The COMMITTEE of ANNUITY INSURERS

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October 23, 2026

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

Re: Committee of Annuity Insurers' Comments on Notice 2026-49

Dear sir or madam:

We are writing on behalf of the Committee of Annuity Insurers ("CAI") in response to the request for comments in Notice 2026-49 (the "Notice"). The CAI is a coalition of 33 life insurance companies representing approximately 80% of the annuity business in the United States.[1] The CAI was formed in 1981 to participate in the development of federal policy with respect to ERISA, tax, securities, and other regulatory issues affecting annuities. We appreciate this opportunity to comment.

Section 324 of the SECURE 2.0 Act directs the Treasury Department to develop and issue sample forms and related procedures and protocols to "simplify, standardize, facilitate, and expedite the completion of rollovers" between retirement plans, including IRAs. The Notice responds to this directive by providing sample forms and proposed procedures for plan administrators and IRA providers to use when a participant requests a direct rollover from an employer plan or IRA (the "Distributing Plan") to another employer plan or IRA (the "Receiving Plan"), other than an IRA-to-IRA rollover or transfer.[2]

The CAI's member companies and their recordkeepers administer these and other types of direct rollovers and transfers involving annuity contracts that are issued in connection with retirement plans and / or as IRAs. We thank the Treasury Department and IRS for issuing the Notice and for your broader focus on public policies that help individuals achieve and maintain financial security in retirement. We support the Notice's objectives of facilitating secure,

[1] A list of the CAI's member companies is attached.

[2] Our references to a "participant" include a plan participant, IRA owner, or beneficiary of either, and our references to a Distributing Plan or Receiving Plan include their plan administrators and recordkeepers.

accurate, and prompt transfers of direct rollover proceeds, electronically to the extent possible, and in a manner that minimizes burdens on participants. Our more specific comments on the Notice can be summarized as follows:

(1) The sample forms and corresponding proposed procedures and protocols should be streamlined and simplified, including by consolidating them to fewer steps and forms and eliminating the concept of a "rollover identification number" (RIN).

(2) The use of any sample forms and procedures should always be optional, and IRS/Treasury should not provide safe harbor relief that is conditioned on using them.

(3) Distributing Plans should be permitted to transfer rollover funds using paper checks and, in at least some cases, send the checks to participants rather than directly to Receiving Plans.

The remainder of this letter discusses these comments in more detail.

(1) <u>The sample forms and proposed procedures should be consolidated and streamlined, and the RIN concept should be eliminated.</u>

The Notice describes an extensive, five-step rollover process involving the use of four sample forms, based on the presumption that a participant will initiate a direct rollover request with the Receiving Plan.[3] The Notice also contemplates that the Receiving Plan will create a unique RIN that will be referenced in all communications between the Receiving Plan and the Distributing Plan with respect to any particular rollover. Our reaction is that these proposed procedures and sample forms seem unnecessarily complicated when compared to current industry practices that are used to achieve the same goals the Notice identifies. As a result, we think the proposed procedures and sample forms should be consolidated and streamlined and that the RIN concept should be eliminated.

(a) The sample forms and proposed procedures should be consolidated and streamlined.

Under current insurance industry practices, when a participant initiates a rollover request with the Receiving Plan, they typically work with a representative of that plan (or an advisor or agent) to fill out and submit their request, or they may fill out and submit the request without assistance. The request may be processed using a standard industry form (such as the current version of the applicable ACORD form) and / or a comparable company-specific or plan-specific form.[4]

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[3] In our experience, participants also initiate direct rollovers with the Distributing Plan.

[4] Parties that develop their own forms may base them on available industry forms and make their own revisions to those forms, or they may prepare them from scratch.

After the Receiving Plan has reviewed the rollover request to verify it is complete, accurate, and correct, the Receiving Plan transmits to the Distributing Plan the rollover request with a notification that the Receiving Plan will accept the rollover. This notice of acceptance might be provided digitally using an electronic platform, included as part of the transfer form, or in a separate company-specific letter of acceptance from the Receiving Plan.

