The Asset Management Industry
SERVING INDIVIDUAL INVESTORS

Letter from the Investment Company Institute

October 23, 2026

Internal Revenue Service
Attn: CC:PA:01:PR (Notice 2026-49)
Room 5503
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Re: Notice 2026-49, Guidance on Section 324 of the SECURE 2.0 Act with Respect to Rollovers

To Whom It May Concern:

The Investment Company Institute (ICI)[1] is pleased to submit comments to the Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) in response to Notice 2026-49, Guidance on Section 324 of the SECURE 2.0 Act with Respect to Rollovers.[2] Section 324 directs Treasury to develop sample forms, procedures, and protocols to simplify, standardize, facilitate, and expedite rollovers to eligible retirement plans and trustee-to-trustee transfers from individual retirement accounts (IRAs). Notice 2026-49 proposes optional sample forms and a five-step process for direct rollovers between retirement plans and between retirement

[1] The Investment Company Institute (ICI) is the leading voice of the asset management industry serving individual investors. ICI represents mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in other jurisdictions. Its members manage $48.6 trillion invested in funds registered under the US Investment Company Act of 1940, serving more than 125 million investors. Members manage an additional $11.5 trillion in regulated fund assets managed outside the United States. ICI also represents its members in their capacity as investment advisers to collective investment trusts (CITs) and separately managed accounts (SMAs) for individual investors. ICI associate members include service providers to funds, including financial communications firms, custodians and transfer agents, and CIT Trust companies. ICI has offices in Washington, DC, Brussels, and London.

[2] IRS Notice 2026-49, issued on August 12, 2026, is available at https://www.irs.gov/pub/irs-drop/n-26-49.pdf.

plans and IRAs.[3] Treasury and IRS emphasize that the guidance is intended to reduce participant burdens, improve efficiency, protect personal information, and create greater consistency across the retirement system.

ICI strongly supports the goal of improving the participant experience by simplifying and modernizing rollover transactions. We agree that the system should move toward secure electronic transfers of funds and away from paper checks delivered to participants. At the same time, future guidance should preserve workable backstops, allow flexibility for different market segments and service models, minimize opportunities for data entry errors, and provide sufficient implementation time for the systems and operational changes that will be required.

Executive Summary

- Electronic transfers should be the preferred method for completing rollovers, while checks payable to the receiving plan for the benefit of the participant should remain available when an electronic transfer cannot be completed.

- The proposed four sample forms and five-step process should be simplified. Treasury should reduce duplicative data fields and consider a single, portable record that can move securely among the participant, receiving plan, and distributing plan.

- The proposed rollover identification number (RIN) concept could be helpful but should be designed to avoid creating a new source of error or administrative burden. The agencies should allow flexibility in how a unique transaction identifier is generated and used.

- Guidance should recognize that service providers may act on behalf of plans, clarify that they may develop their own forms and electronic workflows that use the required data elements, and confirm that they will benefit from applicable reliance relief when acting within the scope of their authority.

- ICI supports the consideration of future guidance requiring electronic funds transfer with appropriate backstops, eliminating an outdated safe harbor for paper checks, and creating new safe harbors that permit parties to rely on information exchanged in a standardized process. The agencies also should consider a separate safe harbor for rollovers completed

[3] The Notice does not apply to IRA-to-IRA transfers because, as the Notice indicates, transfers between IRAs typically are completed using the Automated Customer Account Transfer Service (ACATS), a standardized electronic transfer system that facilitates direct transfers without the involvement of the participant.

through any reasonable means of direct payment, including secure electronic transfers and checks sent directly to the receiving plan.

- Any future mandatory electronic transfer requirements should include a transition period of at least two years after final guidance.

I. ICI Supports Modernizing the Rollover Process

The proposed movement toward electronic transfers represents an important modernization of the rollover system. Electronic transfers can reduce delays and limit the need for participants to handle checks. When paired with appropriate controls (such as multi-factor authentication and encryption), electronic transfer will protect sensitive information. The retirement industry is capable of moving in this direction, and many service providers already support electronic rollover transactions.

The historically common use of paper checks, however, reflects operational constraints that any transition must address. For example, a receiving plan needs sufficient information about the distributing plan, the participant, and the money source to allocate the rollover correctly. In some existing processes, that information does not arrive contemporaneously with an electronic funds transfer. Developing the data fields and infrastructure needed to instantly associate funds with the correct plan, participant, and source may require significant investment in systems and technology upgrades.

Accordingly, ICI supports the Notice's approach of preferring electronic transfers while permitting a check payable to the receiving plan for the benefit of the participant and sent directly to the receiving plan as a backstop. As discussed later in this letter, providing safe harbors will facilitate the transition to electronic transfers absent any mandates. In addition, Treasury should consider preserving in future guidance limited flexibility for exceptional circumstances in which the distributing plan lacks reliable information needed to transmit funds directly to the receiving plan. Any such exception should be narrowly tailored so that delivery of a check to the participant is permitted only as a last resort.

II. Treasury Should Further Simplify the Proposed Forms and Process

An appendix to the Notice provides four sample forms to be completed by the participant, the receiving plan, and the distributing plan, each form corresponding to a step in the proposed five-step rollover process. The sample forms are a useful starting point, but the proposed process can be streamlined further. For example, much of the same information is repeated on multiple forms, which creates opportunities for delay and transcription error. Treasury should

consolidate duplicative fields and consider whether a single secure record could move from party to party as each step is completed.

With respect to Form 1, the participant's rollover request, the participant should be asked to provide only the basic information needed to initiate the request and authorize communication between the parties. Plans and their service providers should populate and exchange operational information directly. This approach would reduce participant burden and better align responsibility for technical information with the parties best positioned to provide and validate it.

