

MEMO# 11635

February 15, 2000

IRS RELEASES FORMS YEAR 2000 1099-R AND 5498 WITH INSTRUCTIONS

[11635] February 15, 2000 TO: PENSION MEMBERS No. 13-00 PENSION OPERATIONS
ADVISORY COMMITTEE No. 12-00 TRANSFER AGENT ADVISORY COMMITTEE No. 9-00 RE: IRS
RELEASES FORMS YEAR 2000 1099-R AND 5498 WITH INSTRUCTIONS

The Internal Revenue Service recently released Year 2000 Forms 1099-R and 5498, with accompanying instructions. Changes to the forms and instructions are as follows: * The IRS will provide separate general and specific instructions for each Year 2000 Form, including Forms 1099, 1098, 5498 and W-2G. The IRS will continue to make available all instructions to these forms in one booklet, however. * Recent legislation repealed the 5-year tax option for lump-sum distributions. Therefore, the "5-or" was deleted from Code A under Box 7 of Form 1099-R. The 10-year tax option is still available for participants and beneficiaries born before 1936. * Recent legislation excludes a distribution from a qualified plan due to an IRS levy under section 6331 from the early distribution penalty under section 72(t). Therefore, payors should use Code 2, if appropriate, in box 7 on Form 1099-R for such a distribution. * For 2000, payors may continue to report IRA recharacterizations and Roth conversions with the same trustee on Forms 1099-R and 5498 using a reasonable alternate method. Copies of Year 2000 Forms 1099-R and 5498, with instructions are attached. Kathryn A. Ricard Associate 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 11635. ICI Members may retrieve this Memo and its attachment from ICINet (<http://members.ici.org>).

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