

MEMO# 9466

December 1, 1997

IRS-APPROVED ROTH IRA TRUST AND CUSTODIAL AGREEMENTS

[9466] December 1, 1997 VIA FACSIMILE TO: PENSION COMMITTEE No. 48-97 PENSION OPERATIONS ADVISORY COMMITTEE No. 47-97 RE: IRS-APPROVED ROTH IRA TRUST AND CUSTODIAL AGREEMENTS

The IRS has released its model Roth IRA trust account agreement, Form 5305-R, and custodial account agreement, Form 5305-RA. These model agreements are similar to Form 5305 and Form 5305-A with two exceptions. First, Article II of the Roth IRA model agreements includes the AGI limitations applicable to Roth IRA contributions and conversions. Second, Article V incorporates new section 401(a)(9) rules as applicable to Roth IRA shareholders. The Service is expected to release additional guidance regarding the ability of financial institutions to combine Roth IRA agreements with traditional IRA agreements early this week. In addition, this guidance should include transition rules regarding these IRS-approved model agreements for the Roth IRA. Copies of Form 5305-R and Form 5305-RA are attached. Kathryn A. Ricard Assistant Counsel - Pension Attachments (in .pdf format)

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