



THE Pension Digest

April 2023
Published Since 1984

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“The Pension Specialists”



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Administering an Inherited IRA With a Beneficiary Who is an EDB

An eligible designated beneficiary (EDB) is entitled to use the life distribution rule even though the IRA account-holder has died before or after his or her required beginning date. An EDB has the choice of using the life distribution rule or the 10-year rule.

Who is an EDB? It is a person or a trust which is described below and meets one of the following requirements:

1. A spouse beneficiary
2. The person is disabled as defined in Code section 72(t);
3. The person is chronically ill,
4. The person is not more than 10 years younger than the IRA grantor or accountholder;
5. The person is a minor child of the IRA grantor or accountholder; or
6. A trust which meets the following three requirements: the trust must have multiple beneficiaries, there must be at least one beneficiary who is disabled or chronically ill, and all beneficiaries of the trust must be considered for determining the RMD distribution period. If these three requirements are met, then the RMD distribution provisions of the trust may be structured in one of two ways.

This article focuses on the requirement that the beneficiary will be an EDB if he or she is not more than 10 years younger than the deceased IRA accountholder. This requirement is one which may cause some

confusion for an IRA custodian/ trustee. Determining whether a beneficiary is more than 10 years younger is determined based on the day the deceased IRA accountholder died. The IRA custodian must know the date of birth of the deceased IRA accountholder and also the date of birth of the IRA beneficiary. The calculation is not based on the calendar year.

For example, Jane Doe dies on April 5, 2023. She was born on July 5, 1989. The beneficiary to be an EDB must have been born on or after July 5, 1999. A beneficiary born before July 5, 1999 is not an EDB because she or he is not more than 10 years younger than the IRA accountholder.

Category #1. The IRA accountholder has died after his or her required beginning date.

1. Any beneficiary age 73 or older will be an EDB because the person is not more than 10 years younger. This means parents and older siblings will be an EDB as would grandparents, uncles, aunts, etc.
2. Any beneficiary age 64-73 will be an EDB because the person is not more than 10 years younger.
3. Any beneficiary age 63 or younger will not be an EDB.

Category #2. The IRA accountholder has died within 15 years (age 58-73) of his or her required beginning date. For discussion purposes it is assumed an IRA accountholder died at age 58.

1. Any beneficiary age 58 or older will be an EDB because the person is not

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General IRS Filing Instructions for 2023 Reporting Forms to be Filed in 2024 - Clarification Needed

The IRS makes the following statements in the General Instructions for Certain Information Returns (2023).

These instructions are set forth on 69 pages. Some of these statements are inconsistent. The IRS needs to clarify its discussion of the 250/100/10 limit. Obviously, this is very important to those having to comply with the IRS rules. Hopefully, the IRS will not impose the filing requirement of 10 forms for the 2023 forms to be filed in 2024.

Page 1. E-Filing returns

E-filing returns. The Taxpayer First Act of 2019, enacted July 1, 2019, authorized the Department of the Treasury and the IRS to issue regulations that reduce the 250 return requirement for 2023 tax returns. However, the e-file threshold for returns required to be filed in 2023 remains at 250. The e-file threshold of 10 is effective for returns required to be filed on or after January 1, 2024.

Page 13. Online fillable forms

Due to the very low volume of paper Forms 1097-BTC, 1098-C, 1098-MA, 1098-Q, 1099-CAP, 1099-LTC, 1099-Q, 1099-QA, 1099-SA, 3922, 5498-ESA, 5498-QA, and 5498-SA received and processed by the IRS each year, these forms have been converted to on line fillable PDFs. You may fill out these forms, found online at IRS.gov/FormsPubs, and send Copy B to each recipient. For filing with the IRS, follow your usual procedures for filing electronically if you are filing 100 or more of a form type. If you are filing any of these forms on paper due to a low volume of recipients, for these forms only, you may file a black-and-white Copy A that you print from the IRS website with Form 1096. See part G for paper document reporting. You must not use these on line fillable forms if you are required to file electronically.

Page 14. Electronic Reporting

E-file is available, and may be required, for filing all information returns discussed in these instructions, other than Forms 1099-QA and 5498-QA (see Who must file electronically, later). Different types of payments, such as interest, dividends, and rents, may be reported in the same submission.

