The Pension Digest

November 2024
Published Since 1984

ALSO IN THIS ISSUE –

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

FMV Statements (12-31-2024) and 2025 RMD Notices

Fair Market Value (FMV) statements

An IRA custodian must furnish a FMV statement to each IRA accountholder and each inheriting beneficiary having a balance as of December 31, 2024, to each IRA accountholder who died during 2024, and to any IRA accountholder who made a reportable contribution for 2024 during 2024 or 2025. The deadline to furnish the FMV statement is January 31, 2025.

This FMV statement must be prepared on a per plan agreement basis. That is, if a person would have two traditional IRAs and one Roth IRA, then he or she would need to be furnished three FMV statements. These could be combined on one statement as long as there were three separate sections.

There must be a sentence on the FMV statement informing the recipient that the FMV information (Balance as of December 31) will be furnished to the IRS when the 2024 Form 5498 will be filed with the IRS in May of 2025.

The IRA Custodian/trustee may, but is not required, to furnish contribution and earnings (including interest) information on the FMV statement for traditional IRAs, SEP-IRAs and Roth IRAs. However, a special rule applies for SIMPLE-IRAs. In the case of a SIMPLE-IRA, the IRA custodian must furnish a detailed statement listing all contributions (dates, and amounts) made by the employer on behalf of the SIMPLE-IRA accountholder.

Why is it required to furnish the FMV statement by January 31, 2025? A taxpayer who has basis within a traditional IRA, SEP-IRA or SIMPLE-IRA needs the FMV for purposes of completing the Form 8606 to determine the taxable portion of a distribution and the nontaxable portion.

The IRS may assess a penalty of $50 for each failure to furnish the FMV statement for traditional IRAs, SEP-IRAs, and Roth IRAs. The penalty is $100 PER DAY for failing to furnish the FMV statement for a SIMPLE-IRA.

RMD Notice for 2025

An IRA custodian/trustee must furnish each traditional/SEP/SIMPLE-IRA accountholder who was born during 1951 or earlier.

There is no requirement and no need to furnish an RMD Notice to a Roth IRA accountholder since the RMD rules do not apply to a Roth IRA accountholder while he or she is alive.

Three items must be set forth in the required RMD Notice.

First, the deadline applying to the specific IRA accountholder must be set forth. This will be December 31, 2025, for an individual who is older than age 73 in 2025 or April 1, 2025, if the individual attains age 73 in 2025. Second, there must a sentence informing the individual that the IRS will be told on the 2024 Form 5498 that he or she is subject to the RMD rules for 2025. Third, the individual must be informed of his or her RMD amount for 2025 or that such amount has not been calculated, but will be if the indi-

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Qualified Charitable Distributions – Planning for QCDs in 2025

The basic planning rule is, a QCD must be made from an IRA. A QCD cannot be made from a profit sharing plan, 401(k) plan or other employer sponsored plan.

Many individuals age 70½ or older may be considering making a qualified charitable distribution (QCD) or may know they want to make a QCD. Many of the laws governing IRAs are set forth in Code section 408. Code section 408(d)(8) authorizes an IRA accountholder to make a QCD if certain rules are met. The basic rules are: the IRA custodian must make the check payable to the charity, the aggregated IRA distribution amount must be $108,000 or less for 2025, the individual IRA accountholder or beneficiary must be age 70½ or older and the individual donor must get a tax receipt from the charitable organization confirming the contribution before filing their income tax return. The IRS on November 16, 2023 issued newswire IR-2023-215 discussing QCDs.

What tax benefits does a person receive when she or he makes a QCD?

The person receives two tax benefits for one transaction. This is rare under the federal income tax laws. For discussion purposes Alexa Taxpayer, age 78, has an IRA with a balance of $600,000. She has made 3 QCDs totaling $50,000 in 2023. She instructed her IRA custodian to send a check for $20,000 to Michigan State University, a check for $20,000 to her church and a check for $10,000 to the Salvation Army. Alex's RMD for 2023 is $27,273.

