

MEMO# 12526

August 24, 2000

INSTITUTE SUBMITS COMMENT LETTER ON NOTICE 2000-39

[12526] August 24, 2000 TO: PENSION COMMITTEE No. 60-00 PENSION OPERATIONS ADVISORY COMMITTEE No. 61-00 AD HOC COMMITTEE ON ROTH IRAS RE: INSTITUTE SUBMITS COMMENT LETTER ON NOTICE 2000-39 As you are aware, the Internal Revenue Service recently issued guidance on calculating net income attributable to returned excess contributions to IRAs.* Attached is the comment letter that the Institute submitted to the Service concerning this recent guidance. Specifically, the Institute asks that the Service clarify that IRA trustees and custodians (1) are not required to report separately a net loss attributable to returned excess contributions; and (2) may perform a single calculation to calculate net earnings or loss attributable to the returned excess contribution or recharacterization where multiple regular contributions were made to an IRA. In addition, we propose that the guidance be effective for year 2002 transactions, assuming the Service incorporates our suggestions into the guidance. If you have any questions concerning the comment letter or guidance, please call me at (202) 218-3563 or Russ Galer at (202) 326-5835. Kathryn A. Ricard Associate Counsel Attachment Attachment (in .pdf format) * See Institute Memorandum to Pension Committee No. 47-00 and Pension Operations Advisory Committee No. 49- 00, dated July 12, 2000.

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