You can file Forms 1097, 1098, 1099, 3921, 3922,

5498, and W-2G, **except Forms 1099-QA and 5498-QA**, electronically through the Filing Information Returns Electronically System (FIRE System); however, you must have software that can produce a file in the proper format according to Pub. 1220. Pub. 1220 provides the procedures for reporting electronically and is updated annually. Pub. 1220 is available at IRS.gov. The FIRE System does not provide a fill-in form option for information return reporting. The FIRE System operates 24 hours a day, 7 days a week. You may access the FIRE System online at FIRE.IRS.gov. Forms 1099 may also be e-filed using the IRIS, described later, without special software. Forms 1099-QA and 5498-QA can only be filed on paper.

Information Reporting Intake System (IRIS). The IRS has developed an online portal that allows taxpayers to electronically file Forms 1099 after December 31, 2022, for 2022 and later returns. Users should follow the specifications in Pub. 5717, IRIS Taxpayer Portal User Guide. Go to IRS.gov/IRIS for additional information and updates.

Due dates. File Forms 1097, most Forms 1098, and most Forms 1099, 3921, 3922, or W-2G electronically by April 1, 2024. File Forms 5498, 5498-ESA, 5498-QA, or 5498-SA by May 31, 2024. See part M about furnishing Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G, or statements, to recipients. File Form 1099-NEC by January 31, 2024.

How to request an extension of time to file. For information about requesting an extension of time to file, see Extension of time to file, earlier, under part C.

If you file electronically, do not file the same returns on paper.

Who must file electronically. If you are required to file 250 or more information returns during the year, you must file electronically. the 250-or-more requirement applies separately to each type of form. For example, if you must file 500 Forms 1098 and 100 Forms 1099-A, you must file Form 1098 electronically, but you are not required to file Forms 1099-A electronically.

The e-file requirement does not apply if you apply for and receive a hardship waiver. See How to request a waiver from filing electronically, later.

If you are required to file electronically but fail to do so, and you do not have an approved waiver, you may be

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**IRS Filing Instructions,
Continued from page 2**

subject to a penalty. The IRS encourages you to file electronically.

Filing requirement applies separately to originals and corrections. The electronic filing requirements apply separately to original returns and corrected returns. Originals and corrections are not aggregated to determine whether you are required to file electronically. For example, if you file 400 Forms 1098 electronically and you are making 75 corrections, your corrections can be filed on paper because the number of corrections for Form 1098 is less than the 250 filing requirement. However, if you are filing 250 or more Form 1098 corrections, they have to be filed electronically.

**Inherited IRA,
Continued from page 1**

more than 10 years younger. This means parents and older siblings will be an EDB as would grandparents, uncles, aunts, etc.

2. Any beneficiary age 49-58 will be an EDB because the person is not more than 10 years younger.
3. Any beneficiary age 49 or younger will not be an EDB.

Category #3. The IRA accountholder has died when she or he is young. For discussion purposes it is assumed an IRA accountholder died at age 33.

1. Any beneficiary age 33 or older will be an EDB because the person is not more than 10 years younger. This means parents and older siblings will be an EDB.
2. Any beneficiary age 24-33 will be an EDB because the person is not more than 10 years younger.
3. Any beneficiary more than 10 years younger will not be EDB unless the beneficiary is a child of the deceased IRA accountholder.

Category #4. The IRA accountholder has died when she or he is very young (1-21). For discussion purposes it is assumed an IRA accountholder died at age 18.

1. Any beneficiary age 18 or older will be an EDB because the person is not more than 10 years younger. This means parents and older siblings will be an EDB. The beneficiary will be receiving a valuable gift because the beneficiary will have tax-free income for the rest of his or her life.
2. Any beneficiary age 9-18 will be an EDB because the person is not more than 10 years younger.

Email Guidance – Direct Rollover from a 401(k) Plan

Q-1. I have a customer that is wanting to rollover her 401(k) with another company. They want me to initiate the rollover stating I will accept it. Is there a specific form number I should use for this? She is wanting to put it into a Traditional IRA

A-1. If she does not have an existing IRA, she needs to establish one. The bank should have a procedure where the IRA is established even though the direct rollover funds are not there yet.

Might she make a nominal contribution if that is needed to open the IRA?

That other company is trying to make its job easier. That company by law is required to initiate the process. Not the bank. That company must furnish a section 402(f) notice.

The other entity needs to improve its procedures. The other entity should add a section/provision to one of its forms for the IRA custodian to acknowledge that the bank will accept the direct rollover.