Her first tax benefit is, she is not required to pay taxes on the $50,000 because she excludes the $50,000 from her income.

Her second tax benefit is, she is not required to withdraw her RMD of $27,273 and include it in income and pay the applicable income tax because the IRS has ruled a person's QCD counts towards the person's RMD for that year.

Does the law authorize a 401(k) participant or a profit sharing plan participant to make a QCD?

The answer is no. A 401(k) or profit sharing participant is ineligible to make a QCD. Common sense says that the law should be changed so that a profit sharing plan participant or a 401(k) participant is eligible to make a QCD if he or she is age 70½ or older but that is not the current law. A profit sharing plan participant or 401(k) participant who wants to make a QCD must directly rollover their 401(k) funds into an IRA and then make the QCD. Remember, an RMD is ineligible to be rolled over. So, the direct rollover needs to completed by December 31, 2023 if the QCD will be made in 2024.

A 401(k) participant may make a charitable contribution under the laws set forth in Code section 170, but the tax benefits realized are more limited. If Alexa's balance in a 401(k) plan was $600,000 she would be required to withdraw her RMD of $27,273. She would include that amount in her income. If she made charitable contributions to her three charities she would be able to claim some deductions for her charitable contributions. The IRS has written Publication 526 (Charitable Contributions) The amount which a person is able to deduct is not 100%. There are various limits (15%, 30%, or 60%) which apply and which reduce the amount which can be deducted. IRS Publication 526 (Charitable Contributions) discusses charitable contributions in detail.

These two transactions - QCDs and Charitable Contributions sound a lot alike, but they are two separate and different transactions having different tax consequences. QCDs provide a much greater tax benefit than a charitable contribution which is deducted.

In summary, a person needs to move his or her funds in a profit sharing plan or 401(k) plan into an IRA by December 31, 2024 if the individual wishes to use those funds to make a QCD in 2025. The amount one pays in income taxes will be substantially reduced by making a QCD. To do so the funds need to be in IRA. A QCD cannot be made from funds in a 401(k) plan or other qualified plan.

RMD Notices,
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vidual contacts the IRA custodian/trustee and requests that the calculation be made.

Although the RMD laws apply to an inheriting IRA beneficiary of all four types of IRAs, current IRS rules do not require the IRA custodian/trustee to furnish an RMD notice. CWF strongly suggests you do so. The model IRS IRA forms require that there be an RMD distribution made to an inheriting beneficiary. A beneficiary who fails to take an RMD will owe the RMD tax of 10% or 25% and may well argue that the custodian/trustee should pay some of this tax for its failure to notify or payout a RMD.

The IRS may assess a fine of $50.00 for each time an IRA custodian/trustee fails to furnish a complying RMD notice.

☐ CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.	1 Gross distribution $ 2a Taxable amount $	OMB No. 1545-0119 2024 Form 1099-R		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
	2b Taxable amount not determined ☐	Total distribution ☐		Copy B
PAYER'S TIN / RECIPIENT'S TIN	3 Capital gain (included in box 2a) $	4 Federal income tax withheld $		Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.
RECIPIENT'S name	5 Employee contributions/ Designated Roth contributions or insurance premiums $	6 Net unrealized appreciation in employer's securities $		
Street address (including apt. no.)	7 Distribution code(s) / IRA/ SEP/ SIMPLE ☐	8 Other $ %		This information is being furnished to the IRS.
City or town, state or province, country, and ZIP or foreign postal code	9a Your percentage of total distribution %	9b Total employee contributions $		
10 Amount allocable to IRR within 5 years $ / 11 1st year of desig. Roth contrib. / 12 FATCA filing requirement ☐	14 State tax withheld $ $	15 State/Payer's state no.		16 State distribution $ $
Account number (see instructions) / 13 Date of payment	17 Local tax withheld $ $	18 Name of locality		19 Local distribution $ $

Guidance to Prepare the 2024 Form 1099-R to Report a Traditional IRA, SIMPLE-IRA, SEP-IRA or Roth IRA Distribution

What's New

E-filing returns. The Taxpayer First Act ot 2019 authorized the Department of the Treasury and the IRS to issue regulations that reduce the 250-return e-file threshold. T.D. 9972, published February 23, 2023, lowered the e-file threshold to 10 (calculated by aggregating all information returns), effective for Information returns required to be flied on or after January 1, 2024. Go to IRS gov/lnfoReturn for e-file options.

