



June 16, 2020

The Honorable David J. Kautter
Assistant Secretary for Tax Policy
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Michael J. Desmond
Chief Counsel
Internal Revenue Service
1111 Constitution Ave, NW
Washington, DC 20224

RE: Implementation Guidance Needed on Individual Retirement Account (IRA) and Trust Issues

Dear Messrs. Kautter and Desmond:

The American Institute of CPAs (AICPA) respectfully requests the Department of the Treasury (“Treasury”) and the Internal Revenue Service (IRS) issue guidance on the Coronavirus-related distributions provision (Section 2202) and the required minimum distribution (RMD) waiver provision (Section 2203) in the Coronavirus Aid, Relief, and Economic Security Act, commonly referred to as the “CARES Act” ([P.L. 116-136](#)) and provisions in the Setting Every Community Up for Retirement Enhancement Act, commonly referred to as the “SECURE Act,” contained in the Further Consolidated Appropriations Act, 2020 ([P.L. 116-94](#)), pertaining to the 10-year rule, the timing of IRA distributions to trusts, and the definition of a child who has not reached majority (within the meaning of section 401(a)(9)(F)¹).

The CARES Act provides that taxpayers may repay all or part of the amount of a coronavirus-related distribution to an eligible retirement plan within three years of the date that the distribution was received. If the taxpayer repays a coronavirus-related distribution, the distribution is treated as though it were repaid in a direct trustee-to-trustee transfer and the taxpayer does not owe federal income tax on the distribution. Treasury and IRS should provide similar treatment as a trustee-to-trustee transfer for a contribution of a coronavirus-related distribution to an inherited IRA.

The CARES Act provides a temporary waiver (for 2020) of RMD rules for certain retirement plans and accounts. We seek confirmation that the provision applies to all owner and beneficiary retirement accounts and if an RMD was taken earlier in 2020, Treasury and IRS will allow reversing the distribution in 2020. The SECURE Act covers many portions of section 401(a)(9) and the regulations thereunder.² We seek confirmation that the prior regulations continue to apply and request additional guidance that is not contemplated by the prior regulations.

¹ Unless otherwise indicated, references to a “section” are to a section of the Internal Revenue Code of 1986, as amended (the “Code”), and references to a “Treas. Reg. §” are to the Treasury regulations promulgated under the Code.

² For purposes of this comment letter, we refer to plans subject to section 401(a)(9) as IRAs and to employees as owners.

Finally, with all the changes recently enacted, taxpayers and practitioners need guidance with examples in all the areas discussed in these comments.

Specifically, our letter provides recommendations on the following issues:

1. 2020 RMD waiver
2. 10-year rule
3. Other trust issues
4. Coronavirus-related distributions from an inherited IRA
5. Age of majority
6. Reporting requirements

1. **2020 RMD Waiver**

Overview

Section 2203 of the CARES Act provides a temporary waiver of 2020 required minimum distribution rules for certain retirement plans and accounts. The language in the CARES Act provides that the waiver applies to:

- Internal Revenue Code (IRC) sections 403(b) and 403(a) defined contribution plans;
- IRC section 457(b) governmental eligible deferred compensation plans; and
- IRC section 7701(a)(37) individual retirement plans, which are IRA accounts and IRA annuities.

Under the CARES Act, 2020 RMDs were also waived for beneficiaries.

In addition, IRS [Notice 2020-23](#), issued April 10, 2020, and its reference to [Revenue Procedure 2018-58](#) provide limited extended 60-day rollover relief until July 15, 2020 for RMDs withdrawn between February 1, 2020 and May 15, 2020. The limited relief does not apply to any RMDs taken out in January. Unfortunately, the 60-day extension does not apply to non-spouse beneficiaries because currently, without greater IRS relief, a 60-day rollover is not available to non-spouse beneficiaries.

