February 2023
Published Since 1984

The Pension Digest

ALSO IN THIS ISSUE –

Tax Filing and IRA Deadline Extended to October 16, 2023 for 3 States With Recent Disasters, ***Page 2***

When Will the 25% Rate for a Missed RMD be Reduced to 10%? ***Page 2***

The New SEP Roth and SIMPLE Roth IRA accounts – When Will CWF Have Available?, ***Page 3***

Warning – Core Vendor's Software Fails to Handle Non-Deductible IRA Contributions Correctly, ***Page 3***

Seek More IRA Contributions, ***Page 4***

Updated IRA Forms and Software Needed for 2023, ***Page 4***

Revised RMD Rules for IRA Beneficiaries, ***Page 5***

Email Guidance – Inherited IRAs, ***Page 6***

Email Guidance – HSAs, ***Page 7***

Jan. 1, 2024 Arrives in 12 Months – Deadline for New E-File Rules, ***Page 8***

Collin W. Fritz and Associates, Inc.,
"The Pension Specialists "

2022 IRA Contribution Deadline is Tuesday, April 18, 2023 Due to Emancipation Day

April 15, 2023 is a Saturday and the following Monday is April 17th, yet April 17th is not the tax filing deadline. April 18, 2023 is the tax filing deadline. Why?

Two different holidays may impact the general April 15th tax filing deadline.

The standard tax filing deadline is modified because April 15th is a Saturday and in 2023 both the Emancipation Day holiday and Patriot's Day holiday are observed on Monday April 17th. The tax filing deadline must be the day following a holiday.

The federal rule is that when April 15th falls on Saturday, Sunday or a legal holiday, then a tax return is considered timely filed on the next succeeding day which is NOT a Saturday, Sunday or holiday.

Emancipation Day is April 16th and it is a legal holiday in Washington, D.C. In some years this holiday will impact the deadline for filing federal income tax returns.

Emancipation Day is a legal holiday recognized in the District of Columbia. The IRS has ruled that the observance of this legal holiday has implications nationwide. Emancipation Day is April 16th of each year. However, if the 16th falls on Saturday, the holiday is observed on the preceding Friday (i.e. the 15th) and if the 16th falls on Sunday it is observed on the following Monday (i.e. the 17th). In both cases the tax filing deadline of April 15th will be revised since the tax filing deadline cannot be a Saturday, Sunday or legal holiday. It will be the next day following a Saturday, Sunday, or legal holiday which itself is not a Saturday, Sunday or legal holiday.

For certain states, Patriot's Day is a holiday and it is defined to be the third Monday in April of 2023. So, this holiday also modifies the tax filing deadline to be Tuesday April 18, 2023.

Be aware that taxpayers of states which have suffered disaster have a deadline later than April 18. 2022.

IRA Contribution Limits for 2021 – Unchanged $6,000 and $7,000

IRA Contribution Limits for 2022 – Changed $6,500 and $7,500

IRA Custodian's Deadline for 2022 5498 Forms

The January newsletter contained a number of articles discussing the 2022 IRS Form 5498. The chart below lists the various form types and due dates.

Type of Account	Type of Form	Due to Owner	Due to IRS
Traditional	5498	5/31/23	5/31/23
Roth	5498	5/31/23	5/31/23
HSA	5498-SA	5/31/23	5/31/23
CESA	5498-ESA	5/1/23	5/31/23

Tax Filing and IRA Deadline Extended to October 16, 2023 For 3 States With Recent Disasters

The tax laws now require the IRS in certain disaster situations to extend the tax filing deadline (and the deadline for making IRA and HSA contributions) as well as other tax deadlines.

The IRS issued news release IR-2023-22 on February 24, 2023. The new tax filing deadline is October 16, 2023 for most of the California and parts of Alabama and Georgia.

This new deadline applies to taxpayers who will be establishing and making contributions to their IRAs and HSAs. It also applies to other tax sensitive acts such as rollovers. A tax professional should be contacted for assistance.

It is unclear if the IRA custodians and HSA custodians in these disaster areas also have new deadlines for filing the 5498 forms. The IRS needs to give guidance on this subject.

Set forth below are the first two paragraphs of this news release.