#1. An IRA includes all investments under one IRA plan agreement. File only one Form 1099-R no matter how many distributions have been made from the investments of the same IRA plan agreement during one year unless different reasons codes apply. Example, Jane Doe is paid a death distribution (reason code #4) from her former spouse's IRA (she did not treat this IRA as her own) and she is also paid a distribution from her only IRA. She is age 65 (reason code #7). One Form 1099-R must be filed for all distributions with a reason code 4 and a Form 1099-R must be filed for all distributions with a reason code 7.

#2. The Form 1099-R and the Form 5498 are per plan agreement forms. If a person, age 65, has two traditional IRA plan agreements and takes a distribution from each IRA, he or she must be furnished two 1099-R forms each having a reason code 7 in box 7. The IRA custodian could be fined $310.00 times 2 if it only created one Form 1099-R. The IRA custodian must file Form 1099-R using the same name and EIN/TIN used to deposit any tax withheld and to file Form 945, Annual Return of Withheld Federal Income Tax.

#3. The IRS wants an IRA custodian to prepare a Form 1099-R for every distribution, even those less than $10.00.

#4. If an IRA custodian is required to file a Form 1099-R, then it must furnish a statement (i.e. a copy of the 1099-R form) to the recipient.

#5. An account number must be used on a Form 1099-R when a recipient has more than one IRA plan agreement and you are required to file multiple Form 1099-R's. However, the IRS encourages an IRA custodian to designate an account number for all Form 1099-Rs which it files.

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#6.Never enter a negative amount in any box on Form 1099-R.

#7. Use the name and TIN of the individual or entity which receives-funds from the IRA. Normally, this will be the IRA accountholder. However, if you make a distribution to a beneficiary (whether an individual, trust or estate), then the 1099-R is prepared using the name and TIN of the beneficiary. You do not use the name of the decedent for payments made to beneficiaries after his or her death.

#8. An IRA custodian has a duty to correct a Form 1099-R that it knows was prepared incorrectly. The correction must be made as soon as possible. See the IRS instructions as the law now does allow the IRA custodian to not correct an incorrect Form 1099-R in some limited situations.

#9. For a distribution from a traditional IRA, SEP-IRA or SIMPLE-IRA boxes 1 and 2a are to be completed with the same amount unless the IRS instructions discuss a special situation.

#10. For a distribution from a Roth IRA, box 2a is to be left blank unless an exception applies.

#11. An IRA custodian will generally check box 2b, taxable amount not determined. There will be times when it is not checked - withdrawal of an excess or current year contribution before the due date, a recharacterization and rolling funds from an IRA into an accepting employer plan.

#12. The total distribution box is also found in 2b. An "X" is to be entered in this box when the amount shown in box 1 is a total distribution. The instructions for the total distribution section of box 2b are not as clear as they should be. It is doubtful if this box applies to IRA distributions; but the instructions are unclear, and an IRA custodian should complete the box pursuant to the instructions. In order for a person to use the favorable 10-year averaging or capital gain treatment he or she must receive a total distribution. Such treatment does not ever apply to any type of IRA distribution. If this box is not checked, the IRS will question an individual's attempt to use 10-year averaging. A total distribution is one or more distributions within one tax year in which the entire balance is distributed. This means if two or more nonperiodic distributions occur in more than one year, then there is no total distribution and the box does not need to be checked. For example, a person with an IRA balance of $30,000 withdraws $10,000 in 2023 and the remainder in 2024 has not had a total distribution. Exception. If periodic or installment payments are made in more than one year, this box is to be marked for the year in which the final payment is made.

