The COMMITTEE of ANNUITY INSURERS

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June 15, 2026

Submitted electronically at www.regulations.gov

Internal Revenue Service
Attn: CC:PA:01:PR (Notice 2026-4), Room 5503
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Re: Committee of Annuity Insurers' Comments on Notice 2026-4

To Whom it May Concern:

We are writing on behalf of the Committee of Annuity Insurers (the "Committee")[1] to comment on Notice 2026-4 (the "Notice").[2] The Notice solicits comments on (1) whether and how the rules governing the electronic furnishing of payee statements required under Internal Revenue Code ("Code") sections 6041 through 6050AA should be revised and (2) the electronic furnishing of payee statements required by other sections of the Code. Committee members furnish several types of payee statements, including Forms 1099-R, 1099-INT, 1099-MISC, and 1042-S.

The Committee thanks the Treasury Department and IRS for issuing the Notice, and we appreciate this opportunity to comment. As discussed below, the Committee supports revising the rules governing the electronic furnishing of payee statements and respectfully requests that guidance (1) clarify that companies can extend the electronic consent they receive for non-tax communications to payee statements, (2) permit default electronic delivery of payee statements for payors that so choose, (3) remove the current requirements specifying the hardware and software needed to access, print, and retain the payee statement, and (4) remove the current requirement that the recipient must demonstrate that they can access the payee statement in the electronic format in which it will be furnished.

[1] The Committee is a coalition of life insurance companies formed in 1981 to participate in the development of federal policy with respect to tax, securities, ERISA, and other regulatory issues affecting annuities. The Committee's current 33 member companies represent approximately 80% of the annuity business in the United States. A list of the Committee's member companies is attached.

[2] 2026-13 I.R.B. 726 (March 5, 2026).

I. Background

The Job Creation and Worker Assistance Act of 2002 ("JCWAA") permits any payee statement required to be furnished under Code sections 6041 through 6050AA to be furnished electronically if the recipient has consented to the electronic provision of the statement.[3] Consent must be provided (1) in a manner similar to the manner permitted by regulations under Code section 6051 (related to the electronic furnishing of Forms W-2), under which the payor must satisfy certain consent, format, posting, and notification requirements, or (2) in such other manner as provided by the Secretary of the Treasury.[4]

Notice 2026-4 solicits comments on whether and how the rules governing the electronic furnishing of payee statements required under Code sections 6041 through 6050AA should be revised. The Notice also solicits comments on the electronic furnishing of payee statements required by other Code sections, including comments addressing how any recommended changes to the electronic furnishing rules for these other payee statements would be consistent with the Electronic Signatures in Global and National Commerce Act (the "E-SIGN Act").[5]

The Committee's member companies are insurance companies that issue a variety of contracts, including life insurance, annuity, and health insurance contracts. In addition to payments under those contracts, the member companies regularly make payments of interest to contract holders, payments of wages to employees, payments of non-employee compensation to independent agents, and payments to foreign persons from U.S. sources. Thus, the member companies generally have reporting obligations under Code sections 6041, 6041A, 6047(d), 6049, 6051, and Chapters 3 and 4 of Subtitle A of the Code.

The Committee generally supports revisions to the existing requirements to help facilitate the use of electronic payee statements for payors that choose to furnish them. In general, some member companies estimate that less than 30% of payee statements are sent electronically under current practices. Physically mailing payee statements imposes additional costs on the companies as well as greater potential for losing documents or mailing them to an outdated address. For example, if a policyholder forgets to update their mailing address, they risk not receiving their payee statement. These issues would largely be alleviated by allowing for payee statements to be furnished electronically.

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[3] Pub. L. No. 107-147 §401 (2002).