> WASHINGTON- Disaster-area taxpayers in most·of California and parts of Alabama and Georgia now have until Oct. 16, 2023, to file various federal individual and business tax returns and make tax payments, the Internal Revenue Service announced today. Previously, the deadline had been postponed to May 15 for these areas.
>
> The IRS is offering relief to any area designated by the Federal Emergency Management Agency (FEMA) in these three states. There are four different eligible FEMA declarations, and the start dates and other details vary for each of these disasters. The current list of eligible localities and other details for each disaster are always available on the Tax Relief in Disaster Situations page on IRS.gov.

When Will the 25% Rate for a Missed RMD be Reduced to 10%?

The concept of the change made by SECURE 2.0 is - if a taxpayer admits by filing a 2023 correct tax return (Form 5329) indicating that he or she had a missed RMD, and he or she has withdrawn it, then the tax rate will be 10% and not 25%.

This is a very beneficial law change. The tax rate has been decreased from 50% to 10% (and not 25%) for certain taxpayers. A tax is very harsh when the rate is 50%. It is still harsh at a rate of 25%. The law has been written to induce a taxpayer who has a missed RMD to self-report the tax error. For example, a person fails to take the 2023 RMD of $2,400. Under the law the person owes an excise tax of 25% or $600 unless she or he qualifies to pay only 10% ($240).

In reality, the U.S. Treasury/ IRS may or may not ever get paid this $600. Apparently, many taxpayers don't inform the IRS they have a missed RMD.

Under existing tax laws the IRS in most cases has no way of easily determining what the exact RMD is for a person age 73 or over or who is a beneficiary and whether or that person has a missed RMD.

So, a person who informs the IRS that he or she has a missed RMD of $2,400 by properly reporting the missed RMD on Form 5329, paying the 10% tax of $240, then does not owe the penalty amount of $600. The person must do this before the IRS determines that a person has a missed RMD.

If a person has a missed RMD and the IRS discovers it before it is voluntarily corrected, the $600 will be owed along with any applicable interest and other penalties.

The approach of the new law is - we hope the U.S. Treasury/IRS will collect more tax dollars if taxpayers are given a monetary inducement to self-report their missed RMDs.

The New SEP Roth and SIMPLE Roth IRA accounts – When Will CWF Have Available?

The SECURE Act 2.0 was enacted with the thought being - many individuals will choose to pay taxes immediately in order that future earnings in a "Roth" account will be tax-free. In the short term the US Treasury will have increased tax revenues.

The following example illustrates the purpose of the new law. Serena is a highly valued employee. Her wage income is $80,000. Serena's employer is going to make a contribution of $12,000 (15% of compensation) into her SEP-IRA. The new law grants her the right to elect to have this $12,000 be either a regular SEP-IRA contribution or it may be a Roth SEP-IRA contribution. If she elects to have it be a regular SEP-IRA contribution the $12,000 is not included in her income for income tax and FICA tax purposes. If she elects to have it be Roth SEP-IRA contribution the $12,000 will be included in her income for income tax and presumably FICA tax purposes.

Serena is assumed to be in the 25% marginal tax bracket. Serena makes the decision - she will include the $12,000 in her current income and pay additional income taxes of $3,000 in order that the future earnings on the $12,000 will be tax-free as long as certain requirements are met. This $3,000 is tax revenue the US Treasury otherwise would not have had. There would also be FICA taxes paid.

Set forth below is CWF's email response regarding the forms and services we will have available with respect to these new accounts - Roth SEP-IRAs and Roth SIMPLE-IRAs. Offering these new accounts will create some new opportunities.

CWF's Email Response

We are going to try to have an initial version of these forms available in late March.

We will create "amendments" for the IRS model forms authorizing the contribution may either be a Roth SEP or Roth SIMPLE contribution or an ordinary SEP or SIMPLE contribution.

We will be revising our contribution forms. The IRS needs to furnish guidance on this topic. Sooner the better.

At the time the contribution is made we assume the person must furnish an irrevocable(?) instruction whether it is Roth SEP or Roth SIMPLE or an ordinary contribution.

These new rules affect employers also. If an employee elects to have her $15,000 contribution be a SEP Roth, the $15,000 will be need to be included in her income for 2023, presumably subject to FICA/SE and income taxes.

I expect these new Roth accounts will require the IRS to revise the Form 5498: 2023? 2024? Two boxes for SEPs and two boxes for SIMPLEs?

An IRA custodian must be able to identify a SEP or SIMPLE account as a Roth account. This may need to be done manually until the software changes are made. The earnings of a "Roth" account will not be taxable if the tax-free rules are met.

