

MEMO# 11916

May 30, 2000

DRAFT COMMENT LETTER ON PROPOSED SECTION 411(D)(6) RELIEF; JUNE 12TH CONFERENCE CALL SCHEDULED

1 Institute Memorandum to Pension Committee No. 23-00 and Pension Operations Advisory Committee No. 24- 00, dated March 31, 2000. 2 Institute Memorandum to Pension Committee No. 55-98, dated August 28, 1998. 3 Institute Memorandum to Pension Committee No. 28-00 and Pension Operations Advisory Committee No. 30- 00, dated April 19, 2000. [11916] May 31, 2000 TO: PENSION COMMITTEE No. 37-00 PENSION OPERATIONS ADVISORY COMMITTEE No. 37-00 MAY 4TH CONFERENCE CALL PARTICIPANTS RE: DRAFT COMMENT LETTER ON PROPOSED SECTION 411(D)(6) RELIEF; JUNE 12TH CONFERENCE CALL SCHEDULED

Attached is a draft of the Institute's comment letter on the Internal Revenue Service's proposed regulations providing special rules under section 411(d)(6) to permit (1) the elimination of forms of distribution offered under a defined contribution plan; (2) certain transfers between defined contribution plans that are not currently permitted under the regulations, and (3) the modification of rights to in-kind distributions.¹ The draft comment letter reiterates points raised by the Institute in a prior comment letter² and raises issues discussed with Institute members on a May 4, 2000 conference call.³ Specifically, the draft letter asks that the Service (1) eliminate the proposed "look back" rule, which would require the retention of certain extended distribution forms previously available in a plan, or, exempt plans involved in mergers and prototype plans from the rule; (2) protect participants within 90 days of retirement from plan amendments eliminating available distribution forms; (3) permit elective transfers between defined contribution plans, regardless of plan type; (4) eliminate its proposed "list" requirement from proposed rules regarding in-kind securities distribution; and (5) expand its guidance to address the elimination of in-service distribution options. A conference call to discuss the draft has been scheduled for Monday, June 12 at 2:30 p.m. EST. If you would like to participate on the call, please fax the attached response sheet to Melanie Washington at (202) 326-5841. Instructions for call access are on the response sheet. If you are unable to participate, or would like to provide me with comments prior to the call, please feel free to fax comments to me at (202) 326-5841, call me at (202) 326-5835, or e-mail me at rgaler@ici.org. Please note that in addition to seeking general comments on the draft, a few areas on which we seek specific input have been highlighted in bold italics. Russell G. Galer Senior Counsel

Attachments

ATTENDANCE FORM FOR INSTITUTE CONFERENCE CALL ON DRAFT COMMENT LETTER ON PROPOSED SECTION 411(D)(6) RELIEF REGARDING OPTIONAL FORMS OF BENEFIT Please

fax this form by June 9th, 2000 to Melanie Washington at (202) 326-5841. Yes, I will participate on the Conference Call on Monday, June 12th, 2000 at 2:30 p.m. EST. To participate on the call dial (800) 949-5539 and ask for the Investment Company Institute's call, confirmation number #4277234. _____ Committee Member _____ Company _____ Phone Number

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