

stances. At the end of the TVC process, the employer will receive a correction statement setting forth the applicable corrections and conditions.

SECTION 3. EXTENSION OF TVC PROGRAM

Section 3.02 of Rev. Proc. 95-24 provides that the TVC Program will be available through October 31, 1996. In order to continue to evaluate the TVC Program, it will continue to be available through December 31, 1998.

SECTION 4. EXPANSION OF THE PROGRAM

The Service has received comments and inquiries regarding the expansion of the TVC Program to permit the correction of defects not currently covered under Rev. Proc. 95-24. The Service will continue to consider these comments and inquiries and may publish additional guidance in the future.

SECTION 5. EFFECTIVE DATE

This revenue procedure is effective on November 1, 1996.

SECTION 6. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 95-24 is modified.

DRAFTING INFORMATION

The principal author of this revenue procedure is Roz Ferber of the Employee Plans Division. For more information concerning this revenue procedure, call the Employee Plans TVC Telephone Number, (202) 622-6233 (not a toll-free number) between the hours of 1:30 and 4:00 pm, Monday through Thursday. Ms. Ferber may be reached at (202) 622-6214 (also not a toll-free number).

26 CFR 601.202: Closing agreements.

Rev. Proc. 96-50

SECTION 1. PURPOSE

This revenue procedure modifies Rev. Proc. 95-24, 1995-1 C.B. 694, concerning the Tax Sheltered Annuity Voluntary Correction (TVC) Program by extending the last day for submissions under the TVC Program.

SECTION 2. BACKGROUND

Effective May 1, 1995, the Internal Revenue Service established the TVC Program as an experimental program that is available through October 31, 1996, for 403(b) plans that are not under an Employee Plans or Exempt Organizations examination. The TVC Program generally permits an eligible employer to correct operational defects in the employer's 403(b) plan that are specifically described in Section 7 of Rev. Proc. 95-24 and not excepted from coverage under the program under Section 5 of that revenue procedure. An employer pays a voluntary correction fee based on the number of its employees and a sanction with respect to the corrected defects. Correction must be made for all years of the defects. In general, excise taxes are not waived under the TVC Program, and the employer is still responsible for payment of Federal Insurance Contributions Act (FICA) taxes in appropriate circum-