[4] Treasury and the IRS also issued final regulations under Code section 6051 in 2004 specifying certain notice and consent requirements for the electronic furnishing of Forms W-2 issued to employee-recipients. *See* TD 9114, 69 Fed. Reg. 7567 (Feb. 18, 2004). Notice 2004-10, 2004-6 I.R.B. 433 generally permits electronic furnishing of Forms 1099-R and 5498. *See also*, IRS Publication 1099, *General Instructions for Certain Information Returns (Forms 1096, 1097, 1098, 1099, 3921, 3922, 5498, and W-2G)*, pp. 19-20. That publication generally permits electronic furnishing of certain payee statements as long as the payor meets the requirements outlined therein and in Treas. Reg. § 31.6051-1.

[5] Pub. L. No. 106-229 (2000).

II. Comments

1. <u>Clarify that companies can extend the electronic consent they receive for non-tax communications to payee statements.</u>

When a customer purchases an insurance policy, such as an annuity or life insurance contract, the issuing company often requests the customer's consent to the terms and conditions governing the customer's access to their online account information and to receiving communications electronically. Member companies report that between 23% and 40% of customers are currently signed up to receive electronic communications. These consents and the related electronic account and communication services generally are subject to the E-SIGN Act as well as the Uniform Electronic Transactions Act (UETA).[6] Separately, under the current tax rules governing payee statements required under Code sections 6041 through 6050AA, the recipient must affirmatively consent to receive the payee statement electronically under the specific procedures outlined in Treas. Reg. § 31.6051-1(j)(2)(i).

There is uncertainty in the law regarding the extent to which the notice and consent requirements under the E-SIGN Act and the UETA overlap with the IRS rules for electronic delivery of payee statements.[7] It is also not clear whether a separate consent is required for each type of payee statement that the recipient receives.[8] Thus, many companies separately solicit a new consent for electronic delivery of payee statements.

Allowing payors to accept a broad electronic consent for both non-tax communications and payee statements will reduce the burden on payors to request multiple consents and will more readily facilitate the desire of payees to receive information electronically. Companies should be permitted to extend the consent they received during the on-boarding process for other non-tax communications to payee statements as long as the consent otherwise satisfies applicable laws governing online access and electronic delivery of financial accounts and it is clear that the consent will also cover the receipt of payee statements electronically.[9]

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[6] The UETA, like the E-SIGN Act, largely is designed to remove barriers to electronic commerce by giving legal effect to electronic records and signatures. It has been enacted in 49 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

[7] The temporary regulations under Code section 6051 stated that the regulations are consistent with the general goals of the E-SIGN Act. 66 Fed. Reg. 10247 (Feb. 14, 2001). Similarly, the final regulations under Code section 6051 state that the notice and consent requirements thereunder are consistent with the E-SIGN Act. *See* T.D. 9114. However, there still appears to be some uncertainty among payors as to the overlap.

[8] In this regard, we note that Treas. Reg. § 1.1461-1(c)(1)(i) permits the electronic furnishing of Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*, to payees by complying with the requirements under Treas. Reg. § 1.6050W-2(a)(2) through (5). To provide payee statements electronically under that provision, the recipient must have affirmatively consented or, in the alternative, must have "previously consented to receive other federal tax statements in an electronic format from the furnisher." A similar statement is not present in the regulations under Code section 6051.

[9] While the Committee continues to support the option for payees to request payee statements in a paper format, the Committee notes the importance of the rule in Treas. Reg. § 31.6051-1(j)(7) allowing payors to provide

Therefore, the Committee respectfully has the following requests:

- Clarify that a broad, single consent to the receipt of electronic communications be given effect for purposes of the electronic receipt of payee statements. At a minimum, the Committee asks for a rule similar to that in Treas. Reg. § 1.6050W-2, which makes explicit that consent to receive other federal tax statements in an electronic format from the furnisher may be treated as affirmative consent to receive the payee statement under that section electronically as well.

- Ensure that any future guidance regarding the electronic delivery of payee statements be uniform and apply in the same manner to all payee statements. In particular, the Committee notes there is uncertainty with respect to whether the third-party sick pay statements provided to employers under Code section 6051(f) may be provided electronically and asks for clarification that this statement may be furnished electronically.

