

MEMO# 13522

May 16, 2001

INSTITUTE CONFERENCE CALL ON RMD REPORTING BY IRA TRUSTEES--MAY 22 AT 2:30 P.M.

[13522] May 16, 2001 TO: PENSION COMMITTEE No. 33-01 PENSION OPERATIONS ADVISORY COMMITTEE No. 34-01 RMD REFORM AD HOC COMMITTEE No. 1-01 RE: INSTITUTE CONFERENCE CALL ON RMD REPORTING BY IRA TRUSTEES--MAY 22 AT 2:30 P.M. The Institute met with representatives of the Internal Revenue Service and Treasury Department on Tuesday, May 15 to discuss the Institute's comment letter on the IRS's proposed regulations on required minimum distributions ("RMDs").¹ A majority of the meeting was dedicated to discussing the IRS's proposed reporting requirement that would require IRA trustees to report annual RMD amounts to IRA owners and the IRS. We discussed the difficulties IRA trustees would face in calculating and reporting an accurate RMD amount for IRA owners and beneficiaries. Our comment letter includes a list of the information that IRA trustees would need in order to report an accurate RMD amount. As a result of our discussion, the IRS and Treasury requested information that would quantify the difficulties that IRA trustees would face in reporting RMD amounts. Therefore, we need your assistance in gathering data on the complexities of reporting accurate RMD amounts. For example, on average, how many of your IRA owners aged 70 ½ each year (1) are subject to the spousal exception to the Uniform Table calculation; (2) change beneficiaries; (3) get divorced; (4) get married; (5) die; (6) have outstanding rollovers at year-end; (7) recharacterize IRA contributions at year-end; or (8) delay their first year RMD calculation until April 1 of the following year? ¹ See Institute Memorandum to Pension Members No. 19-01, Pension Operations Advisory Committee No. 31-01, dated April 17, 2001. ^{2A} A conference call has been scheduled for Tuesday, May 22, 2001 at 2:30 p.m. EST to discuss the Institute's meeting with the IRS and alternative reporting approaches. If you would like to participate in the conference call, please complete the response form and fax it to Kathryn Ricard at (202) 326-5841 by COB Monday May 21, 2001. Please call me at (202) 218-3563 or email me at ricard@ici.org with any data information or to discuss these issues for the call. Kathryn A. Ricard Associate Counsel Attendance Form For Institute's Conference Call On RMD Reporting Tuesday, May 22, 2001 at 2:30 p.m. Yes, I will participate on the Institute's conference call on RMD Reporting on Tuesday, May 22, 2001 at 2:30 p.m. EST. To participate in the call dial 1- 800-949-5539 and ask for the RMD call, confirmation number 5248873. Committee Member Company Phone Kathryn A. Ricard Associate Counsel

abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.