The individual will be completing the section 402(f) form. If your customer consents and so instructs the employer, then the employer may email or fax the bank a copy of the distribution instruction forms she completes. The bank can add its note of acceptance and return it to the employer.

Alternatively, The bank may simply respond with an email - the bank will accept the direct rollover as has been or will be instructed by Jane Doe.

Q-2. We have an employee whose husband switched jobs and he wants to rollover his 401(k) from that company to an IRA here. The company he worked for was ABC, Inc., the check was from DCF Life. It was made payable to the bank FBO employee's name. On the bottom of the stub of the check it says 1099R form will be prepared and sent to you and the IRS reporting this as potentially taxable income. Please consult with your financial advisor regarding the tax consequences of this

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**Direct Rollover,
Continued from page 3**

retirement plan distribution. Is this not considered a rollover? The check was mailed to the employee not the bank.

A-2. Yes it is a direct rollover and for the bank's Form 5498 reporting purposes it is to be reported in box 2 as a rollover.

An employer (or the firm it hires to assist with plan administration) is required to furnish to an employee who has or will be separating from service a special distribution form called a section 402(f) notice. The IRS has furnished sample or safe harbor language. The form must describe that the individual has 3 options: (1) a direct rollover; (2) a cash distribution (80%/20%); (3) a combination of a direct rollover and cash.

Your customer must have completed this form to have a direct rollover. It is great when the customer informs the bank by furnishing a copy. Somehow a bank should inform its customers that it helps the process when the customer informs the bank he or she is making this direct rollover.

The governing regulation does allow the employer to mail the check (with the bank as the payee) to the individual.

This situation could be simplified if the regulation expressly authorized (with the individual's consent) the employer to send the check and a copy of the distribution form to the bank. Unless the regulation is changed the 401(k) plan will not communicate with the bank. It will state - there are privacy reasons.

Email Guidance – Roth IRA Conversions

Q-1. Re: Back door ROTH

Customer opened 2022 IRA last week. March 2023. Today they want to convert it to a ROTH.

When a customer converts an IRA to a ROTH, do they have to pay taxes at the time of conversion?

Also, can the ROTH conversion be reported as 2022 not 2023?

A-1. A Roth IRA conversion contribution occurs in the calendar year (deadline is 12/31) it is made. A conversion made today in March is made in 2023 and reported on the 2023 Form 5498. This is true even if the annual traditional IRA contribution is designated for 2022.

I will discuss the tax consequences of a Roth IRA conversion (backdoor contribution and then the conversion) in two situations.

Situation #1, The customer does not presently have a traditional IRA, SEP-IRA or SIMPLE-IRA. The customer contributed \$7,000 for the 2022 tax year. I assume the account has earned a small amount of interest. I will assume \$2.50. The customer converts \$7,002.50. The customer is to include the \$2.50 in his income for 2023. The \$7,000 is not taxed when converted/withdrawn as it was a non-deductible contribution.

Situation #2, The customer presently has funds in a traditional IRA, SEP-IRA or SIMPLE-IRA. The amount is \$21,000. The customer contributes \$7,000 for the 2022 tax year. It does not matter that the \$7,000 goes into an IRA kept separate from the other IRAs. The IRA tax rules require that all IRAs are aggregated for purposes of applying the IRA distribution rules. When there is basis (non-deductible) a portion of the distribution is taxable and a portion is not.

If the customer makes a non-deductible contribution of \$7,000 and then converts/withdraws \$7,000 (25% of \$28,000), the customer will include \$5,250 (75% income and not include in income \$1750 (25%).

If the customer makes a non-deductible contribution of \$7,000 and then withdraws/converts the \$28,000,

Continued on page 5

**Roth IRA Conversions,
Continued from page 4**

the customer will include \$21,000 (75%) in income and not include in income \$7000.

The customer and the tax accountant, if any, have the responsibility to prepare the customer's tax return correctly. Again, the bank does report to the customer or the IRS that the contribution was non-deductible.

Q-2. We offer the SIMPLE-IRA here at the Bank. We have an employee that has asked if she can cash out her SIMPLE in 2023 and put it into a ROTH IRA. Can you please let me know if this is something that can be done?

A-2. She may "convert" now the funds in her SIMPLE-IRA to a Roth IRA. She will include the amount converted in her 2023 income.