The documents transmitted to the Distributing Plan contain necessary information relating to the rollover request, including information identifying (a) the participant, (b) the participant's interest in the Distributing Plan that is the subject of the rollover request, (c) the Receiving Plan, (d) one or more transfer methods by which the Receiving Plan will accept the rollover, and (e) the name and contact information of a person at the Receiving Plan who the Distributing Plan may contact to resolve any issues with respect to the rollover request.

Under current industry practices, the Distributing Plan then reviews the rollover request and notice of acceptance to verify they are accurate and complete. The Distributing Plan also will determine the extent to which any pre-rollover requirements with respect to the participant's interest in the Distributing Plan, such as obtaining spousal consent or making a required minimum distribution, must be satisfied before the rollover can proceed. The Distributing Plan will contact the Receiving Plan to resolve questions about the tax status of the Distributing Plan, whether the amounts involved are eligible for rollover, and any other issues with respect to the rollover request. Once the Receiving Plan and Distributing Plan determine that everything is in good order, the Distributing Plan pays the rollover funds to the Receiving Plan.

The foregoing description of current industry practices is fully consistent with the direct rollover process and goals that the Notice outlines. Industry practices, however, achieve those goals in fewer steps and with fewer forms. In that regard, our members generally view the Notice's sample forms as somewhat repetitive and formalistic in their approach. We think consolidating several steps and forms would better align the guidance with industry practices without impeding the Notice's goals.

For example, the actions and information sharing involved in the Notice's "Step 4" and "Form 4" are often accomplished as part of an earlier step, making Step 4 and Form 4 unnecessary. Likewise, it seems unnecessary for the Distributing Plan to use a separate form, like Form 3 in the Notice, to certify to the Receiving Plan that the Distributing Plan is "tax-qualified and that the amounts are eligible for rollover." Under current industry practices, and as contemplated in the Notice, the Distributing Plan will contact the Receiving Plan to resolve questions about the tax status of the Distributing Plan, whether the amounts involved are eligible for rollover, and any other issues with respect to the rollover request. Thus, Form 3 in the Notice also seems somewhat unnecessary. Based on these examples and the discussion above, consolidating several steps and sample forms would better align the guidance with industry practices.

(b) The concept of a unique RIN for each rollover request should be eliminated.

The Notice contemplates that every Receiving Plan will create a unique RIN, such as a 20-digit alphanumeric combination, to be used in all communications between the Receiving Plan and Distributing Plan for each rollover. The Notice states that the creation and use of such a RIN is for purposes of "easily identifying a specific rollover requested by a Participant and reducing the transmission of the Participant's PII."

Current industry practices do not always involve a RIN or other unique identifier when processing direct rollovers. Moreover, the congressional directive to Treasury in section 324 of SECURE 2.0 does not call for the use of a RIN or otherwise mention a RIN or similar concept in any way. In our view, requiring the Receiving Plan to generate a RIN for each requested rollover and requiring both plans to use the RIN in all communications regarding the rollover (1) would not reduce the need to transmit certain PII of the participant between the parties, (2) would not make a participant's rollover request more easily identifiable, (3) could unnecessarily complicate the rollover process, and (4) could impose unnecessary administrative burdens.

For example, the Notice's sample forms reflect that a participant's rollover request necessitates the transmission between plans of certain participant PII, including their name, social security number, date of birth, address, phone number and / or email address, and account number and type of the Receiving Plan and Distributing Plan. Use of a RIN would not materially alleviate the need for the participant to provide this information or the need for this information to be transmitted between the plans.

In addition, under current industry practices, communications between plans include other information that clearly and uniquely identifies the participant's requested rollover, such as information regarding the types of the Receiving Plan and Distributing Plan, the participant's account number in the Receiving Plan, and the amount and type of funds in the Distributing Plan that are to be rolled over. Consistently with these industry practices, the Notice's sample forms also call for this information. In our view, this information makes a participant's rollover request adequately identifiable without the need for a separate RIN.