#13 For a distribution of contributions plus earnings from an IRA under **section 408(d)(4)**, report the gross distribution in box 1, only the earnings in box 2a, and enter Code 8 or P, whichever is applicable, in box 7. Enter Code 1, 2, 4 or 7, if applicable.

#14. For a distribution of contributions without earnings after the due date of the individual return, under section **408(d)(5)**, leave box 2a blank, and check the "Taxable amount not determined" check box in 2b. Use Code 1 or 7 in box 7 depending on the age of the accountholder.

#15. For a distribution from an IRA that is payable to the trustee of, or is transferred to, an employer plan, or for an IRA recharacterization, enter 0 (zero) in box 2a.

#16. In box 7 indicate the distribution code and enter an "X" in the **IRA/SEP/SIMPLE check box** if the distribution is from a traditional IRA, SEP-IRA, or SIMPLE-IRA. Do NOT check the box for a distributing from a Roth IRA or for an IRA recharacterization.

#17. **Roth IRAs.** For a distribution from a Roth IRA, report the total distribution in box 1 and leave box 2a blank except in the case of an IRA revocation or account closure and a recharacterization. Use Code J, Q, or T as appropriate in box 7. Use Code 8 or P, if applicable, in box 7 with Code J. Do not combine Code Q or T with any other codes.

However, for the distribution of excess Roth IRA contributions, report the gross distribution in box 1 and only the earnings in box 2a. Enter Code J and Code 8 or P in box 7.

SEPs are so Simple – Be Eagar to Seek and Accept SEP-IRA Contributions

Establishing a SEP

Who can establish a SEP?

Any employer, including self-employed individuals, can establish a SEP.

Is there a deadline to set up a SEP?

You can set up a SEP plan for a year as late as the due date (including extensions) of your business's income tax return for that year.

If I have a SEP, can I also have other retirement plans?

You can maintain both a SEP and another plan. However, unless the other plan is also a SEP, you cannot use Form 5305-SEP; you must adopt either a prototype SEP or an individually designed SEP.

Can I set up a SEP for my self-employment income if I participate in my employer's retirement plan?

Yes, you can set up a SEP for your self-employed business even if you participate in your employer's retirement plan at a second job.

Can each partner in a partnership maintain a separate SEP plan?

No, only an employer can maintain and contribute to a SEP plan for its employees. For retirement plan purposes, each partner or member of an LLC taxed as a partnership is an employee of the partnership.

Participation

Which employees are eligible to participate in my SEP plan?

Employees must be included in the SEP plan if they have:

- attained age 21;
- worked for your business in at least 3 of the last 5 years; and
- received at least $700 in 2025 and 2024;

Your plan may use less restrictive requirements, for example age 18 or three months of service, to determine which employees are eligible.

Are the eligibility requirements the same for all employees in a SEP plan, including owners?

Yes. The eligibility provisions stated in the SEP plan document must apply equally to owners and employees.

Contributions

How much can I contribute to my SEP?

The contributions you make to each employee's SEP-IRA each year cannot exceed the lesser of:

1. 25% of compensation, or
2. $69,000 for 2024 ($66,000 for 2023; $61,000 for 2022 and subject to annual cost-of-living adjustments for later years).

These limits apply to contributions you make for your employees to all defined contribution plans, which includes SEPs. Compensation up to $345,000 in 2024 and ($330,000 in 2022 and subject to cost-of-living adjustments for later years) of an employee's compensation may be considered. If you're self-employed, use a special calculation to determine contributions for yourself.

Contributions must be made in cash; you cannot contribute property.

If you've contributed more than the annual limits to your SEP plan, find out how to correct this mistake.

How much can I contribute if I'm self-employed?

The same limits on contributions made to employees' SEP-IRAs also apply to contributions if you are self-employed. However, special rules apply when figuring the maximum deductible contribution. See Publication 560 for details on determining the contribution amount.

Must I contribute the same percentage of salary for all participants?

Most SEPs, including the IRS model Form 5305-SEP, require you to make allocations proportional to your employees' salary/wages. This means that everyone's contribution is the same percentage of salary.

