

MEMO# 14967

July 29, 2002

DRAFT INSTITUTE LETTER CONCERNING IRA TRUSTEE REPORTING AND MULTIPLE ACCOUNTS UNDER THE FINAL RMD REGULATIONS

[14967] July 29, 2002 TO: PENSION COMMITTEE No. 30-02 PENSION OPERATIONS ADVISORY COMMITTEE No. 50-02 RE: DRAFT INSTITUTE LETTER CONCERNING IRA TRUSTEE REPORTING AND MULTIPLE ACCOUNTS UNDER THE FINAL RMD REGULATIONS The attached draft letter to the Internal Revenue Service addresses two issues under the final regulations governing required minimum distributions (RMDs) as well as the accompanying Notice 2002-27, which describes the special RMD reporting rules applicable to IRA trustees. First, the letter requests that the deadline for the required notice to those IRA owners who are in RMD status be extended until five business days after March 31 in the event that the Service eliminates the ability of an IRA trustee to offer to calculate the IRA owner's RMD as an alternative to actually calculating the RMD. The letter explains the time constraints imposed upon mutual fund IRA year-end statements under the federal securities laws, and notes that separate notices would be costly to produce and distribute. Please consider especially whether the proposed deadline would accommodate your organization's operations or whether the letter should advocate a more general deadline. In addition, the letter includes a request for confirmation that the notice can be provided electronically. We specifically request that members review this language (which is bracketed and printed in bold font), and consider whether this language should be included.¹ Second, the letter requests clarification of the rules governing multiple accounts under the final regulations. Please review the attached draft and contact me with any comments or questions by phone at (202) 371-5432, by fax at (202) 326-5841, or by e-mail at kireland@ici.org no later than August 6. Kathy D. Ireland Associate Counsel Attachment 1 In this regard, please note that, under Notice 2002-27, the RMD notice can be provided "in conjunction with the statement of fair market value of the IRA as of December 31 of the prior year." ² Attachment (in .pdf format)