

**MEMO# 16465**

August 26, 2003

## **CONFERENCE CALL TO DISCUSS REPORTING REQUIREMENTS FOR IRS FORM 1099-Q - WEDNESDAY, SEPTEMBER 10, 2003 AT 2:00 P.M. EDT**

[16465] August 26, 2003 TO: 529 PLAN ADVISORY COMMITTEE No. 47-03 OPERATIONS COMMITTEE No. 14-03 PENSION COMMITTEE No. 31-03 PENSION OPERATIONS ADVISORY COMMITTEE No. 54-03 TAX COMMITTEE No. 53-03 TRANSFER AGENT ADVISORY COMMITTEE No. 79-03 RE: CONFERENCE CALL TO DISCUSS REPORTING REQUIREMENTS FOR IRS FORM 1099-Q - WEDNESDAY, SEPTEMBER 10, 2003 AT 2:00 P.M. EDT A conference call has been scheduled for Wednesday, September 10, 2003 at 2:00 p.m. EDT to discuss Notice 2003-53, which delays the reporting of earnings and basis with respect to Coverdell Education Savings Accounts, which had been required by Forms 1099-Q and 5498-ESA, released earlier this year.<sup>1</sup> As the Institute noted in its submission made following the release of Form 1099-Q,<sup>2</sup> ESA recordkeepers do not presently have the information necessary to calculate earnings and basis. While the Institute has urged that earnings and basis calculations should remain the responsibility of the ESA account holder, we also have urged (should the earnings and basis reporting requirements remain) that any reporting obligation be imposed prospectively, for new accounts opened after a transition period sufficient to permit recordkeepers to comply with the new requirements. Notice 2003-53 indicates that the IRS views the relief provided by this guidance<sup>3</sup> as temporary. According to the Notice, this delay will provide ESA trustees and custodians with 1 See Institute Memorandum No. 15656, to 529 Plan Advisory Committee No. 11-03, Operations Members No. 6-03, Pension Members No. 9-03, Pension Operations Advisory Committee No. 8-03, Tax Members No. 11-03 and Transfer Agent Advisory Committee No. 19-03, dated February 19, 2003. 2 See Institute Memorandum No. 15981, to 529 Plan Advisory Committee No. 25-03, Operations Members No. 13-03, Pension Members No. 19-03, Pension Operations Advisory Committee No. 23-03, Tax Members No. 26-03 and Transfer Agent Advisory Committee No. 42-03, dated April 30, 2003. 3 This guidance does not apply to section 529 qualified tuition programs, which are required to report distributions under Notice 2001-81. See Institute Memorandum No. 14216, to 529 Plan Advisory Committee No. 15-01, Operations Members No. 31-01, Tax Members No. 33-01 and Transfer Agent Advisory Committee No. 102-01, dated December 10, 2001. 2 additional time to implement recordkeeping procedures to report earnings and basis information and to identify trustee-to-trustee transfers. Public comment is requested by the IRS on sources of information to establish earnings and basis that should be considered satisfactory and on an appropriate rule for determining earnings and basis if documentation is not available. The IRS states that these comments are to be provided by October 17, 2003. If you would like to participate in this call, please complete

the attached response form and fax it to Brenda Turner by Tuesday, September 9, 2003. Please dial 888-809-8971 and ask for the ICI "1099-Q" call, Lisa Robinson, moderator. In addition, if there are specific issues that you would like to discuss during the call, or if you will be unable to attend the call and would like to submit comments, please provide the items on the response form. You may also contact me at 202-326-5835 or [lrobinson@ici.org](mailto:lrobinson@ici.org). Lisa Robinson Assistant Counsel Attachment (in .pdf format)

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