If you are self-employed, base your contribution on net profit - minus one-half of the self-employment tax - minus your SEP contribution. See IRS Publication 560 on determining the contribution amount.

If I participate in a SEP plan, can I also make tax-deductible traditional IRA contributions to my SEP-IRA?

If the SEP-IRA permits non-SEP contributions, you can make regular IRA contributions (including IRA catch-up contributions if you are age 50 and older) to your SEP-IRA, up to the maximum annual limit. However, the amount of the regular IRA contribution that you can deduct on your income tax return may be reduced or eliminated due to your participation in the SEP plan.

Must I contribute to the SEP every year?

No, you are not required to contribute every year. In years you do contribute to the SEP, the contributions must be made to the SEP-IRAs of all eligible employees.

Do I have to contribute for a participant who is no longer employed on the last day of the year?

Yes, you do, if they are otherwise eligible for a contribution. A SEP cannot have a last-day-of-the-year employment requirement. If the employee is otherwise eligible, they must share in any SEP contribution. This includes eligible employees who die or quit working before the contribution is made. If you haven't made a contribution for an eligible employee in your SEP plan, find out how you can correct this mistake.

Can I contribute to the SEP-IRA of a participant over age 73?

You must contribute for each employee eligible to participate in your SEP, even if they are over age 73. The employee must also take minimum distributions.

When must I deposit the contributions into the SEP-IRAs?

You must deposit contributions for a year by the due date (including extensions) for filing your federal income tax return for the year. If you obtain an extension for filing your tax return, you have until the end of that extension period to deposit the contribution, regardless of when you actually file the return.

How much of the SEP contributions are deductible?

The most you can deduct on your business's tax return for contributions to your employees' SEP-IRAs is the lesser of your contributions or 25% of compensation. (Compensation considered for each employee is limited and subject to annual cost-of-living adjustments). If you are self-employed and contribute to your own SEP-IRA, there is a special computation to figure the maximum deduction.

Are employer contributions taxable to employees?

No, contributions to employees' SEP-IRAs are not included in their gross income, unless they are excess contributions.

If my SEP plan fails to meet the SEP requirements, are the tax benefits for me and my employees lost?

Generally, tax benefits are lost if the SEP fails to satisfy the Internal Revenue Code requirements. However, you can retain the tax benefits if you use one of the IRS correction programs to correct the failure. In general, your correction should put employees in the position they would have been had the failure not occurred.

Reporting Requirements

Why is last year's contribution that was made this year for the SEP-IRA shown on this year's Form 5498 instead of last year's Form 5498?

The IRS requires contributions to a SEP-IRA to be reported on the Form 5498 for the year they are actually deposited to the account, regardless of the year for which they are made.

New Rules for Roth SEP-IRAs

Roth SEP-IRAs and Roth SIMPLE-IRAs. For tax years beginning after December 31, 2022, a simplified employee pension (SEP) arrangement or SIMPLE-IRA plan may allow an employee to designate a Roth IRA as the IRA to which contributions under the arrangement or plan are made. Employer matching and non-elective contributions made to a Roth SEP or Roth SIMPLE-IRA must be reported for the year in which the contributions are made to the employee's Roth IRA, with the total reported in boxes 1 and 2a, using code 2 or 7 in box 7 and the IRA/SEP/SIMPLE checkbox in box 7 checked.

Email Guidance – Should a Married Couple Have 2 HSAs or Just 1 HSA?

Q-1. I have a question on health savings... one of our branches has a customer who currently is set up as having a Health Savings that is Family eligible (our system has a product code for Individual and family) Her kids are going off her health savings plan but going to another plan that is also a high deductible health plan. I am uncertain but believe they are going on a plan with her spouse.

So, would it be necessary for us to make any changes on her HSA account? They as a family would be eligible for the larger contribution amount but since they are not technically on her plan, can she continue to have the family type account we have established?

