

**MEMO# 13175**

February 20, 2001

## **INSTITUTE DRAFT COMMENT LETTER ON PROPOSED REGULATIONS ON RMDS**

[13175] February 20, 2001 TO: PENSION COMMITTEE No. 12-01 PENSION OPERATIONS ADVISORY COMMITTEE No. 16-01 AD HOC COMMITTEE ON RMD REFORM RE: INSTITUTE DRAFT COMMENT LETTER ON PROPOSED REGULATIONS ON RMDS Attached is a first draft of the Institute's comment letter on the Internal Revenue Service's proposed regulations on required minimum distributions.<sup>1</sup> Please note that this letter is an early draft and it outlines the issues we intend to raise in our comment letter to the Service regarding the proposed regulations. As a result of our conference call on the proposed regulations held on January 31, we were able to determine general types of issues that would require clarification by the Service. We have divided the comment letter into three sections in response to the issues raised on the conference call – IRA trustee reporting requirements, transition issues and proposed regulations Q&As. In the IRA trustee reporting requirements section, we address the problems that IRA trustees would face in reporting annual RMD amounts to their shareholders. We also propose an alternative approach to the reporting requirement –one that would add date of birth information to the Form 1040, and include a worksheet to help the taxpayer calculate his RMD for the year. This section includes various examples of information that is troublesome for IRA trustees to obtain and maintain accurately. Please provide us comments regarding these examples, particularly data and other information to support the position that this information is difficult to obtain and maintain. <sup>1</sup> See Institute Memorandum to Pension Members No. 2-01 and Pension Operations Advisory Committee No. 3-01, dated January 17, 2001. <sup>2</sup>In both the transition issues and proposed regulations Q&As section, we have listed areas that appear preliminarily to be issues under the proposed regulations. For many of these issues we require further comment from you regarding our recommendations to the Service. We also welcome comments concerning additional issues not included in the letter. Please review this draft letter and provide comments to me via email at [ricard@ici.org](mailto:ricard@ici.org) or by fax at (202) 326-5841 or by calling me at (202) 218-3563 by COB Thursday, March 1, 2001. Kathryn A. Ricard Associate Counsel Attachment Attachment (in .pdf format)