She may want to convert all but a \$1 so the SIMPLE-IRA stays open for subsequent contributions. Once the funds go into the SIMPLE-IRA she may convert that amount. There is no limit as to how many conversions she may do.

The SECURE Act 2.0 has an important new law. The new law apparently allows an employee pursuant to her instruction to put new contributions (employee or employer) into a Roth SIMPLE-IRA or a standard SIMPLE-IRA.

The IRS will need to furnish guidance. However, It may take some time for the IRS to give such guidance.

If the employee instructs to put her contribution into a Roth SIMPLE-IRA she is not able to exclude that amount from her income as is done when it goes into a standard SIMPLE-IRA. She will pay taxes now.

We have developed some "amendment forms" so that this new program could be started immediately. The employer needs to adopt a plan amendment and so does an employee.

Funds in the ROTH SIMPLE-IRA must be kept segregated from the standard SIMPLE-IRA funds.

Email Guidance – Roth IRAs for Minors

Q-1. I have a parent that would like to open Roth IRAs for her minor sons who are earning income (being reported on W-2), to deposit funds into. How should I structure each account? The child should be the Primary, and the bank is typically the Custodian, so how would you suggest I include the parent on the account?

A-1. I find this a difficult subject. Most state laws do not address very well the rules and procedures applying to a Roth IRA established for a minor. Minnesota is included.

I am furnishing what I understand, but you must double check with the bank's attorney.

What is the bank's procedure for other accounts established by minors?

It is the minor who must open the Roth IRA. Under federal law a minor who has sufficient compensation is eligible to establish and fund an IRA, including a Roth IRA. All IRS reporting requirements are to be prepared using the name and tax ID of the minor. Such forms will be mailed to the home of the minor.

The minor is the "owner" notwithstanding he or she is a minor and the money for the Roth IRA actually came from a parent. A parent has no way to set up some type of custodial account where the parent formally controls the account. A parent can be a quasi-custodian, but the minor child has the right to withdraw the funds.

The minor will designate her or his beneficiaries. This is very important because any sibling or parent will be an EDB should the minor die allowing the beneficiary to stretch out distributions (and earn tax-free income) over the beneficiary's life expectancy.

Under most state laws a minor has the right to enter into contracts, but the child also has the right to void a contract. So there is some risk involved for a bank acting as an Roth IRA custodian. But when the IRA funds are invested in time deposits or savings accounts where there can be no loss of principal, I do not see the harm for the bank being very great if the minor decides to withdraw or close their Roth IRA. It is a different situation if the Roth IRA funds are invested in investments which may lose principal.

Tax Year 2019 IRA Statistics

What at the FMVs of the four (4) IRA types

IRA Type	Number of IRAs Taxpayers*	FMV	Percentage of Total	Average Balance
Traditional	49,483,938	\$ 9,297,255,762,000	84.92%	\$187,844
Roth	21,959,859	\$1,013,727, 436,000	9.26%	\$46,163
SEP	3,143,142	\$ 491,380,027,000	4.49%	\$156,334
SIMPLE	3,196,812	\$ 146,432,038,000	1.33%	\$45,806
Total	62,772,529	\$10,948,795,283,000	100.00%	\$174,420

* Note a taxpayer may have multiple IRAs.

Observations - FMV

1. There was 10.95 trillion in IRAs as of 12/31/2019. 94% was in traditional IRAs and Roth IRAs with 84.9% in traditional IRAs and 9.3% in Roth IRAs.
2. The average IRA balance is \$174,420.
3. The average balance of a traditional IRA is \$187,844.
4. The average balance of a SEP-IRA is \$156,334.
5. The average balance of a Roth IRA is \$46,163.
6. Assuming an average tax rate of 25%, the U.S. Treasury looks to collect taxes of \$2.484 trillion.
7. In general, the funds in traditional IRAs, SEP-IRAs and SIMPLE-IRAs are taxable when withdrawn, but the funds withdrawn from a Roth are generally not taxable.

What rollover contributions were made for 2019 to the four (4) IRA types

IRA Type	Number of IRAs/ Taxpayers*	Contribution Amount	Average Rollover Contribution
Traditional	4,785,371	\$535,669,598,000	\$111,939
SEP	47,201	\$5,029,399,000	\$106,553
SIMPLE	18,089	\$703,211,000	\$38,875
Roth	587,893	\$12,984,374,000	\$22,086
Total	5,079,809	\$554,386,583,000	\$109,135

* Note a taxpayer may have multiple IRAs.