In addition, the Notice's relief does not apply to people who had an IRA rollover within 365 days of the date they received their RMD since there is a once-per-year IRA rollover rule. Taxpayers who made an IRA-to-IRA rollover in the prior 365 days before the RMD received in 2020 do not have the extended 60-day rollover period to put the RMD back into the IRA. In addition, any taxpayer who was taking monthly RMDs from their IRA can only have one of those distributions qualify for the Notice's extension.

Recommendations

Treasury and IRS should promptly issue the following interim guidance, including examples:

- Provide that the 2020 RMD waiver applies to all IRAs, section 401 plans, sections 403 and 457 plans, including inherited IRAs. It should apply to both owner and beneficiary accounts.
- Extend the 60-day rollover period due to the pandemic to allow all taxpayers that already had withdrawn RMDs in 2020 to return the RMD back into the account at any time in 2020 until December 31, 2020. Alternatively, if Treasury and IRS are not able to provide an extension for the entire year, we suggest allowing all taxpayers to put the RMD back into the account until at least July 15, 2020. This expanded relief should apply to all taxpayers, including non-spouse beneficiaries, individuals who already had a rollover within 365 days prior to receiving the 2020 RMD, individuals who withdrew RMDs in January 2020 and later, as well as taxpayers who may have withdrawn monthly RMDs.

Under IRC section 401(a)(9), there is a requirement to distribute RMDs for an individual from accounts that the individual holds as an owner, as well as amounts that the individual holds as a beneficiary from an inherited account. Therefore, as provided under Section 2203 of the CARES Act, RMDs are arguably waived for both owners and beneficiaries from inherited accounts. Treasury and IRS should confirm the waiver applies to all account owners and beneficiaries.

In the past and as provided in IRS Notice 2020-23 and Rev. Proc. 2018-58, Treasury and IRS have extended the 60-day rollover period for various circumstances. For example, the 60-day period is extended to one year if the 60-day deadline was missed because the financial institution or plan trustee failed to deposit the amount into the owner's retirement account, despite the retirement account owner doing everything required by the financial institution/plan trustee to make the rollover compliant, including presenting the amount to the financial institution/plan trustee within the 60-day period. In addition, when Congress last waived RMDs in 2009 with similar language as is in the CARES Act, Treasury and IRS provided an extended rollover period in IRS [Notice 2009-82](#).

Notice 2020-23 and Rev. Proc. 2018-58 provide limited expansion of the 60-day rollover rule for certain situations and only until July 15, 2020. Greater relief is needed to return the RMD until the end of 2020. Due to the pandemic, social distancing and stay at home orders, individuals, especially the elderly who are at higher risk and their advisers and related businesses are not able to complete transactions in person and meet to sign documents. It is likely to take months until operations are back to normal. Taxpayers should have the rest of 2020 to return any 2020 RMD they received earlier in 2020. In addition, all taxpayers need such relief, including taxpayers not covered under the Notice and Rev. Proc., such as taxpayers receiving an RMD in January, non-spouse beneficiaries, taxpayers who had a rollover within 365 of receiving the 2020 RMD, and taxpayers withdrawing monthly RMDs. All these taxpayers need relief as well to rollover their RMD back into the account. Treasury and IRS should treat all similarly situated taxpayers the same and provide broad relief to roll over at any time in 2020 for any 2020 RMDs received.

2. 10-Year Rule

Overview

The SECURE Act provides that if an IRA owner dies on or after January 1, 2020 with a designated beneficiary, such designated beneficiary must receive the IRA account within 10 years of the death of the IRA owner (10-year rule). The 10-year rule applies whether or not the IRA owner dies before, on, or after the IRA owner's required beginning date for RMDs. Currently, Treas. Regs. §1.401(a)(9)-3 and §1.401(a)(9)-5, A-5 cover the death and transfer to a beneficiary, but the regulations do not contemplate a change to the new 10-year rule.

