

## Announcement 98–6

The Form 5498 IRA/SEP/SIMPLE Indicator instructions on page 42 of the TY97 Publication 1220 are causing confusion to both filers and to the Internal Revenue Bulletin (I.R.B.). In your publication, please cross out the phrase “and not reporting contributions in Amount Codes 1, 6, or 7”. (See below.)

The TY97 paper instructions advise filers to use the IRA/SEP/SIMPLE Indicators with Payment Amount Fields 2 and 4 only if there is no money reported in Payment Amount Fields 1, 6, or 7. Our program **requires** an indicator if there is money in Payment Amount Fields 2 and 4. For filing information returns magnetically or electronically, the Publication 1220 instructions take precedent over the paper instructions.

An I.R.B. will be issued to clarify the problem.

Please notify ISS if there are any other areas of concern with the new pub.

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141	Form 5498 <b>IRA</b> Indicator ( <i>Individual Retirement Arrangement</i> )	1	<b>Required. Form 5498 only.</b> Enter ‘1’ if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 4) for an IRA. Otherwise, <b>enter a blank.</b>
142	Form 5498 <b>SEP</b> Indicator ( <i>Simplified Employee Pension</i> )	1	<b>Required. Form 5498 only.</b> Enter ‘1’ if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 4) for a SEP. Otherwise, <b>enter a blank.</b>
143	Form 5498 <b>SIMPLE</b> Indicator ( <i>Savings Incentive Match Plan for Employees of Small employers</i> )	1	<b>Required. Form 5498 only.</b> Enter ‘1’ if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 4) for a SIMPLE. Otherwise, <b>enter a blank.</b>

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