Tax Year 2020 IRA Statistics

What at the FMVs of the four (4) IRA types

IRA Type	Number of IRAs Taxpayers*	FMV	Percentage of Total	Average Balance
Traditional	50,723,742	\$10,721,941,736,000	84.70%	\$211,379
Roth	23,604,965	\$1,233,129,905,000	9.74%	\$52,240
SEP	3,077,669	\$537,090,232,000	4.23%	\$174,512
SIMPLE	3,249,774	\$169,041,120,000	1.33%	\$52,016
Total	64,950,758	\$12,661,202,993,000	100.00%	\$194,935

* Note a taxpayer may have multiple IRAs.

Observations - FMV

1. There was 12.66 trillion in IRAs as of 12/31/2020. 94.4% was in traditional IRAs and Roth IRAs with 84.9% in traditional IRAs and 9.74% in Roth IRAs.
2. The average IRA balance is \$194,935.
3. The average balance of a traditional IRA is \$211,379.
4. The average balance of a SEP-IRA is \$174,512.
5. The average balance of a Roth IRA is \$52,240.
6. Assuming an average tax rate of 25%, the U.S. Treasury looks to collect taxes of \$2.857 trillion.
7. In general, the funds in traditional IRAs, SEP-IRAs and SIMPLE-IRAs are taxable when withdrawn, but the funds withdrawn from a Roth are generally not taxable.

What rollover contributions were made for 2020 to the four (4) IRA types

IRA Type	Number of IRAs/ Taxpayers*	Contribution Amount	Average Rollover Contribution
Traditional	5,281,143	\$594,816,630,000	\$112,030
SEP	63,882	\$5,366,503,000	\$84,067
SIMPLE	18,519	\$651,779,000	\$35,195
Roth	700,965	\$17,541,973,000	\$25,026
Total	5,659,901	\$618,376,885,000	\$109,256

* Note a taxpayer may have multiple IRAs.

What contributions were made for 2019 to the four

(4) IRA types

IRA Type	Number of IRAs/ Taxpayers*	Contribution Amount	Average Contribution
Traditional	7,940,008	\$27,606,885,000	\$3,477
Roth	4,566,422	\$20,061,171,000	\$4,393
SEP	1,085,534	\$16,522,641,000	\$15,221
SIMPLE	2,036,199	\$11,314,686,000	\$5,557
Total	14,878,148	\$75,505,384,000	\$5,075

* Note a taxpayer may have multiple IRAs.

Observations - 2019 Contribution

1. There were annual contributions of 75.5 billion.
2. There were rollover contributions of 554.4 billion
3. More annual IRA contributions were made to Roth IRAs (27.6 billion) versus traditional IRAs (20.1 billion).
4. SEP-IRA contributions of 16.5 billion were relatively close to the contributions made to traditional IRAs (20.1 billion).
5. SIMPLE-IRA contributions of 11.3 billion were made.
6. The total number of taxpayers making contributions was 14,878,148
Roth IRAs - 7,940,008
Traditional IRAs - 4,566,422
SIMPLE-IRAs - 2,036,199
SEP-IRAs - 1,085,534
7. The average contribution SEP-IRA was \$15,221.
SIMPLE-IRA - \$5,557
Traditional IRA - \$4,383
Roth IRA - \$3,462
8. Breakdown of those making Traditional IRA contributions
Those claiming a tax deduction: 2,847,364.
Amount contributed: \$12,611,339,000
The average contribution: \$4,429

Those not claiming a tax deduction: 1,719,058
Amount contributed: \$7,499,832,000
The average contribution: \$4,636

What contributions were made for 2020 to the four

(4) IRA types

IRA Type	Number of IRAs/ Taxpayers*	Contribution Amount	Average Contribution
Traditional	4,961,960	\$22,134,356,000	\$4,461
Roth	9,210,723	\$32,982,423,000	\$3,581
SEP	1,079,797	\$16,493,166,000	\$15,274
SIMPLE	2,065,357	\$11,552,433,000	\$5,593
Total	16,478,290	\$83,162,378,000	\$5,047

* Note a taxpayer may have multiple IRAs.