The SECURE Act also provides that the death of an eligible designated beneficiary will trigger the 10-year rule. The existing regulations do not need to cover the unpaid RMD because the successor beneficiary continues to use the same payment schedule as the original beneficiary per Treas. Reg. §1.401(a)(9)-5 A-7(c).

Currently, Treas. Reg. §1.401(a)(9)-4, A-3 states that an estate is not the employee's designated beneficiary. This statement has not changed under the SECURE Act. The regulations do not allow treatment of an estate as a designated beneficiary and use the 5-year rule if the death is before the Required Beginning Date (RBD) in accordance with A-4 of Treas. Reg. §1.401(a)(9)-3, or the remaining life expectancy of the decedent if death is after RMDs have commenced in accordance with A-1 of Treas. Reg. §1.401(a)(9)-2.

Currently, the 5-year rule applies whenever there is a death before RBD with no designated beneficiary. The 10-year rule only applies to designated beneficiaries that are not eligible designated beneficiaries.

Currently, there is no life expectancy to use for an estate (or nonqualified trust) beneficiary; it is the 5-year rule before RBD or the decedent's remaining life expectancy after RBD.

Although the SECURE Act specifies use of the 10-year rule for distributions upon the death of an eligible designated beneficiary, there are many designated beneficiaries, both individual and trust, from pre-2020 deaths that are not eligible. These pre-2020 designated beneficiaries receiving payments were brought into the SECURE Act by the effective date provision.

Recommendations

Treasury and IRS should promptly issue interim guidance, including examples, regarding:

- What happens if an IRA owner dies on or after the required beginning date for RMDs without receiving the owner's entire RMD for the year of death and whether that amount is subject to the deferred 10-year rule. Treasury and IRS should confirm the existing regulation applies and the unpaid RMD amount is not subject to the 10-year rule, but distribution of the unpaid RMD amount is required by the end of the year of death in accordance with A-4(a) of Treas. Reg. §1.401(a)(9)-5.

- What happens if an eligible designated beneficiary loses the status as an eligible designated beneficiary without receiving the entire RMD for the year in which eligible designated beneficiary status is lost. Treasury and IRS should confirm the remaining RMD is not deferred under the 10-year rule. This treatment is similar to the situation that is covered by the regulation cited above.
- If a trust that can accumulate income is the beneficiary of an IRA, can the trust pay tax on the IRA proceeds and not make distributions to the trust beneficiary of the entire IRA proceeds? We recommend that Treasury and IRS confirm that an IRA beneficiary trust for a beneficiary not able to use life expectancy can receive the balance of the IRA in accordance with the 10-year rule and pay trust income tax on it. This treatment is consistent with Treas. Reg. §1.401(a)(9)-8 A-11. Treasury and IRS should not require the trust to pay the benefits to the named beneficiary in the year that the entire balance of the IRA is distributed.
- If an estate is the beneficiary of an IRA and the decedent's spouse has the ability to withdraw the full amount of the IRA distribution(s) by law or certification, Treasury and IRS should allow treatment of the estate as an eligible designated beneficiary, allowing the spouse to rollover the distribution to treat it as the spouse's own or use the spouse's life expectancy. Under the current regulation, the rule is a trap for the unwary as the estate is not a designated beneficiary and the 5-year rule or the remaining life expectancy rule applies per Treas. Reg. §1.401(a)(9)-4, A-3. Many rulings are issued allowing a surviving spouse to rollover benefits when the estate or no beneficiary is named. This recommendation is an exception to the current Treas. Reg. §1.401(a)(9)-4, A-3 cited above.
- Treasury and IRS should allow the ultimate beneficiaries of all estates and trusts treatment as designated beneficiaries for the 10-year rule, life expectancy, or rollover related to the IRA distributions. This treatment would revise current Treas. Reg. § 1.401(a)(9)-4, A-3 and A-5.
- For an IRA beneficiary trust that was receiving RMDs before 2020 based upon the life expectancy of the oldest of multiple beneficiaries, Treasury and IRS should clarify that the 10-year rule does not apply until the death of the last beneficiary. We suggest that Treasury and the IRS should treat the death of the beneficiary that was used as the measuring life as not causing RMDs to cease. The 10-year rule should not begin because of the death of the oldest beneficiary, and Treasury and IRS should provide the same treatment as for the death of any other beneficiary that occurs before the trust terminates based on its terms. When the last beneficiary dies, the trust terminates and, therefore, the RMDs end. The 10-year rule should not come into play at the death of any beneficiary. As an example, A, age 40, B, age 38, and C, age 20, are all beneficiaries of a trust. The RMDs should not end if C dies first. RMDs should end when the last beneficiary dies, and the trust terminates under its terms. Treasury and the IRS should not provide more importance to the age of the oldest beneficiary (A) than they do to the trust, and the trust ends when all of the beneficiaries are deceased.

