

SUPPORTING STATEMENT
Internal Revenue Service
1545-1779
(Notice 2002-27) IRA Required Minimum Distribution Reporting

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

As a result the publication of final Income Treasury Regulations at §1.408-8 pertaining to minimum distribution requirements from Individual Retirement Arrangements ("IRA"), the Service is now requiring IRA custodians and trustees to calculate, or offer to calculate, the required minimum distributions for IRA owners and beneficiaries.

2. USE OF DATA

The data will be used by the Employee Plans function of the Tax Exempt and Government Entities Division of the Service to evaluate whether an IRA owner or beneficiary is complying with the required minimum distribution requirements.

3. USE OF IMPROVED TECHNOLOGY TO REDUCE BURDEN

Because this is a third party reporting requirement, electronic filing is not possible. IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER ENTITIES

The obligation is being placed on custodians and trustees of IRAs, which by law must be a bank, an insurance company, etc., or an approved non-bank trustee.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

A less frequent collection would result in the IRS being unable to discern inaccuracies relating to the amount required to be distributed from an IRA would likely increase and the IRS would face additional challenges in determining whether an IRA owner has met the required minimum distribution requirements and hindering the IRS from meeting its mission.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

There are no special circumstances requiring data collection to be inconsistent with guidelines in 5 CFR 1320.5(d)(2).

8. CONSULTATION WITH INDIVIDUALS OUTSIDE THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

We received no comments during the comment period in response to the **Federal Register** notice dated October 20, 2017(82 FR 50224).

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, submissions under this notice are considered tax returns and tax return information, which are confidential as required by 26 U.S.C. § 6103. In general, certain matters relating to taxability and deductibility are disclosed under 26 U.S.C. § 6110. In addition, certain matters described in this notice are disclosable under 26 U.S.C. § 6104.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

No sensitive PII is being collected by this information collection.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Under the section of Notice 2002-27 entitled "Reporting Method," the trustee or custodian of an IRA will calculate, or offer to calculate, the required minimum distribution for IRA owners or beneficiaries. We estimate that 78,000 payers of IRAs will make such submissions annually on behalf of 7,000,000 IRA owners. The estimated burden per respondent for reporting is from 4 minutes to 20 hours, with an average burden on each payer/respondent of 15 hours, for a total estimated burden of 1,170,000 hours annually.

The total recordkeeping and third-party burden for Notice 2002-27 is 7,000,000 responses by 78,000 respondents and 1,170,000 hours.

Estimates of the annualized cost to respondents for the hour burdens shown above are not available at this time.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
Treasury Regulation §1.408-8	IRS minimum distribution notification	78,000	89.74	7,000,000	.1671	1,170,000
Totals						

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO TAXPAYERS

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis and publication.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

IRS believes that displaying the OMB expiration date is inappropriate because it would cause confusion by leading taxpayers to believe that the notice sunsets as of the expiration date. Taxpayers may not be aware that, if needed, the Service intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.

Note: The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to the collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential as required by 26 U.S.C. § 6103.