Warning – CORE Vendor's Software Fails to Handle Non-Deductible IRA Contributions Correctly

A representative of an IRA custodian/trustee called CWF with the following situation. The representative had discussions with the CORE vendor about preparing the 2022 Form 5498 for an IRA client who had made a non-deductible contribution. The representative of the CORE vendor had informed this caller that when an IRA custodian accepted a non-deductible contribution and coded it as such, then its software treated this non-deductible contribution the same as a transfer contribution. It would not be reported on the 2022 Form 5498. The rationale of the representative was - since such funds were not deductible and would not be taxed when distributed, there was no need or IRS requirement to report such a contribution. This is totally wrong. Such a contribution must be reported by the IRA custodian/trustee in box 1 of the Form 5498 or the IRS may fine the bank for an incorrect Form 5498.

Continued on page 4

Warning,
Continued from page 3

CWF Comment. An IRA custodian is to report in box 1 all non-transfer contributions except those to be reported in another box. The IRA custodian does not inform the individual or the IRS about the deductibility or non-deductibility of any contribution. The individual must complete Form 8606 to report any non-deductible contribution.

Seek More IRA Contributions

In this changing deposit market, an IRA custodian wants to see its IRA deposits grow. Here are. some suggestions.

1. Seek SEP-IRA contributions. A person can establish and fund a SEP-IRA up through his or her tax filing deadline of April 18, 2023 plus tax extensions. The maximum contribution amount is $61,000 for 2022 and $66,000 for 2023.

2. Seek more rollover contributions. The investment market has some uncertainty.

3. Seek more Roth IRA contributions. As long as a person still has compensation (and not too much), a person can make a Roth IRA contribution. There is no RMD age limit. There is no negative consequence to participating in a 401(k) plan. A person can contribute to both a 401(k) plan or a SEP-IRA and a Roth IRA. Higher interest rates may be very attractive to Roth IRA depositors.

4. Seek more periodic contributions. in this day and age of web banking an IRA custodian should make it easy for a person to establish an automatic transfer from his or her checking account into either a traditional IRA or a Roth IRA. It should also be easy to stop this transfer, either temporarily or permanently. Inform the person that any contribution is made for the tax year in which the IRA custodian receives it.

5. Seek more traditional IRA contributions from high income clients. Now that any person with money in a traditional IRA is eligible to make a conversion contribution to a Roth IRA, more individuals will make non-deductible IRA contribution, if it is explained to them why they should make such contributions. Making a non-deductible contribution and then converting it (assumes no other funds within a traditional IRA) has the same effect as making a Roth IRA contribution. Income limits still make individuals ineligible to make a direct Roth IRA contribution.

Updated IRA Forms and Software Needed for 2023

A financial institution wants to use updated IRA forms for at least two reasons. First, you want to provide excellent service to your IRA clients. Secondly, you want to reduce possible liability claims because your old forms mislead your IRA client or IRA beneficiary. The SECURE Act and the CARES Act made major changes in various IRA laws. The RMD age was changed to age 73 from age 72. Beneficiaries of IRA owners dying in 2020 or subsequent years have changed radically for most beneficiaries. Existing beneficiaries should be informed that upon their death their beneficiary in general will be required to close the inherited IRA under the 10-year rule.

An IRA custodian/trustee should be using updated IRA plan agreements and revised administrative forms. CWF has revised the following forms:

1. IRA Plan Agreements
2. IRA Amendments
3. IRA contribution forms
4. New forms for Roth SEP-IRA and Roth SIMPLE-IRA for the employer and the employee.
5. IRA distribution forms - new discussion regarding the two new exceptions to the 10% addition tax for a disaster distribution or a distribution after a birth or an adoption.
6. Election or instruction form for a beneficiary who is not an EDB. This is CWF form 206 or 206-R.
7. Election or instruction form for a beneficiary who is an EDB. This is CWF form 204 or 204-R.
8. Rollover Certification forms (IRA to person to IRA). Form 65-A.
9. Rollover or Direct Rollover Certification form (401(k) to IRA). Form 65-B.
10. Transferring an Inherited IRA. Form 56-I or 56-RI.
11. RMD Notices for 2023

Revised RMD Rules for IRA Beneficiaries

When an IRA accountholder dies, the IRA beneficiary is required to close the inherited IRA by an applicable deadline. The law was changed in December of 2019 to no longer allow many beneficiaries to stretch out distributions over their life expectancy. This time period previously could be 30, 40, 50, 60 or more years depending upon the age of the beneficiary. Funds in an inherited IRA continue to be tax deferred funds until withdrawn. In order to realize tax income for the U.S. Treasury sooner, the law has been changed to require many, but not all, beneficiaries to withdraw the funds over a 10 year period and close the inherited IRA by the end of the 10th year.