Trusts that are retirement plan beneficiaries are not always for only one beneficiary even though the life expectancy of the oldest is the only one considered for determining RMDs. For example, when a trust is to terminate at the death of the last of three siblings, Treasury and IRS should clarify

that the 10-year payout only applies when the terms of the trust provide for termination, instead of at the death of one of the siblings.

Confirmation is needed regarding the application of the 10-year rule when an account owner or beneficiary receiving RMDs before 2020 dies. We foresee confusion for year of death RMDs that may subject a subsequent beneficiary to 50 percent penalties for failure to timely claim the decedent's RMD because this switch from life expectancy to the 10-year rule is a new concept. The Code provides that "the remainder ...shall be distributed within 10 years after the death of such eligible designated beneficiary."

Many taxpayers lack appropriate planning and could easily have unexpected results. Many taxpayers and heirs of retirement accounts are likely to have challenges in dealing with the technical aspects of the distribution rules under the SECURE Act and will need to consult with a retirement compliance specialist.

Practitioners need immediate guidance from the IRS to advise their clients on beneficiary issues, review prototype documents that have default beneficiaries, understand the life expectancy payout rules when an eligible designated beneficiary is involved, and understand the 10-year rule.

Appropriate provisions in the Treas. Reg. §1.401(a)(9)-4, A-3. would assist taxpayers. For example, if a surviving spouse is the sole beneficiary of an estate and the estate is the beneficiary of the decedent's IRA, Treasury and IRS should allow the estate to look through to the surviving spouse as if the surviving spouse is the IRA beneficiary when allowed by law or certification. Treasury and IRS currently allow this treatment for surviving spouses through private letter rulings. To help people who have not planned appropriately and treat all taxpayers similarly, Treasury and IRS should revise the current regulations to allow beneficiaries of all estates and trusts treatment as designated beneficiaries of the IRA owner.

3. Other Trust Issues

Overview

There are many questions regarding the SECURE Act and accumulation trusts for noneligible designated beneficiaries and trusts for disabled or chronically ill individuals. Under the SECURE Act, the prior law life expectancy rule continues to apply to certain beneficiaries that are excepted from the 10-year rule (eligible designated beneficiaries). In addition to naming these beneficiaries individually, the IRA owner may use a trust for beneficiaries, such as a surviving spouse, eligible minor child, disabled or chronically ill person, or person less than 10 years younger. [Revenue Ruling 2006-26](#) clarified the income tax treatment of a beneficiary trust intended to qualify for the marital deduction. There are no published rulings that clarify the income tax treatment of other types of trusts. Conduit trusts were defined in a private letter rulings only.

Recommendations

Treasury and the IRS should promptly issue interim guidance, including examples, regarding:

Accumulation of RMDs for Special Needs Trust for a Disabled or Chronically Ill Beneficiary

- If a special needs trust is the beneficiary of an IRA and RMDs are based on the disabled person's life expectancy, Treasury and IRS should confirm the trust can accumulate RMDs. We recommend that Treasury and the IRS allow the trustee to use the RMDs to pay for necessary expenses of the disabled person and to accumulate in the trust RMDs based on that disabled person's life until needed.
- If a trust for a chronically ill person is the beneficiary of an IRA and RMDs are based on the chronically ill person's life expectancy, Treasury and IRS should confirm the trust can accumulate RMDs. We suggest that Treasury and the IRS allow the trustee to pay out RMDs when needed by the beneficiary and to accumulate RMDs when not essential for a current medical issue.