The process for selecting the transfer method on Forms 2, 3, and 4 also should be simplified. Rather than suggesting multiple exchanges between the distributing and receiving plans merely to identify mutually supported methods, final guidance should permit plans and service providers to establish electronic workflows that match available transfer methods and select the preferred method with fewer communications.

III. The Proposed Rollover Identification Number Deserves Further Consideration

For purposes of easily identifying a specific rollover request and reducing the transmission of the participant's personal identifying information (PII), the proposed forms would require the use of a rollover identification number (RIN). As contemplated in the Notice, this would be a unique code generated by the receiving plan, such as a 20-digit alphanumeric combination. The Notice states that plans should include the RIN on all forms and other communications with respect to the identified rollover request.

ICI agrees that a unique transaction identifier can help the parties associate forms, communications, and funds with a particular rollover while reducing the repeated transmission of PII. The proposed RIN concept therefore may be useful, but its operation should be designed to avoid creating a new source of error or administrative burden.

Once generated, the RIN should be transmitted directly and securely among plans and their service providers whenever possible. Treasury also should permit reasonable flexibility regarding the format, length, generation, and exchange of the identifier, so long as the method uniquely identifies the transaction and protects participant information. This flexibility would allow the identifier to be incorporated into existing systems without prescribing a single technology.

IV. Guidance Should Provide Flexibility for Service Providers and Electronic Workflows

For a rollover to or from an employer plan, the plan's recordkeeper or other service provider often will complete the transaction on the plan's behalf. Final guidance should recognize this and confirm that an authorized service provider may complete and exchange forms and communicate with the other party on behalf of the plan. Likewise, where final guidance provides a safe harbor or other reliance relief, that protection should clearly extend to a service provider acting within the scope of its authority on behalf of an eligible plan.

The agencies also should confirm that plans and service providers may develop their own forms. These alternatives should not be required to replicate the sample forms' layout, provided they collect the necessary information, follow the applicable procedures and protocols, and protect PII. Flexibility is especially important because different segments of the retirement market use different operational models.

V. ICI Generally Supports Future Proposed Guidance and Safe Harbors

Notice 2026-49 requests comments on further guidance that Treasury is considering regarding additional protocols and procedures that would simplify, standardize, facilitate, and expedite the rollover process in furtherance of section 324 of the SECURE 2.0 Act. We provide responses to each of these proposals below.

Requiring electronic transfer. ICI generally supports future guidance requiring rollovers to be completed through an electronic transfer of funds or, when an electronic transfer is not available, through a check payable to and sent directly to the receiving plan for the benefit of the participant. Any such requirement should distinguish between the electronic transfer of funds and the electronic transmission of forms. Electronic delivery of forms should be encouraged, but plans should retain reasonable alternatives when a party cannot securely transmit or receive a form electronically.

Eliminating safe harbor for sending paper checks to participants. ICI also supports eliminating the existing safe harbor in Treasury Regulation section 1.401(a)(31)-1, Q&A 4 for the routine delivery of a direct-rollover check to the participant. Removing the safe harbor would reinforce the preferred approaches without necessarily prohibiting delivery of a paper check to the participant in a truly exceptional circumstance where no reasonable direct method is available (as discussed earlier).

Prohibiting unnecessary friction. The agencies should address practices that impose unnecessary friction, including the practice of requiring a distribution letter or Medallion Signature Guarantee, or refusing an electronic transfer when the parties have the capability to

complete one securely. Any prohibition should be principles-based and should preserve requirements that are reasonably necessary to prevent fraud, satisfy another legal obligation, or address transaction-specific risk.

Development of new safe harbors. ICI supports development of new safe harbors based on the use of sample forms. But before linking relief to the sample forms, Treasury and the IRS should work with plans, IRA providers, recordkeepers, and other service providers to test and improve the forms and data elements. We agree that such safe harbors could permit a receiving plan or IRA to rely on certifications that the distributing plan is qualified and that the distribution is an eligible rollover contribution, and permit the distributing plan or IRA to rely on the receiving party's acceptance for purposes of determining that mandatory withholding does not apply.

In addition, the agencies should consider providing a separate safe harbor for a rollover completed by any reasonable means of direct payment consistent with Treasury Regulation section 1.401(a)(31)-1, Q&A-3. Reasonable means should include a secure electronic transfer, including an appropriately controlled ACH, wire, or digital transfer, and a check payable to the receiving trustee or custodian for the benefit of the participant and mailed directly to the receiving plan or IRA. This alternative safe harbor would support modernization without making relief depend exclusively on use of a particular form or platform.

VI. Treasury Should Provide a Minimum Two-Year Implementation Period

The Notice acknowledges that completing rollovers via electronic transfers may require building new electronic infrastructure and processes. For that reason, the Notice states that any such guidance (requiring electronic transfers) would not be effective until plan administrators and trustees have been given sufficient time to implement changes to their systems. We strongly agree that any future mandatory requirements should become effective only after plans, IRA providers, and service providers have sufficient time to build, test, and implement the necessary infrastructure.

ICI recommends a transition period of at least two years after publication of final guidance and final technical specifications. The implementation period should not begin until regulated parties have the information needed to design and test compliant systems. The agencies also should consider phased implementation or appropriate relief for entities that demonstrate good-faith progress but encounter complications outside their control.

Conclusion

ICI appreciates Treasury and the IRS's work to simplify and modernize the rollover process. With the modifications described above, the guidance can reduce participant burden, encourage secure electronic transfers, and provide a flexible framework that accommodates the operational realities of plans, IRAs, and their service providers. If you have any questions, please contact Elena Chism at 202/326-5821 (elena.chism@ici.org).

Sincerely,

/s/ Elena B. Chism

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