Imposing the use of a RIN in all communications between plans would needlessly complicate the rollover process by introducing additional information that many plans, including their administrators and recordkeepers, otherwise do not use but would be responsible for generating, tracking, and verifying. This would impose an unnecessary burden on those plans, administrators, and recordkeepers by requiring them to modify their rollover systems, practices, and procedures to implement and administer a RIN for each rollover request, as well as multiple RINs for each participant who requests more than one rollover to or from a plan. For all of the foregoing reasons, including the fact that SECURE 2.0 does not mention anything about a RIN, the use of a RIN should be eliminated as a required component of the proposed procedures.

(2) The use of any sample forms and procedures should always be optional, and IRS/Treasury should not provide safe harbor relief that is conditioned on using them.

The Notice states that use of the sample forms and proposed procedures is optional. The Notice also states that IRS and Treasury are not currently providing safe harbors based on the use of the sample forms and proposed procedures but will consider providing such safe harbor relief in the future.

We agree that the sample forms and proposed procedures should be optional and should remain optional. In that regard, we note that section 324 of SECURE 2.0 directs Treasury to publish "sample" forms, "including relevant procedures and protocols" with respect to such sample forms. Implicit in a "sample" form is that it provides only an illustrative example, not a legal mandate. Requiring the use of any form would be contrary to the congressional directive to publish only "samples." In addition, mandating the use of the sample forms would be contrary to the Notice's point that these forms may not be readily usable by plans, and thus that plans "may modify the forms as necessary, including to comply with applicable law (for example, federal and state privacy laws)."

We also agree with the decision not to currently provide safe harbor relief based on the use of the sample forms and corresponding procedures and protocols. Although we generally support safe harbor relief in a variety of other circumstances, in this case we would urge IRS/Treasury not to provide such relief if it would be conditioned on use of the Notice's sample forms and corresponding procedures and protocols.

In that regard, comparable forms and procedures are already in use under current industry practices. Those forms and procedures accomplish the Notice's main goals, even though they may differ in some respects from the Notice's sample forms and procedures. If IRS/Treasury were to provide safe harbor relief based on using the Notice's sample forms and procedures, our concern would be that current industry practices could be inappropriately called into question. If a plan or IRA provider wanted to benefit from the safe harbor relief, they may need to expend significant resources to modify their forms and procedures without necessarily improving compliance, fraud-deterrence, or customer experience.

Also, providing a safe harbor based on the sample forms and corresponding procedures could discourage the industry from further developing and expanding electronic platforms for administering direct rollovers that depart from those forms and procedures. A number of initiatives and platforms are already aimed at administering rollovers and other annuity and plan-related transactions electronically. Changes and improvements are ongoing to better facilitate rollovers and minimize administrative burdens, costs, and confusion for participants. The following are several such electronic platforms or initiatives:

- *ACATS.* The Automated Customer Account Transfer Service is an electronic transfer system that was developed to automate and standardize account transfers and for which FINRA has created a standard, uniform protocol for electronic transfers.[5]

- *Paperless Replacement Processing method.* An Application Programming Interface developed in collaboration with the Insured Retirement Institute's "Digital First for Annuities" initiative[6] offers a secure Paperless Replacement Processing method for making transfers between insurance companies involving annuity contracts.[7]

- *InForce Transactions Web Service.* The InForce Transactions Web Service is a secure, standardized platform for submitting and receiving post-issue insurance policy changes, including transfers between brokers and insurance companies, among other things.[8]

Despite the insurance industry's significant progress in recent years to develop and migrate to electronic platforms for processing rollovers and transfers, there is no single platform that is currently available for all rollovers between all types of plans. The available platforms continue to be developed and improved, and not all insurance companies or recordkeepers are currently positioned to implement them. Any guidance providing a safe harbor based on, or requiring use of, the sample forms and proposed procedures could undercut ongoing efforts in this direction.

For these reasons, the use of the sample forms and proposed procedures should continue to be optional and should not be made mandatory, and future guidance should not provide safe harbor relief that is conditioned on using the sample forms and proposed procedures.

3. Distributing Plans should be permitted to transfer rollover funds using paper checks and, in at least some cases, send checks to participants rather than directly to Receiving Plans.