IRA beneficiaries should be informed of the new rules. A beneficiary who fails to comply with the new beneficiary RMD rules owes a special 25% tax. The tax used to be 50%, but for 2023 and subsequent years it is 25% or 10%. A beneficiary should consult with her or his adviser.

In general there are now three classifications of IRA beneficiaries. The rules differ for each classification.

Classification #1. IRA Accountholder died before Jan. 2020

The pre-2020 laws continue to apply to these beneficiaries. If a beneficiary is using the life distribution rule to determine their RMD, it will continue to apply to the beneficiary. A beneficiary is allowed to withdraw a distribution exceeding their RMD. The new rule is, if this IRA beneficiary dies during this period, then his or her subsequent beneficiary is not permitted to continue this schedule, but must close the inherited IRA under the 10-year rule.

Classification #2. Beneficiary is an EDB

Certain beneficiaries are not required to use the 10-year rule even though the IRA owner dies in 2020 or a subsequent year. These beneficiaries are Eligible Designated Beneficiaries (EDBs). These beneficiaries, in general, are still subject to the pre-2020 rules. That is, when applicable, the life distribution rule may still apply.

To be an EDB the beneficiary must be one of the following:

1. A beneficiary who is not more than 10 years younger than the IRA owner;
2. A beneficiary who is disabled;
3. A beneficiary who is chronically ill;
4. A child; or
5. Certain trusts.

The life distribution rule may be used to calculate the RMD for an EDB, if applicable. A beneficiary is allowed to withdraw a distribution exceeding their RMD. However, if this IRA beneficiary dies during this life distribution period, then his or her subsequent beneficiary is required to continue this schedule, but must also close the inherited IRA under the 10-year rule.

Classification #3. Beneficiary is not an EDB

Most IRA beneficiaries of IRA owners dying on or after January, 2020, must close the inherited IRA by using the 10-year rule. These beneficiaries are called non Eligible Designated Beneficiaries. This shorter withdrawal period will mean for traditional IRA, SEP-IRA and SIMPLE-IRA beneficiaries that they will be required to include in their incomes larger distributions sooner than previously was required. Under the 10-year rule, the inherited IRA must be closed by the December 31 of the year containing the 10th anniversary of the IRA owner's death. Such withdrawals may either be periodic or nonperiodic. If this IRA beneficiary dies during this 10-year period, then any subsequent beneficiary will also be subject to this same 10-year period. However, if the beneficiary is not a person, such as a charity, an estate or a certain trust, then the 5-year rule applies.

There are actually two 10-year rules depending upon whether the IRA accountholder died on or after January 1, 2020 and whether she or he died before her or his required beginning date or on or after the required beginning date.

The standard 10-year rule applies is when the IRA accountholder dies before his or her required beginning date. A beneficiary is not required to take scheduled distributions or even take a distribution for any year of the 10-year period with one exception. A beneficiary

Continued on page 6

Revised RMDs,
Continued from page 5

must withdraw all of the inherited funds by the deadline of December 31. Beneficiary withdrawals may either be periodic or any amount taken when they wish. For income tax reasons the beneficiary may wish to withdraw an amount each year, for example, 10% each year.

A second special 10-year rule when the IRA accountholder dies on or after his or her required beginning date. If the IRA accountholder died after December 31, 2019 and after his or her required beginning date, a non-Eligible Designated Beneficiary is not permitted to continue withdrawing an RMD each year for the rest of his or her life. Commencing the year after the year the IRA accountholder dies the beneficiary for years 1-9 may withdraw only the RMD amount, but in year 10 the inherited IRA must be closed. Therefore, the beneficiary may wish to withdraw a larger amount each year, for example 10% each year.

This supplement does not discuss the rules applying to a beneficiary which is not a person such as an estate. trust or charity.

