

IRALERT

October 10, 2007

TO: IRA Group Distribution

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RE: Chairman Rangel Requests Public Comment on Pension Technical Corrections

At the meeting in New York last Tuesday, there was discussion of the PPA technical corrections and their impact on IRAs. The chairman of the Ways and Means Committee just requested comments on those technicals. Just to refresh, the main provisions affecting IRAs under H.R. 3641 (the Senate version is S. 1974) are:

1. Offering nonspouse beneficiary rollovers become mandatory in 2008.

[From the following provision: "(e) Amendments Related to Section 829-

(1) Section 402(c)(11) of the 1986 Code is amended--(A) by inserting `described in paragraph (8)(B)(iii)' after `eligible retirement plan' in subparagraph (A), and (B) by striking `trust' before `designated beneficiary' in subparagraph (B).

(2)(A) Section 401(a)(31)(D) of the 1986 Code is amended by adding at the end the following new sentence: `Such term shall include any distribution which is treated as an eligible rollover distribution by reason of section 402(c)(11), 403(a)(4)(B), 403(b)(8)(B), or 457(e)(16)(B).'

(B) The amendment made by subparagraph (A) shall apply with respect to plan years beginning after December 31, 2007."]

2. Clarification of the manner of calculating basis for charitable IRA distributions.

3. Clarification that inherited IRA to inherited IRA rollovers must be direct transfers.

4. Extension of automatic enrollment to SIMPLE IRAs and SARSEPS.

Does anyone want the IRA Group to provide comments on any of these? Please e-mail or call David Powell at dwp@groom.com or 202-861-6600 if you think we should.

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

FOR IMMEDIATE RELEASE
October 02, 2007
FC-15

CONTACT: (202) 225-1721

Chairman Rangel Requests Public Comment on H.R. 3361, a bill to make technical corrections to the “Pension Protection Act of 2006”

Congressman Charles B. Rangel (D-NY), Chairman of the Committee on Ways and Means, today announced that the Committee is requesting comments from the public on H.R. 3361, a bill that would make certain technical corrections to the “Pension Protection Act of 2006.” The bill was introduced on August 3, 2007.

BACKGROUND:

The Pension Protection Act of 2006 (PPA) (P.L.109-280) was signed into law on August 17, 2006. In general, the PPA made significant changes to many areas of pension law, including (1) funding rules for single-employer and multi-employer defined pension plans; (2) pension plan disclosure to plan participants; (3) investment advice, prohibited transactions, and fiduciary rules; (4) benefit accrual standards; (5) deduction limits for single-employer and multi-employer defined pension plans; (6) permanency of certain pension provisions, including increased contribution limits for defined contribution plans such as 401(k); (7) improved portability and distribution of pension benefits, including non-spousal rollovers; and (8) automatic enrollment for 401(k) plans.

The PPA Technical Corrections bill, introduced in both the House and the Senate on August 3, 2007, would enact technical modifications to certain provisions contained in the PPA. These technical corrections would permit the underlying provisions to be implemented as Congress intended. Some of the technical corrections, such as the corrections to “combined plan limits” and “nonspousal rollovers,” have a pressing urgency. Therefore, it is important to perfect this legislation for possible passage before the end of this year. These technical changes are needed to provide necessary guidance on many of the provisions.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select A110th Congress@ from the menu entitled, ACommittee Hearings@ (<http://waysandmeans.house.gov/Hearings.asp?congress=18>). Select the request for written comments for which you would like to submit, and click on the link entitled, AClick here to provide a submission for the record.@ Once you have followed the online instructions, completing all informational forms and clicking Asubmit@ on the final page, an email will be sent to the address which you supply confirming your interest in providing a submission for the record. You **MUST REPLY** to the email and **ATTACH** your submission as a Word or WordPerfect document, in compliance with the formatting requirements listed below, by close of

business **Thursday, November 1, 2007**. Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-1721.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word or WordPerfect format and **MUST NOT** exceed a total of 10 pages, including attachments. Submitters are advised that the Committee relies on electronic submissions for printing the official record.
2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.
3. All submissions must include a list of all clients, persons, and/or organizations on whose behalf the submission is made.

Note: All Committee advisories and news releases are available on the World Wide Web at <http://waysandmeans.house.gov>.