INVESTMENT COMPANY INSTITUTE

MEMO# 8679

March 6, 1997

REVISED FORMS 1099-R AND 5498 ADDRESS SIMPLE IRA REPORTING

1 Institute Memorandum to Pension Members No. 67-96, dated December 26, 1996. March 6, 1997 TO: PENSION MEMBERS No. 12-97 PENSION OPERATIONS ADVISORY COMMITTEE No. 7-97 AD HOC COMMITTEE ON SIMPLE PLANS RE: REVISED FORMS 1099-R AND 5498 ADDRESS SIMPLE IRA REPORTING ____ The Internal Revenue Service has released revised Forms 1099-R and 5498. The 1997 versions of these forms, attached, have been revised for SIMPLE reporting. Trustees must report distributions from a SIMPLE account on Form 1099-R and contributions to a SIMPLE account on Form 5498. With regard to Form 1099-R, early distributions from a SIMPLE IRA must be reported in Box 7 of the form. The IRS has indicated in previous guidance that a financial institution may rely on its own records and is not required to take into account other sources of information with regard to determining if the two-year holding requirement has been satisfied. See IRS Notice 97-6, Q&A I-5.1 With regard to Form 5498, regular contributions are reported in Box 1 and rollover contributions are reported separately in Box 2. We will keep you informed of developments. Russell G. Galer Assistant Counsel - Pension Attachments (in .pdf format)