Email Guidance – Inherited IRAs

Q-1. Death in December. If an IRA customer passed away on the 29th of December and we don't find out about it until the 4th, does the beneficiary have to take the deceased IRA holders RMD? Is there anything else special we need to do since this happened in 2 different years?

A-1. The IRS is aware of situations similar to the one you describe.

The bank's role is that of being the IRA custodian.

The IRA accountholder and any beneficiary have different roles and duties.

The bank will prepare a final 5498 form for the deceased IRA accountholder.

The bank will also prepare a 2022 Form 5498 for each beneficiary since each had a portion of the inherited IRA balance as of December 31. This is true even if the bank did not know about his passing until 2023.

Technically the 50% tax is owed if the RMD for 2022 had not been taken.

In its proposed RMD regulation the IRA has proposed the deadline for taking the 2022 RMD be revised from being 12/31 to 4/15 of the following year.

The individuals have the duty of explaining on their tax returns.

The bank prepares the Form 1099-R for the year a distribution occurs.

Q-2. I have a client Mary, her Dad Jose passed away who had an IRA at another bank that had his deceased wife listed as beneficiary. The bank moved the IRA to his estate. Mary is asking if those funds can be distributed to Jose's kids as inherited IRAs?

A-2. Did the other IRA custodian distribute the funds to the estate or was an inherited IRA set up for the estate?

Under the old laws (pre-SECURE Act) the estate as a non-spouse had no rollover rights and there was no way to correct for this type of error.

The SECURE Act 2.0 requires the IRS to allow certain corrections to be made. The IRS will need to furnish additional guidance. Congress had heard from beneficiaries that there were times the inherited IRA distribution was distributed even though the beneficiary had not requested it. The distribution could not be rolled over.

I believe now because of the SECURE Act it could be rolled over. A beneficiary in this situation can use the late rollover certification form to make such a rollover. The beneficiary after talking with their tax advisor will need to certify they are eligible to make such a rollover and assume responsibility if the IRS would disagree.

If there was a un-requested distribution to the estate, then it is the mistake of the first IRA custodian.

I am not exactly sure what you are asking.

Will there be a lump sum distribution to each kid or will an inherited IRA be set up for each kid?

I believe the bank can issue a check to each child if the estate's attorney will furnish an opinion letter that there will be either no estate or the estate has the right to pass through to the children the right to revise future distributions.

Continued on page 7

Email Guidance,
Continued from page 6

Q-3. I wanted to run a scenario past you on a deceased IRA account holder. My situation is this. Husband died in November 2022 and was 71 years of age. His wife is the single beneficiary and was 72 in 2022 and in her own RMD with her IRA. I know of course she can treat his IRA as her own since she was the spouse and sole beneficiary. Besides treating it as her own, exactly what are her other options? I know a non-spouse can use the 10-year payout rule, but was unsure with a spouse... IF for some reason she doesn't choose to treat as her own.

A-3. If the IRA accountholder dies before his or her required beginning date, the surviving spouse has 3 options:

1. Elect as own;
2. Special life distribution rule;
3. 10-year rule

If the IRA accountholder dies on or after his or her required beginning date, the surviving spouse has only 2 options:

1. Elect as own;
2. Special life distribution rule;

The 10-year rule is no longer an option.

Why might a spouse choose the 10-year rule? It allows the person to defer taking any distributions and defers paying taxes. Example, Mark and Sara are married Mark is 71 and Sara is 74 in 2023. Mark dies in 2023 before his required beginning date. Sara is subject to the RMD rules. Sara may elect the 10-year rule and if she does she is not required to take a distribution until that 10th year (2033).

Email Guidance – HSAs

Q-1. I have a customer that works for the school. He is not a teacher. He will be retiring at some point in 2023. He has an HSA account with us through the school. He is not 65 so he will not be getting Medicare. If he gets another high deductible insurance plan (which is the plan) and wants to continue with an HSA can he use the existing account or will he have to open a new one?

Another question, if a customer we have that has an HSA with us through the school leaves one of the local schools and goes to another local school do they have to open a new account or can they continue to use the same one?

A-1. In both cases the person is able to continue to use the same HSA.

Q-2. We have a problem with a deceased owner. The beneficiary is a trust, no surviving spouse. We found out about the death but didnt act on it in 2022.

We are now being asked to distribute the funds in 2023. We are confused by the IRS guidelines because it doesn't show our scenario where we found out last year and pay out this year.

