

MEMO# 12214

July 11, 2000

ICI DRAFT COMMENT LETTER ON NOTICE 2000-30

[12214] July 11, 2000 TO: PENSION COMMITTEE No. 46-00 PENSION OPERATIONS ADVISORY COMMITTEE No. 48-00 AD HOC COMMITTEE ON ROTH IRAS RE: ICI DRAFT COMMENT LETTER ON NOTICE 2000-30 As you are aware, the Internal Revenue Service recently released guidance on Roth IRA recharacterization reporting in Notice 2000-30.* Attached is a draft comment letter that the Institute intends to submit to the Service concerning this recent guidance. Specifically, the Institute asks that the Service clarify that IRA trustees and custodians (1) are responsible for reporting Roth IRA recharacterization transactions that occur only within their own financial institution; and (2) may rely on taxpayer information for purposes of coding the year of the recharacterization for Form 1099-R purposes and for reporting earnings information on Form 5498. In addition, we request that the Service provide guidance on what code ("N" or "R") IRA trustees and custodians should use as a default code on Form 1099-R in circumstances where a taxpayer does not provide information concerning the year of a particular recharacterization. Please forward your comments to me on the Institute Roth IRA recharacterization comment letter via fax at (202) 326-5841, email at ricard@ici.org or by phone at (202) 218-3563 by COB Friday July 21, 2000. If you have any questions concerning the guidance, please call me at (202) 218-3563. Kathryn A. Ricard Associate Counsel Attachment Attachment (in .pdf format) * See Institute Memorandum to Pension Committee No. 30-00 and Pension Operations Advisory Committee No. 39-00, dated June 5, 2000.