Measuring life

- If the beneficiary with the shortest life expectancy of a designated beneficiary trust that is not an eligible beneficiary dies after the IRA owner but before September 30 of the year after the death of the owner, can the trust use the 10-year rule? In such a situation, we suggest that the "measuring life" used to determine that the beneficiary is "designated" for distribution purposes does not require that the 5-year or owner's life expectancy rules are triggered.

Qualified Terminable Interest Property (QTIP) trusts

- If a QTIP trust distributes trust income only, does it qualify as an eligible designated beneficiary? Treasury and IRS should clarify that such distribution qualifies as an eligible designated beneficiary and RMDs would apply.

As mentioned above, under Rev. Rul. 2006-26, in order to claim a marital deduction for a QTIP trust, it is clear that Treasury and the IRS treat the surviving spouse as the "measuring life," and Treasury and the IRS require the payment to surviving spouse of the trust accounting income each year.

The law is not clear regarding a special needs trust for a disabled or chronically ill beneficiary. The life expectancy of the disabled or chronically ill person is used to determine RMDs that are withdrawn on an annual basis from the retirement plan and transferred to the trust. The trust will ordinarily allow for the trustee to withdraw additional amounts in excess of the RMD when needed for expensive equipment or treatment.

Treasury and IRS should confirm our suggested treatment when the RMD is not needed in a particular year, perhaps because a larger amount was expended in a prior year. Because of the requirement to remove the RMD from the retirement plan, the RMD should be subject to tax in the trust, allowing the income to accumulate within the special needs trust if not needed in a particular year consistent with Treas. Reg. §1.401(a)(9)-8 A 11. Treasury and the IRS should not require distribution of the RMD to the disabled or chronically ill beneficiary each year. This treatment should apply because the purpose of the trust is to meet medical needs instead of furnishing extra funds to the disabled or chronically ill person.

When the special needs trust terminates at the death of the disabled or chronically ill beneficiary, Treasury and IRS should require payment to the contingent beneficiary of the unpaid RMD for that year, and it should not become part of the new 10-year period. This treatment is consistent with the existing law treatment of year of death unpaid RMDs to owners as mentioned above.

4. Coronavirus-Related Distributions from an Inherited IRA

Overview

In general, section 2202 of the CARES Act provides for expanded distribution options and favorable tax treatment for up to \$100,000 of 2020 coronavirus-related distributions from eligible retirement plans (certain employer retirement plans, such as sections 401(k) and 403(b) plans, and IRAs) to qualified individuals, as well as special rollover rules with respect to such distributions. It also increases the limit on the amount a qualified individual may borrow in 2020 from an eligible retirement plan (not including an IRA) and permits a plan sponsor to provide qualified individuals up to an additional year to repay their plan loans. The 10% additional tax on early distributions does not apply to any coronavirus-related distribution.

Specifically, CARES Act section 2202(a)(3)(A) provides special rules for use of retirement funds and tax-favored withdrawals from retirement plans and provides:

Any individual who receives a coronavirus-related distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make 1 or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section... *408(d)(3)* (emphasis added),... of the Internal Revenue Code of 1986, as the case may be.

CARES Act 2202(a)(3)(C) provides the treatment of repayments (contributions) of coronavirus-related distributions from IRAs. It provides that if a contribution is made with respect to a coronavirus-related distribution from an individual retirement plan (as defined by section 7701(a)(37)), then, to the extent of the amount of the contribution, the coronavirus-related distribution is treated as a distribution and as transferred to the eligible retirement plan *in a direct trustee-to-trustee transfer* (emphasis added) within 60 days of the distribution.

