

MEMO# 10499

November 18, 1998

IRS GUIDANCE ON FORM 1099-R CODES FOR ROTH IRAS

[10499] November 18, 1998 TO: PENSION MEMBERS No. 69-98 PENSION OPERATIONS ADVISORY COMMITTEE No. 62-98 TRANSFER AGENT ADVISORY COMMITTEE No. 76-98 RE: IRS GUIDANCE ON FORM 1099-R CODES FOR ROTH IRAS

The Internal Revenue Service has released Announcement 98-106 describing changes to codes for Roth IRAs on Form 1099-R. According to this announcement: (1) For 1998 Form 1099-R, "Code K" is now optional, and payers may choose to use "Code J" for all distributions from a Roth IRA or a Roth conversion IRA. (2) For 1999 Form 1099-R, "Code K" will be eliminated. "Code J" will be changed to indicate "Distribution from a Roth IRA" and will be used to report any distribution from a Roth IRA or a Roth conversion IRA. (3) For 1999 Form 1099-R, a new "Code R" will be added to indicate "Recharacterized IRA contribution" to identify a recharacterization of an IRA contribution. Russell G. Galer Senior Counsel Attachment Note: Not all recipients of this memo will receive an attachment. If you wish to obtain a copy of the attachment referred to in this memo, please call the Institute's Library Services Division at (202)326- 8304, and ask for this memo's attachment number: 10499.

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