MEMO# 14483

February 27, 2002

INSTITUTE LETTER TO INTERNAL REVENUE SERVICE CONCERNING DEADLINE FOR USE OF REVISED MODEL IRA FORMS

[14483] February 27, 2002 TO: PENSION MEMBERS No. 7-02 PENSION OPERATIONS ADVISORY COMMITTEE No. 12-02 TRANSFER AGENT ADVISORY COMMITTEE No. 14-02 RE: INSTITUTE LETTER TO INTERNAL REVENUE SERVICE CONCERNING DEADLINE FOR USE OF REVISED MODEL IRA FORMS As you know, the Internal Revenue Service earlier this year issued Revenue Procedure 2002-10, which addresses revisions to model and prototype IRA, SEP and SIMPLE IRA documents in light of the statutory changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the proposed changes to the regulations governing required minimum distributions (RMDs) from retirement plans.1 Under the revenue procedure, existing model forms may not be used to establish new IRAs, SEPs or SIMPLE IRAs after June 1, 2002. In the attached letter, the Institute urges the Service to delay this deadline, because the June 1 date most likely will not provide adequate time for printing, preparing and distributing the new forms and accompanying materials to offices and representatives nationwide, given that the revised model forms are not yet available. The letter also notes that Institute members will require sufficient lead-time to provide training to industry employees and representatives who will be interacting directly with the public concerning the establishment of these accounts. The Institute letter therefore requests that the June 1 deadline be replaced with a deadline that more closely follows that set for revised prototype plans under the revenue procedure. Specifically, the Institute requests that the deadline for use of the new model forms 1 See Institute Memorandum to Pension Members No. 1-02, Pension Operations Advisory Committee No. 1-02, and Transfer Agent Advisory Committee No. 1-02, dated January 4, 2002. 2 be the later of: (1) December 31, 2002; or (2) 180 days after the IRS officially issues the revised model forms. Kathy D. Ireland Associate Counsel Note: Not all recipients receive the attachment. To obtain a copy of the attachment, please visit our members website (http://members.ici.org) and search for memo 14483, or call the ICI Library at (202) 326-8304 and request the attachment for memo 14483. Attachment (in .pdf format)