Section 408(d)(3) discusses rollover contributions, and more specifically, it states that:

In the case of an inherited individual retirement account or individual retirement annuity -- this paragraph shall not apply to any amount *received by an individual from such an account or annuity* (emphasis added) (and no amount transferred from such account or annuity to another individual retirement account or annuity shall be excluded from gross income by reason of such transfer), and such inherited account or annuity shall not be treated as an individual retirement account or annuity for purposes of determining whether any other amount is a rollover contribution.

Based on the above, beneficiaries of inherited IRAs may not rollover distributions that they receive.

On May 4, 2020, IRS issued frequently asked questions (FAQs) on the Coronavirus-related relief for retirement plans and IRAs, including Q and A 7:

Q7. May I repay a coronavirus-related distribution?

A7. In general, yes, you may repay all or part of the amount of a coronavirus-related distribution to an eligible retirement plan, provided that you complete the repayment within three years after the date that the distribution was received. If you repay a coronavirus-related distribution, the distribution *will be treated as though it were repaid in a direct trustee-to-trustee transfer* (emphasis added) so that you do not owe federal income tax on the distribution.

Recommendations

Treasury and IRS should allow taxpayers to repay a coronavirus-related distribution taken from an inherited IRA and allow the repayment within 3 years. This allows the rollover treatment as though it were repaid in a direct trustee-to-trustee transfer. The taxpayer would not then owe any income tax on the distribution.

Analysis

Revenue Ruling 78-406 provides that a direct trustee-to-trustee transfer of funds is not a taxable payment or distribution to the participant and is not a rollover contribution. Given the language contained within CARES Act section 2202(a)(3)(C) and the IRS FAQ 7, it appears that Congress's intent was to provide relief to many individuals and many types of retirement plans.

The current FAQ7 response does not mention coronavirus-related distributions from inherited IRAs as specifically excluded from recontribution. It also considers the repayment as in the form of a trustee-to-trustee transfer, even though the payment from the IRA was distributed originally to an individual. Treasury and IRS should similarly consider a contribution (replacement) of a coronavirus-related distribution as a trustee-to-trustee transfer to an inherited IRA, even though the coronavirus-related distribution was distributed to an inherited IRA individual beneficiary. Treasury and IRS should expand the response to provide similar treatment for coronavirus-related distributions from inherited IRAs. Treasury and IRS should allow contributions of funds back into an inherited IRA, as a replacement for a coronavirus-related distribution previously received from the IRA, and consider it a trustee-to-trustee transfer, and therefore, allowable for the inherited IRA, even though a coronavirus-related distribution was originally paid outright to an individual beneficiary.

5. Age of Majority

Overview

In order to know whether the “life expectancy rule” or new “10-year rule” applies to RMDs for designated beneficiaries, individuals need more guidance. Specifically, Treasury and IRS should provide additional guidance for when a child beneficiary is considered to have reached the age of majority. Many taxpayers and their advisors are uncertain whether the statute intends to reference a federal provision or various state laws and need clarity in this area.

Under the SECURE Act, the prior law life expectancy rule continues to apply to certain beneficiaries that are excepted from the 10-year rule (eligible designated beneficiaries).

In addition to the items already mentioned, the SECURE Act section 401 provides that an “eligible designated beneficiary” includes a child who has not reached the age of majority (within the meaning of subparagraph (F)). Section 401(a)(9) allows the treatment of a child under age 26 as a minor if the child has not completed a specified course of education. However, trustees and parents are uncertain whether the specified course of education includes part-time student, an apprenticeship, home schooling or other nontraditional forms of education.

Section 401(a)(9)(F) provides: “Under regulations prescribed by the Secretary, for purposes of this paragraph, any amount paid to a child shall be treated as if it had been paid to the surviving spouse if such amount will become payable to the surviving spouse upon such child reaching majority (or other designated event permitted under regulations).”

