

**MEMO# 13848**

August 15, 2001

## **INSTITUTE SUBMITS LETTER TO TREASURY DEPARTMENT ON IMPLEMENTATION OF CATCH-UP CONTRIBUTIONS**

[13848] August 15, 2001 TO: PENSION COMMITTEE No. 58-01 PENSION OPERATIONS ADVISORY COMMITTEE No. 50-01 RE: INSTITUTE SUBMITS LETTER TO TREASURY DEPARTMENT ON IMPLEMENTATION OF CATCH-UP CONTRIBUTIONS The Institute recently provided the Treasury Department with some preliminary comments with respect to the development of regulatory guidance on the catch-up contribution provisions recently enacted as part of the Economic Growth and Tax Relief Reconciliation Act of 2001. Our comments on catch-up contributions related to the following issues: • Implementation of the catch-up provision (payroll by payroll approach); • Excess catch-up contributions; • “Recharacterization” of elective deferrals as catch-up contributions; • Matches on recharacterized catch-up contributions; • Death prior to turning age 50; • Participants participating in multiple plans during the year; • Reporting catch-up contributions to plans; • Reporting catch-up contributions to IRAs; and • Determination of eligibility to make catch-up contributions to IRAs. With respect to each of the abovementioned issues, our letter identified the issue, provided a recommendation and background discussion. If you have any questions or comments regarding our letter, please call me at (202) 218-3563 or Russ Galer at (202) 326-5835. A copy of the Institute’s letter is attached. Kathryn A. Ricard Associate Counsel Attachment Attachment (in .pdf format)