

**MEMO# 10815**

March 19, 1999

## **IRS RELEASES INSTRUCTIONS TO 1999 FORMS 1099-R AND 5498-REVISED ATTACHMENT**

1 See Institute Memorandum to Pension Members No. 15-99 and Pension Operations Advisory Committee No. 16-99, dated March 17, 1999. [10815] March 19, 1999 TO: PENSION MEMBERS No. 16-99 PENSION OPERATIONS ADVISORY COMMITTEE No. 18-99 RE: IRS RELEASES INSTRUCTIONS TO 1999 FORMS 1099-R AND 5498-REVISED ATTACHMENT

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As indicated in a recent memorandum, the Internal Revenue Service has released instructions to 1999 Forms 1099-R and 5498.<sup>1</sup> This memo included 1998 instructions to Forms 1099-R and 5498. The 1999 instructions to Forms 1099-R and 5498 are attached. The instructions to 1999 Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., includes four changes to Form 1099-R. First, the IRS changed Code J to “[d]istribution from a Roth IRA.” Therefore, financial institutions must use Code J to indicate distributions from both Conversion Roth IRAs and Roth IRAs. Other changes include the elimination of Code K, addition of Code R, “[r]echaracterized IRA contribution” to be used to report recharacterization transactions, and elimination of Codes B and C, because the death benefit was eliminated for taxpayers who died after August 20, 1996. The IRS revised Form 5498, IRA Contribution Information, in order to identify recharacterization transactions. The IRS deleted the “Roth conv.” checkbox and added a new checkbox, “Rechar.” to recognized recharacterization transactions. Kathryn A. Ricard Assistant Counsel Attachment Note: Not all recipients receive the attachment. To obtain a copy of the attachment referred to in this Memo, please call the ICI Library at (202) 326-8304, and ask for attachment number 10815. ICI Members may retrieve this Memo and its attachment from ICINet (<http://members.ici.org>).