A-1. The amount which she is eligible to contribute to her HSA depends upon whether the HDHP plan covering her is a single HDHP plan or a Family HDHP. Family coverage means the plan covers two or more persons. I don't believe you are required to make any changes on the HSA account. Remember an HSA like and IRA is an individual account. There never can be two "owners."

Is she switching the HDHP coverage from Family to Single?

If so, then the amount she can contribute is reduced accordingly.

If not, she could continue to make her contribution based on the family coverage.

It does not matter how you have it coded on your computer system. You must check with your core vendor, but I think the intent of having the two product codes is so the bank can monitor the two contribution limits. Technically the bank only needs to monitor the Family limit.

Q-1A. Yes she is actually going from HDHP to just her. But the kids have a separate insurance policy that is also a HDHP.

A-1A. Then the maximum amount she may contribute will decrease.

If she is not 55 or older then her maximum contribution amount for 2024 will be:

months with family coverage/ 12 x $8300 =

plus

months with single coverage/ 12 x $4150 =

Total Contribution

If she is age 55 or older, the $4150 changes to $5150 and the $7800 changes to $9300.

Q-1B. Okay that makes sense. If the dad and kids are on the same plan and it is HDHP -would he be able to open a health savings and use the family contribution?

If that would be the case are they still held to the one maximum family contribution total if she has her single health coverage and he has family coverage?

A-1B. I know it is dangerous to talk politics, but HSAs and IRAs are political creations since they exist because of the federal income tax laws. Sometimes the law benefits a married person (beneficiary rules) and sometimes being married "hurts" a married person.

A married couple is limited under the law (HSAs) to one family contribution limit. They don't get two even if covered under two different family plans. And if one is covered under a family plan and the other is covered by a single plan they are still limited to the one family contribution limit. This is because they are married.

In your situation if the two individuals were not married, then he could make a family contribution and she could contribute the single amount. But because they are married they are limited to one family contribution amount and the law assumes they will split it equally, but that is not required.

Q1-C. In your opinion- would you think it is necessary then for him to open a Health Savings Account? The mom currently has one open but only is her on the insurance... since they truly are eligible to do the family contribution amount would it be okay for her to do that to her HSA you think?

A1-C. Will his employer being making any contributions? They should have two HSAs. Two reasons.

1. If the employer will make a contribution, it is best if he have an HSA to receive his employer's contribution.
2. They are authorized to split the family limit between the two of them. But because she has single coverage for most of the year she would not be eligible to put the full family amount in her HSA. She is still subject to her limit because has single coverage.

Q-1D. No, the employer is not contributing. I figured it would be better if we did have him open one even though the contribution result will be the same.

A-1D. I'm being technical but the contribution result will not be the same. She is not entitled to contribute the family limit of $8300. He is because he has family coverage, but she is ineligible to contribute the $8300 because she does not have family coverage for all 12 months or on December 1.

Are IRA Amendments Required For 2024-2025?

There have been important IRA changes affecting 2024 and 2025 of which an IRA accountholder or an IRA beneficiary should be informed.

An IRA custodian/trustee which has not furnished an IRA amendment since 2020 is not performing its duties as it should. An IRA custodian/trustee is a fiduciary. The changes to the IRA contribution limits and the IRA income limits have been substantial. So too are the law changes impacting IRA beneficiaries. Many beneficiaries are now required to withdraw all of the inherited IRA funds within 10 years whereas the prior law allowed most beneficiaries to withdraw the funds over their life expectancy. If the accountholder has died on or after the required beginning date, then the non-EDB beneficiary must take annual distributions based on his or her age and must close the inherited IRA under the 10-year rule.

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 custodians 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 2024-2 extended the amendment deadline for IRAs to December 31, 2026. A user of IRS Model forms is permitted to continue to use these forms until revised by the IRS. The IRS has not explained why it is not able to follow its own regulation. The IRS probably should revise its regulation but for whatever reason chooses not to do so. The IRS many times will issue less formal guidance.

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.

Each institution must make its own determination if an IRA amendment needs to be furnished 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?

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.