

**MEMO# 1469**

October 12, 1989

# **INSTITUTE LETTER TO DEPARTMENT OF LABOR CONCERNING ADVISORY OPINION ON FREE CHECKING FOR IRA PARTICIPANTS**

October 12, 1989 TO: PENSION COMMITTEE NO. 9-89 RE: INSTITUTE LETTER TO DEPARTMENT OF LABOR CONCERNING ADVISORY OPINION ON FREE CHECKING FOR IRA PARTICIPANTS \_\_\_\_\_ As we previously advised, the Department of Labor in Advisory Opinion No. 89-12A concluded that an IRA participant's receipt of free checking account services based upon maintaining his IRA at the bank would constitute a violation of section 4975(c)(1) of the Internal Revenue Code. (See Institute Memorandum to Pension Members No. 36-89, dated August 1, 1989.) Attached is a copy of an Institute letter to the Department of Labor that concurs in the analysis set forth in the advisory opinion. We will keep you informed of further developments. Kathy D. Ireland Associate General Counsel Attachment

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