

**MEMO# 11354**

October 27, 1999

# **INTERNAL REVENUE SERVICE EXTENDS 1999 REPORTING REQUIREMENTS FOR ROTH RECHARACTERIZATIONS FOR 1 YEAR**

1 See Institute memorandum to Pension Committee No. 91-98, Pension Operations Advisory Committee No. 75-98 and Transfer Agent Advisory Committee No. 88-98, dated December 24, 1998. 2 See Institute memorandum to Pension Committee No. 59-98 and Transfer Agent Advisory Committee No. 56-98, dated September 3, 1998. [11354] October 27, 1999 TO: PENSION MEMBERS No. 41-99 PENSION OPERATIONS ADVISORY COMMITTEE No. 49-99 TRANSFER AGENT ADVISORY COMMITTEE No. 64-99 RE: INTERNAL REVENUE SERVICE EXTENDS 1999 REPORTING REQUIREMENTS FOR ROTH RECHARACTERIZATIONS FOR 1 YEAR

The Internal Revenue Service has released Announcement 99-106, which extends the reporting requirements contained in Announcement 99-51 for Roth recharacterization transactions for one year. Announcement 99-106 states that in the event of a recharacterization or reconversion occurring in 2000 using the same trustee, the trustee may report the results of the recharacterization or reconversion on the appropriate forms using a reasonable alternative method in lieu of the method described in Notice 98-49.2 Note that the requirements applicable to alternate reporting under Notice 98-49 would continue to apply, that a trustee using an alternate reporting method must provide instructions to the IRA owner, in conjunction with account statements (or other information) the trustee provides the IRA owner on how to use the information provided on the forms to properly report the recharacterizations and reconversions on the IRA owner's 2000 Federal income tax return, including how to complete related forms such as Forms 8606 and 5329. A recharacterization or reconversion that does not occur using the same trustee must be reported in accordance with the general rules contained in Notice 98-49 and the instructions to Forms 1099-R and 5498, regardless of the year in which the recharacterization or reconversion occurs. In addition, Announcement 99-106 states that the Service will issue guidance in the future regarding the method for reporting recharacterizations and reconversions of IRA contributions made after 2000. A copy of Announcement 99-106 is attached. Kathryn A. Ricard Associate Counsel Attachment Note: Not all recipients receive the attachment. To obtain a copy of the attachment referred to in this Memo, please call the ICI Library at (202) 326-8304, and ask for attachment number 11354. ICI Members may retrieve this Memo and its attachment from ICINet (<http://members.ici.org>).

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