2. <u>Permit default electronic delivery of payee statements for payors that so choose.</u>

As stated above, there is some uncertainty with respect to the extent to which the E-SIGN Act requirements and the IRS rules overlap. Regardless of the overlap, the E-SIGN Act supports deviation from the consent requirements therein if "necessary to eliminate a substantial burden on electronic commerce" and as long as the deviation "will not increase the material risk of harm to consumers."[10] In addition, the JCWAA provides that consent can be provided "in such other manner as provided by the Secretary [of Treasury]." The Committee also notes that in the case of a retirement plan, employee benefit arrangement, health savings account, or individual retirement plan (a "qualified arrangement"), there are existing rules permitting (but not requiring) legally required notices and documents to be provided electronically by default, if certain requirements are met.[11]

The Committee believes that given the prevalence of electronic transactions, modifying the notice and consent requirements will reduce burdens on payors while not increasing "the material risk of harm" to payees. In fact, the Committee believes that a modification will increase the likelihood that a payee will continue to receive payee statements even after a change of physical address.

As cited in the Notice, 95% of adults in the U.S. use the internet and 90% of adults have a smartphone. Many of the transactions between member companies and customers are conducted through electronic means. For example, many member companies have a method for opening an account electronically rather than using a paper application form. Thus, allowing payors who so

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the paper statement within 30 days after a payee requests a paper statement without invoking the penalty under Code section 6722 for failure to timely furnish a payee statement.

[10] 15 U.S.C. § 7004.

[11] *See* Treas. Reg. § 1.401(a)-21(c); 29 C.F.R. § 2520.104b-1(c) (2002 ERISA safe harbor); 29 C.F.R. § 2520.104b-31 (2020 ERISA safe harbor).

choose to provide payee statements electronically by default (*i.e.*, without affirmative consent) will help reduce reporting burdens on payors without causing material risk to payees. The Committee recognizes that not all companies will be in a position to offer electronic payee statements. The Committee also recognizes that not all payees desire to receive payee statements electronically and that a payee may change their mind about how they receive those statements.

Therefore, the Committee asks for a rule (1) permitting (but not requiring) payors to provide payee statements in an electronic format by default, and (2) for payors who choose electronic delivery by default, requiring them to allow payees to "opt out" by requesting paper statements. The Committee recommends retaining the requirement that the payee statement be provided by mail where electronic delivery fails and the payor is not able to obtain the information necessary to complete electronic delivery. The Committee also recommends that any rules developed for payee statements with respect to a qualified arrangement provide that if a Treasury or Department of Labor rule for electronic delivery of required notices or documents, as applicable, is satisfied such qualified arrangement can also provide for the furnishing of payee statements electronically.

3. Remove the current requirement to specify the hardware and software needed to access, print, and retain the payee statement.

Under current tax law, before or at the time of consent, the furnisher must provide to the recipient a clear and conspicuous disclosure statement that includes a description of the hardware and software required to access, print, and retain the payee statement, and the date when the payee statement will no longer be available electronically.[12]

The Committee believes that this requirement is mostly obsolete and does not reflect how payees currently interact with technology. As cited in the Notice and stated above, 95% of adults in the U.S. use the internet and 90% of adults have a smartphone. In general, it should be presumed that if the payor is interacting with the policyholder electronically, a device with an internet connection generally suffices to access and retain the payee statement. The requirement that the disclosure include a description of the hardware and software required to access and print seems outdated given modern filing methods for individual income tax returns. For example, in many instances taxpayers do not need a hard copy of Form 1099-R. Taxpayers who file their returns electronically are not required to include a copy. Even if they file their returns on paper, they must include a hard copy of the Form 1099-R only if it shows taxes were withheld.

