

MEMO# 12758

October 19, 2000

IRS ANNOUNCES CODE CHANGES FOR IRAS ON 2001 FORM 1099-R

[12758] October 19, 2000 TO: PENSION MEMBERS No. 50-00 PENSION OPERATIONS ADVISORY COMMITTEE No. 75-00 OPERATIONS COMMITTEE No. 27-00 TRANSFER AGENT ADVISORY COMMITTEE No. 53-00 TAX COMMITTEE No. 44-00 RE: IRS ANNOUNCES CODE CHANGES FOR IRAS ON 2001 FORM 1099-R The Internal Revenue Service has published Announcement 2000-86, which advises payers making distributions from Individual Retirement Accounts (IRAs) of changes to distribution codes entered in Box 7 of the 2001 Form 1099-R. These changes correspond to guidance issued earlier this year (Notice 2000-30)¹ regarding reporting recharacterizations and reconversions occurring after 2000. Specifically, the announcement adds a Code N for reporting a recharacterized contribution made for 2001 and indicates that Code R is to be used to report a recharacterized IRA contribution made for 2000. The announcement also indicates that because only two distributions codes can be entered on Box 7 of Form 1099-R, other changes were necessary. Specifically, Code J is changed to report an early distribution from a Roth IRA, no known exception; a new Code T is added to report a Roth IRA distribution, exception applies. Russell G. Galer Senior Counsel Attachment Note: Not all recipients receive the attachment. To obtain a copy of the attachment to which this memo refers, please call the ICI Library at (202) 326-8304 and request the attachment for memo 12758. ICI Members may retrieve this memo and its attachment from ICINet (<http://members.ici.org>). Attachment (in .pdf format) 1 See Institute Memorandum to Pension Members No. 30-00 and Pension Operations Advisory Committee No. 39-00, dated June 5, 2000.