

**MEMO# 11071**

June 24, 1999

## **EXPANDED NSCC TRANSFER OF RETIREMENT ASSETS (TORA) SERVICE; REVISED AGREEMENT**

[11071] June 24, 1999 TO: OPERATIONS COMMITTEE No. 24-99 PENSION COMMITTEE No. 40-99 PENSION OPERATIONS ADVISORY COMMITTEE No. 34-99 RE: EXPANDED NSCC TRANSFER OF RETIREMENT ASSETS (TORA) SERVICE; REVISED AGREEMENT

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The National Securities Clearing Corporation (NSCC) recently made several enhancements to the Transfer of Retirement Assets Service (TORA). Initially developed to automate traditional Individual Retirement Account (IRA) transfers from mutual fund to mutual fund, the service now permits IRA-to-Roth IRA conversions and transfers of other types of IRAs, such as SEP-IRAs, Education IRAs and SIMPLE IRAs. We encourage firms not yet using the TORA service to consider doing so. The service can greatly facilitate in the transfer of IRA assets and significantly reduce both the administrative burden of processing transfer requests and the time frame for completing the transfers. Additional information about this NSCC service can be obtained by contacting Scott Seibel of NSCC at the address and telephone number identified below. As a result of the recent enhancements, a working group comprised of current TORA users, NSCC representatives and outside counsel revised the standard agreement to reflect these changes. Attached is a copy of the revised agreement (Transfer of Retirement Assets Agreement Standard Form of Agreement No. 2), which supersedes the current master "Retirement Account Transfer Agreement. Agreement No. 2 includes the following modifications to the original agreement: (1) requires tax withholding and election information to be included with account instructions for simultaneous transfer and conversion of traditional IRAs to Roth IRAs; (2) indicates that a "0" (zero) in the tax withholding section represents that the receiving institution has affirmatively determined that no withholding is required; (3) prohibits either party from unilaterally amending the agreement; and (4) lists plan types eligible for TORA transfer in Exhibit B. For your convenience, a black-lined copy of the original TORA agreement is attached, so that you may review the sections of the original Agreement that have been changed. All current TORA users have been encouraged to execute Agreement No. 2 by June 30, 1999. NSCC will maintain a list of firms that have executed both Agreement No. 2 and the original agreement. This list will be sent to TORA users by e-mail and NSCC will update the list on a regular basis as Agreements are signed and executed. Please note that going forward, all new TORA users will be required to sign Agreement No. 2. NSCC maintains all signed Agreements; therefore, please send your original signed Agreement to: Scott Seibel Account Manager, Mutual Funds National Securities Clearing Corporation 55 Water Street New York, New York 10041-0082 (Telephone 212/412-8445) A copy of Agreement No. 2, a black-lined copy of the Agreement and a list of current TORA users are enclosed.

Agreement No. 2 is also available on the ICI's website – [members.ici.org](http://members.ici.org). Please be sure to share this agreement with the appropriate members of your firm in the Legal, Compliance, Operations and Retirement Plans areas. If you have any questions, please contact Justine Phoenix at 202/326-5850 or Russ Galer at 202/326-5835. Justine Phoenix Russell G. Galer Director – Operations/ Senior Counsel Distribution & Service Attachments

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