

**MEMO# 11310**

October 18, 1999

## **IRS RELEASES GUIDANCE ON RECHARACTERIZATION EXTENSION**

1 See Institute memorandum to Pension Committee No. 35-99 and Pension Operations Advisory Committee No. 32-99, dated May 27, 1999. [11310] October 18, 1999 TO: PENSION MEMBERS No. 39-99 PENSION OPERATIONS ADVISORY COMMITTEE No. 46-99 RE: IRS RELEASES GUIDANCE ON RECHARACTERIZATION DEADLINE EXTENSION

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The Internal Revenue Service has released Announcement 99-104, which extends the deadline for taxpayers to recharacterize 1998 IRA contributions, including Roth IRA conversion contributions, to December 31, 1999. The Service previously released Announcement 99-57 in May 1999, which permitted taxpayers who filed their tax returns by April 15, 1999 to elect to recharacterize a 1998 IRA contribution on or before October 15, 1999.<sup>1</sup> Therefore, Announcement 99-104 modifies Announcement 99-57. Announcement 99-104 states that a taxpayer will be deemed to have timely made an otherwise valid recharacterization of a 1998 IRA contribution, including a Roth IRA conversion for which the taxpayer was not eligible, if (1) the recharacterization occurs on or before December 31, 1999, (2) the taxpayer timely filed his or her 1998 Federal income tax return, and (3) the taxpayer files an amended 1998 return if the recharacterization is not properly reflected on the previously filed return. Copies of Announcement 99-104 and the Service's press release are attached. Kathryn A. Ricard Assistant Counsel Attachments 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 11310. ICI Members may retrieve this Memo and its attachment from ICINet (<http://members.ici.org>).