

MEMO# 14050

October 12, 2001

IRS ISSUES ANNOUNCEMENT ON SAVER'S TAX CREDIT FOR CONTRIBUTIONS TO RETIREMENT PLANS AND IRAS

[14050] October 12, 2001 TO: PENSION MEMBERS No. 31-01 PENSION OPERATIONS ADVISORY COMMITTEE No. 63-01 RE: IRS ISSUES ANNOUNCEMENT ON SAVER'S TAX CREDIT FOR CONTRIBUTIONS TO RETIREMENT PLANS AND IRAS The Internal Revenue Service has issued Announcement 2001-106, which describes the new "saver's credit" available to eligible taxpayers who contribute to retirement plans or IRAs in taxable years beginning after December 31, 2001 and before January 1, 2007. As we previously informed you, the credit was established by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA).¹ The announcement provides a description of the saver's credit in a "question and answer" format. Additionally, the announcement includes a sample notice that employers may provide to employees to explain the credit. Thomas T. Kim Assistant Counsel Attachment Note: Not all recipients receive the attachment. To obtain a copy of the attachment, please visit our members website (<http://members.ici.org>) and search for memo 14050, or call the ICI Library at (202) 326-8304 and request the attachment for memo 14050. Attachment (in .pdf format) 1 See section 618 of EGTRRA. For a summary of EGTRRA's provisions, see Institute Memorandum to Pension Members No. 21-01 and Pension Operations Advisory Committee No. 35-01, dated May 31, 2001.

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