaining a simple summary of practices and procedures to promote and facilitate compliance with the rules and to satisfy the requirement for self-correction.

If you would like to discuss establishing or updating practices and procedures for your retirement plans, please contact a member of Verrill’s [Employee Benefits & Executive Compensation Group](#).