

Employee Benefit Plans Alert

IRS Increases User Fees in 2021

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Last month, the IRS announced increases to the User Fees related to certain requests for letter ruling and determination letter requests. The increases are effective January 4, 2021 and will be reflected in the IRS Revenue Procedure 2021-4, to be published in the Internal Revenue Bulletin, also on January 4, 2021.

Adjusted User Fees

The following describes the various letter rulings and determinations subject to user fee adjustments:

1. **Form 5300** (Application for Determination for Employee Benefit Plan) fee is increased to \$2,700 from the current level of \$2,500.
2. **Form 5307** (Application for Determination for Adopters of Modified Volume Submitter Plans) will see its fee raised from the current level of \$800 to \$1,000.
3. **Form 5310** (Application for Determination for Terminating Plan) new user fee will be \$3,500, up from \$3,000.
4. Letter ruling request for **Five-Year Automatic Extension of the Amortization Period** will carry a user fee of \$6,500. The current fee is \$1,000.

The IRS periodically adjusts its User Fees after taking into account the complexity of the requests in each category and sub-category of submission, and the amount of time spent to review all documentation and to make a determination.

Contact Us

The Employee Benefit Services Group at PKF O'Connor Davies is available to assist employers with the preparation of applications and various other tax forms to be submitted to the IRS. For more information, please email Tim Desmond at tdesmond@pkfod.com or Louis F. LiBrandi at lilibrandi@pkfod.com.

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