

**MEMO# 9985**

June 3, 1998

## **INSTITUTE SEEKS ROTH IRA GUIDANCE FROM THE TREASURY DEPARTMENT**

[9985] June 3, 1998 TO: PENSION COMMITTEE No. 34-98 PENSION OPERATIONS ADVISORY COMMITTEE No. 20-98 AD HOC ROTH IRA WORKING GROUP RE: INSTITUTE SEEKS ROTH IRA GUIDANCE FROM THE TREASURY DEPARTMENT

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Investment Company Institute has submitted a letter, dated June 3, 1998, to the Treasury Department seeking guidance on unresolved issues relating to the Roth IRA. With one exception (issue number seven, below), the letter requests guidance on issues not addressed by pending technical corrections legislation. Specifically, the letter, which was developed with the assistance of Institute members, requests clarification with respect to the following Roth IRA issues: (1) reporting and recordkeeping responsibilities of Roth IRA trustees and custodians; (2) the application of section 3405 to conversion transactions; (3) the application of the 4-year income inclusion rule to conversion transactions “straddling” 1998 and 1999; (4) the application of aging rules to conversion transactions “straddling” 1998 and 1999; (5) the effect of death of accountholder on aging rules; (6) the application of minimum distribution rules to taxpayers who convert a traditional IRA to a Roth IRA; and (7) reporting rules applicable to Roth IRA error correction transactions. A copy of the letter is attached. Kathryn A. Ricard Assistant Counsel Attachment

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