

**MEMO# 10879**

April 8, 1999

## **IRS RELEASE ON ROTH IRA CONVERSION CORRECTIONS**

[10879] April 8, 1999 TO: PENSION MEMBERS No. 18-99 PENSION OPERATIONS ADVISORY COMMITTEE No. 24-99 RE: IRS RELEASE ON ROTH IRA CONVERSION CORRECTIONS

The Internal Revenue Service has issued a release stating that it is receiving individual tax returns reporting the conversion of traditional IRAs into Roth IRAs from taxpayers ineligible to convert their IRAs. The release reminds taxpayers that if their income is above the \$100,000 adjusted gross income (AGI) limitation they are not eligible to make a conversion. Taxpayers that do not qualify for Roth IRA conversions have until the filing deadline, including extensions, to correct these conversions by transferring the conversion amount (plus related earnings) back to traditional IRAs in a recharacterization transaction. Taxpayers who have already filed their tax return reporting a Roth IRA conversion and who recharacterize by April 15 should file an amended return using Form 1040X and attach Form 8606 to report the IRA transactions. Russell G. Galer Senior Counsel Attachment Note: Not all recipients receive the attachment. To obtain a copy of the attachment referred to in this Memo, please call the ICI Library at (202) 326-8304, and ask for attachment number 10879. ICI Members may retrieve this Memo and its attachment from ICINet (<http://members.ici.org>).

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