Treasury Reg. §1.401(a)(9)-6 at A-15 references section 401(a)(9)(F) and provides in relevant part [for purposes of section 401(a)(9)] that Treasury and the IRS may treat a child as having not reached the age of majority if the child has not completed a specific course of education and is under the age of 26.

Recommendations

Treasury and the IRS should promptly issue interim guidance, including examples, regarding:

- Age of majority varies from state to state. Treasury and IRS should clarify which state law applies for the definition of a child who has not reached the age of majority (within the meaning of section 401(a)(9)(F)).
- Treasury and IRS should specify in the regulations the age of majority and base the age of majority upon state law or other sections of the Code, such as section 1(g)(2)(A)(ii)(I). This clarification is needed because existing regulations do not define age of majority, and there is no federal age of majority.
- Treasury and IRS should use Treas. Reg. §1.401(a)(9)-6, A-15, which treats a child as not reaching majority if the child is under age 26 and has not completed “a specified course of education” in determining whether surviving spouse benefits have increased. Treasury and

IRS should clarify that the definition of a specified course of education (which includes whether the education includes part-time students, apprenticeships, home schooling, or other nontraditional forms of education) overrides state law.

6. Reporting Requirements on Inherited IRAs

Under Treasury Reg. §1.408-8 at A-10, if an IRA owner is alive at the beginning of the year, the trustee must provide a statement by January 31 regarding any required minimum distribution. (The due date for 2020 was extended to April 15th under the SECURE Act.) These reporting provisions are intended to assist taxpayers in complying with the minimum distribution requirement. There is no similar reporting requirement for inherited IRAs.

Similar to the reporting requirements for IRA owners, Treasury and IRS should require trustees to provide a statement regarding withdrawal requirements to inherited IRA beneficiaries. Because there are multiple withdrawal options under the 10-year rule (such as lump sum at inception; equal payments; or lump sum at the end), the notification should include information on the 10-year rule and the last date for payment of a withdrawal of the remaining balance.

Inherited IRA beneficiaries would benefit from notification of the RMD. If the 10-year rule is applicable, the notification will remind the beneficiaries of the RMD rules and will allow them to plan appropriately.

The AICPA is the world's largest member association representing the CPA profession, with more than 429,000 members in the United States and worldwide, and a history of serving the public interest since 1887. Our members advise clients on federal, state and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

We appreciate your consideration of these comments and welcome the opportunity to discuss these issues further. If you have any questions or would like assistance with developing examples, please contact Peggy Ugent, Chair, AICPA Trust, Estate, and Gift Tax Technical Resource Panel, at (512) 983-8285 or peggyugent@gsrlawfirm.com; Eileen Sherr, AICPA Senior Manager – Tax Policy & Advocacy, at (202) 434-9256 or Eileen.Sherr@aicpa-cima.com; or me at (612) 397-3071 or Chris.Hesse@CLAconnect.com.

Sincerely,

A handwritten signature in blue ink that reads "Christopher W. Hesse". The signature is fluid and cursive, with a stylized flourish at the end.

Christopher W. Hesse, CPA
Chair, AICPA Tax Executive Committee

cc: Mr. Thomas Barthold, Chief of Staff, Joint Committee on Taxation
Ms. Holly Porter, Associate Chief Counsel, Passthrough & Special Industries, Internal Revenue Service
Ms. Victoria Judson, Associate Chief Counsel (TEGE), Office of Chief Counsel, Internal Revenue Service
Mr. Stephen Tackney, Deputy Associate Chief Counsel (TEGE), Office of Chief Counsel, Internal Revenue Service
Ms. Carol Weiser, Benefits Tax Counsel, Department of the Treasury
Ms. Catherine Hughes, Estate and Gift Tax Attorney-Advisor, Office of Tax Legislative Counsel, Office of Tax Policy, Department of the Treasury
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