

MEMO# 12414

August 1, 2000

ICI DRAFT COMMENT LETTER ON NOTICE 2000-39

[12414] August 1, 2000 TO: PENSION COMMITTEE No. 57-00 PENSION OPERATIONS ADVISORY COMMITTEE No. 57-00 AD HOC COMMITTEE ON ROTH IRAS RE: ICI DRAFT COMMENT LETTER ON NOTICE 2000-39 As you are aware, the Internal Revenue Service recently issued guidance on calculating net income attributable to excess contributions to IRAs.* Attached is a draft comment letter that the Institute intends to submit to the Service concerning this recent guidance. Specifically, the Institute asks that the Service clarify that IRA trustees and custodians (1) are not required to report separately a net loss attributable to distributed excess contributions; and (2) may perform a single calculation to determine net earnings or loss attributable to the excess contribution where multiple regular contributions were made to an IRA. In addition, we propose that the guidance be effective for year 2002 transactions, assuming the Service incorporates our suggested clarifications into the guidance. Please forward your comments to me on the Institute comment letter on calculating net income for excess contributions to IRAs via fax at (202) 326-5841, email at ricard@ici.org or by phone at (202) 218-3563 by COB Tuesday August 15, 2000. If you have any questions concerning the comment letter or guidance, please call me at (202) 218-3563. Kathryn A. Ricard Associate Counsel Attachment Attachment (in .pdf format) * See Institute Memorandum to Pension Committee No. 47-00 and Pension Operations Advisory Committee No. 49-00, dated July 12, 2000.

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