The Committee asks that the current requirement to specify the hardware and software needed to access, print, and retain the payee statement be removed altogether. If not removed, the Committee asks for the requirement to be revised to require only a simple, streamlined disclosure on where to find the payee statement and how long to retain the copy of the payee

[12] Treas. Reg. § 31.6051-1(j)(3).

statement, along with a statement that if a printed copy is desired the taxpayer will need access to a printer or will need to request a paper copy from the company.

4. Remove the current requirement that the recipient must demonstrate that they can access the payee statement in the electronic format in which it will be furnished.

Under the existing consent requirements in the Treasury regulations, the recipient must affirmatively consent to receive the payee statement electronically, and the consent (or confirmation of the consent) must be made electronically "in any manner that reasonably demonstrates that the recipient can access the [payee statement] in the electronic format in which it will be furnished to the recipient."[13]

Companies have expressed that their systems do not allow a method for the policyholder to demonstrate they can electronically access the payee statement. Many companies use internal mailboxes, which may create a record of access, but some companies would have to update their websites to provide for this, and allocation of resources to a project designed to do so may not be feasible. Because most payee statements are accessible via the payor's website using a personal account specific to the payee, where the payee must log in using a unique username and password, a separate method of verification seems unnecessary.

Therefore, in the absence of a rule broadly allowing for electronic payee statements by default, the Committee asks that the requirement that the recipient must demonstrate that they can access the payee statement in the electronic format in which it will be furnished be removed.[14]

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[13] Treas. Reg. § 31.6051-1(j)(2)(i).

[14] We note that the recently issued proposed regulations relating to Forms 1099-DA do not include this requirement. *See* 91 Fed. Reg. 10987; *see also* Prop. Treas. Reg. § 1.6045-1(k)(5)(iii)(A).

The Committee appreciates your consideration of our comments. If you would find it helpful to discuss any of the issues described in this letter, we would be pleased to schedule a call with you and your colleagues. You can reach us at 202-347-2230 or the email addresses listed below.

Sincerely,

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Attachment: List of member companies

The COMMITTEE of ANNUITY INSURERS

Allianz Life Insurance Company of North America, Minneapolis, MN
American Equity Investment Life Insurance Company, West Des Moines, IA
Ameriprise Financial, Minneapolis, MN
Athene USA, Des Moines, IA
AuguStar Life Insurance Company, Cincinnati, OH
Brighthouse Financial, Inc., Charlotte, NC
Corebridge Financial, Houston, TX
Equitable, New York, NY
Fidelity Investments Life Insurance Company, Boston, MA
Fortitude Re, Jersey City, NJ
Genworth Financial, Richmond, VA
Global Atlantic Financial Group, Southborough, MA
Guardian Insurance & Annuity Co., Inc., New York, NY
Jackson National Life Insurance Company, Lansing, MI
John Hancock Life Insurance Company, Boston, MA
Lincoln Financial Group, Fort Wayne, IN
Massachusetts Mutual Life Insurance Company, Springfield, MA
Metropolitan Life Insurance Company, New York, NY
Nationwide Life Insurance Companies, Columbus, OH
New York Life Insurance Company, New York, NY
Northwestern Mutual Life Insurance Company, Milwaukee, WI
Pacific Life Insurance Company, Newport Beach, CA
Protective Life Insurance Company, Birmingham, AL
Prudential Insurance Company of America, Newark, NJ
Sammons Financial Group, Chicago, IL
Security Benefit Life Insurance Company, Topeka, KS
Symetra Financial, Bellevue, WA
Talcott Resolution, Windsor, CT
Thrivent, Minneapolis, MN
TIAA, New York, NY
Transamerica, Cedar Rapids, IA
TruStage, Madison, WI
USAA Life Insurance Company, San Antonio, TX

The Committee of Annuity Insurers was formed in 1981 to participate in the development of federal policies with respect to annuities. The member companies of the Committee represent approximately 80% of the annuity business in the United States.