Observations - 2020 Contribution

1. There were annual contributions of 83.1 billion.
2. There were rollover contributions of 618.4 billion
3. More annual IRA contributions were made to Roth IRAs (33.0 billion) versus traditional IRAs (22.1 billion).
4. SEP-IRA contributions of 16.5 billion were relatively close to the contributions made to traditional IRAs (22.1 billion).
5. SIMPLE-IRA contributions of 11.5 billion were made.
6. The total number of taxpayers making contributions was 16,478,290
Roth IRAs - 9,210,723
Traditional IRAs - 4,961,960
SIMPLE-IRAs - 2,065,357
SEP-IRAs - 1,079,797
7. The average contribution SEP-IRA was \$15,274.
SIMPLE-IRA - \$5,593
Traditional IRA - \$4,461
Roth IRA - \$3,581
8. Breakdown of those making Traditional IRA contributions
Those claiming a tax deduction: 2,870,008.
Amount contributed: \$13,410,639,000
The average contribution: \$4,673

Those not claiming a tax deduction: 2,091,952
Amount contributed: \$8,723,717,000
The average contribution: \$4,170

Are IRA Amendments Required for 2022-2023?

In 2022 there have been many important IRA changes affecting 2022 and 2023:

1. New RMD rules for beneficiaries;
2. New maximum IRA contribution limits of \$6,500 and \$7,500;
3. New maximum SEP-IRA (\$66,000) and SIMPLE-IRA contribution limits;
4. New compensation limits applying to all four types of IRAs (traditional, Roth, SEP and SIMPLE showing large changes due to inflation);
5. New taxation rules for Iowa residents;
6. Revised IRS procedures for withholding with respect to an IRA distribution; and
7. Other technical changes.

In February of 2022 the IRS issued a new proposed regulation setting forth new beneficiary RMD rules. This proposed regulation has not been finalized, but in all likelihood the proposed changes will be adopted. These rules are important because when an IRA beneficiary fails to withdraw their RMD they will owe the 50% excess accumulations tax. The IRS has announced that the IRS will not try to collect this tax for certain 2021 or 2022 RMDs which should have been withdrawn under these new proposed rules.

The governing IRA regulation requires an IRA custodian/trustee to furnish an IRA amendment when the IRA plan agreement provisions are changed or when one or more of the topics discussed in the IRA disclosure statement is no longer correct and it needs to be revised or amended to set forth a current and correct explanation. Regulation 1.408-6(4)(ii)(C) requires that an IRA amendment be furnished no later than the 30th day after the amendment is adopted or becomes effective.

A cardinal rule of IRA and pension law is, the terms of the IRA plan agreement control and in order for a person to benefit from a law change the plan document must be revised to set forth the new law. Individuals have the right to be informed and understand current laws and the particulars of the specific IRA plan agreement. Many individuals and possibly many IRA custo-

dians might wish the law to be, since federal tax law authorizes a certain tax benefit, then a person should be able to realize a tax benefit regardless of what the IRA plan agreement provides. The law does not adopt this approach. For example, in order for a person age 74 to make an IRA contribution in 2022 or subsequent years to his or her traditional IRA or Roth IRA, the IRA plan agreement must be revised to authorize the person to make such a contribution.

The IRS in Notice 2022-23 has extended the amendment deadline for IRAs from December 31, 2022 to December 31, 2025. A user of IRS Model forms is permitted to continue to use these forms until revised by the IRS.

Each institution must make its own determination because one needs to understand when was the IRA agreement last amended and how is it being amended. A primary question is, "when is the last time the financial institution furnished an amendment?" What do the current IRA plan agreements provide? Are there some IRAs set up with one certain plan agreement and others with a different plan agreement?

A long time ago (1986/1987) the IRS acknowledged that there are times that even though the IRA plan agreement has not been changed, a disclosure statement amendment must still be furnished. The IRS stated there needed to be a disclosure statement amendment discussing or explaining the deductible/ nondeductible rules.

In summary, answering a question whether or not an amendment is required is not simple. Each financial institution will need to make its own decision to furnish one or both amendments.

It is true that the IRS has not been very active in auditing whether or not IRA custodian/trustees are furnishing IRA amendments as required by the IRA regulation. We at CWF believe it is in the best interest of a financial institution to furnish the amendments. The governing IRA regulation provides that a \$50 fine may be assessed an institution for each time it fails to furnish the IRA plan agreement and \$50 each time it fails to furnish the IRA disclosure amendment.