A-2. HSAs have a very different IRS reporting approach from IRAs when the HSA owner dies.

The HSA ceases to exist upon the HSA owner's death.

The HSA balance as of the date of death is taxable income to the beneficiary in the year of death. If the trust uses or used any of the HSA funds to pay the final medical expenses of the decedent that amount would not be taxable. The trust must explain on its tax return.

So, if the HSA owner died in 2022 the trust must report this income on its 2022 tax return. This is so even though the trust will not be furnished a Form 1099-SA until you prepare the 2023 forms.

The bank may be nice and tell the trust it has income for 2022. It is probably not the case, but a beneficiary is supposed to know there is income in the year an HSA owner dies even if the beneficiary withdraws it in the following year.

There is to be a final 2022 Form 5498-SA for the deceased HSA owner.

The 2023 Form 1099-SA prepared for the trust must be completed. There is a box 4 where you report the value as of the date of death. In box 1 you will report the total value distributed. The difference in the amount between these two boxes is the income earned after the HSA owner died. This is income for 2023.

Continued on page 8

HSAs
Continued from page 7

Q-3. We have a question regarding a customer who over contributed to his HSA for tax year 2022. Our question is can he withdraw the excess now that it is 2023? If so, what paperwork would be needed and how would that be reported on the 1099SA and 5498SA?

A-3. Yes, the excess contribution may be withdrawn in 2023. It is best if this occurs by 4/15/2023.

The HSA rule does have some differences versus the IRA rule.

The individual must withdraw the excess plus or minus any related income/loss.

When was the excess contribution made? What day and month?

The income, if any, will be included in his income for 2023.

Does the bank have a monthly service fee? If yes, such a fee is considered negative income. He could withdraw less than the excess amount he contributed.

2022 Form 5498 - The bank is to report all contributions as made. He will need to explain on his tax return.

2023 Form 1099-SA.

Box 1 is to be completed with the gross amount returned to him.

Box 2 is to be completed with the amount of the earnings related to the excess. This should be 0.00 if there were no earnings.

Box 3 is to be completed with code 2 for an excess withdrawal.

Q-4. I'm not sure if I ever.responded to this, but. thank you for your input! The person finally came in and took out the excess contribution and I am updating their 1099SA and had a follow up question.

They have already received a 1099SA with distributions of $15,061.72 showing, and distribution code of 1. The excess that he had to withdraw was $1,200 and then interest earned of $0.65.

So on the updated 1099SA, I need to change the total in box 1 to $16,262.37, box 2 to $0.65, and then box 3 distribution code to 2? Once I get this form to him, he should be all set? I also want to be sure I report the correct thing to the IRS... would we only report the new 1099sa with the number 2 distribution code to the IRS? I would delete the old one with the number 1 distribution code?

A-4. The HSA custodian must prepare a separate form 1099-SA for each type of distribution code. You have two distribution codes.

You must prepare one Form 1099-SA for the "regular" HSA contributions the person had. Code "1" is to be used. Originally this was $15,061.72. This amount will be corrected (reduced) to be $13,861.07 ($15061.72 - $1,200.65). Thus form is to be marked "corrected".

You will prepare a second Form 1099-SA with the reason Code "2". Box 1 will be completed with 1,200.65) and box 2 will be completed with .65. This form is not marked corrected as it is being prepared the first time.

Please call or email me if you have further questions.

Jan. 1, 2024 Arrives in 12 Months – Deadline for New E-File Rules

The IRS issued news release IR-2023-31 on February 21, 2023.

The IRS and Treasury announce the adoption and issuance of its final regulations applying to thee-filing requirements for many businesses, including IRA custodians and trustees.

These regulations will require almost all business filings made in 2024 with the IRS be made using an e-file process. The regulation is approximately 70 pages. These regulations reflect changes made by the Taxpayer First Act (TFA) requiring an increase in e-filing. The TFA sets forth the requirement that when 100 copies of a specific form is to be filed it must be filed electronically. However, the IRS took it upon itself to reduce this limit to 10 forms and to change the rule that many forms will be aggregated to determine if the 10 form limit applies. This is a substantial change. The limit of 10 will also apply to the filing of corrected returns.

There will certainly be court challenges to the IRS action, but your institution as an IRA custodian/trustee needs to be aware of this new regulation. The court challenges, of course, will take time. The IRS supposedly will issue hardship waivers to those who qualify.