

MEMO# 9384

October 31, 1997

INSTITUTE SUBMITS PROTOTYPE EDUCATION IRA CUSTODIAL AGREEMENT TO IRS

[9384] October 31, 1997 TO: PENSION COMMITTEE No. 45-97 AD HOC COMMITTEE ON
EDUCATION IRA RE: INSTITUTE SUBMITS PROTOTYPE EDUCATION IRA CUSTODIAL
AGREEMENT TO IRS

The Institute has submitted to the Internal Revenue Service the attached Education IRA custodial agreement for its review. This agreement was developed with significant input from the ad hoc committee assembled for this purpose. The Institute is seeking IRS approval of the document for use by Institute members. As you know, section 530 of the Internal Revenue Code, which defines the Education IRA vehicle, appears to leave much of the account's rules and design details to the particular trust or custodial agreement and relevant state law. The Institute's "prototype" document contains several particular design decisions, the most notable of which is a determination that the person controlling the Education IRA must either be a parent or legal guardian of the designated beneficiary, or at that person's election, the beneficiary, if the beneficiary has attained the age of majority under relevant state law. Russell G. Galer Associate Counsel - Pension Attachment (in .pdf format)

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