The Notice appropriately encourages plans to complete rollovers electronically. It further states that in cases where "a check is the only possible transfer method that both parties can use," the check should be made payable to the Receiving Plan for the benefit of the participant and mailed or sent directly to the Receiving Plan. The Notice further provides that IRS and Treasury

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[5] More information about ACATS is available at https://www.dtcc.com/products-and-services/clearing-settlement-services/equities-clearing/acats.

[6] Digital First for Annuities (DFA) is an initiative that sets the standards and rules of engagement for how annuity data is sent and received. That data is then used by the platforms that research, plan, transact, manage, and support annuities. More information about the DFA initiative is available at https://www.irionline.org/operations-technology/digital-first-2/.

[7] More information about the Paperless Replacement Processing API is available at https://www.dtcc.com/insights/2024/a-meaningful-difference-new-api-solution-automates-1035-exchange-transfer-process.

[8] More information about the ITF Web Service is available at https://dtcclearning.com/products-and-services/insurance-retirement-services/in-force-transactions-ift.html.

are considering additional guidance that would eliminate this ability to send paper checks to participants by (1) revoking Q&A-4 of Treas. Reg. section 1.401(a)(31)-1, (2) amending Rev. Rul. 2014-9 to remove the scenario permitting the delivery of a paper check to the employee, and (3) requiring administrators and trustees to send any paper check directly to the Receiving Plan rather than the participant. For the reasons discussed below, we disagree with the latter aspects of the Notice regarding paper checks and believe it is important for future guidance to continue permitting Distributing Plans to transfer rollover funds using paper checks payable to Receiving Plans and, in at least some cases, sending the paper checks to participants.

(a) Using paper checks might be the best available method that both plans have for transferring rollover funds.

Section 324 of SECURE 2.0 directs IRS/Treasury to develop sample forms and related procedures and protocols that can be used by both plans involved in a rollover. In this regard, the insurance industry is committed to modernizing the methods for administering rollover requests and transfers, and the industry continues to invest time and resources in the development of electronic platforms to this end. However, not all insurers and recordkeepers are currently able to implement these electronic platforms, and some insurers and recordkeepers currently are able to use these platforms to process rollover requests but not to transfer the rollover funds. In addition, insurers, brokers, plan administrators, recordkeepers, and other relevant parties to a rollover transaction might not be set up to transmit and accept funds using the same methods, such as electronically or by using Electronic Funds Transfer ("EFT"), Automated Clearing Hout ("ACH"), or wire transfer. Using paper checks might be the best available method that both plans have for transferring rollover funds in some circumstances. The Notice acknowledges that in some cases "a check is the only possible transfer method that both plans can use." Thus, Distributing Plans need the ability to transfer rollover funds using paper checks payable to the Receiving Plans.

(b) Paper checks, including those sent to participants, can protect against fraud.

In addition to the practical need for paper checks, the use of paper checks also can help provide some measure of protection from fraudulent rollovers that might not be prevented if the funds are transferred electronically. Our members inform us that sending paper checks may afford additional time to stop or unwind rollover transactions that are quickly determined to be fraudulent. In contrast, because electronic fund transfers are instantaneous, they may be harder to unwind before the fraudster absconds with the money. Also, sending the paper check to the participant at their known address may provide some additional protection compared to sending a check to a new party with whom the Distributing Plan is unfamiliar.

(c) Some participants prefer to receive rollover checks.

It is not uncommon for a participant to request that a paper check be sent to them, rather than directly to the Receiving Plan. Receiving the check provides participants with a way to remain more directly involved in and better informed about their rollover request. After submitting the rollover request and related materials and information, a participant might

otherwise have little or no continued involvement in the rollover process. Some participants may not prefer this approach and instead may want to be more involved. For example, receiving a paper check may allow the participant to confirm whether or not the rollover is being processed as requested. There may be other reasons a participant prefers to receive the paper check and forward it to the Receiving Plan. Future guidance should not completely eliminate this option.

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We appreciate your consideration of our input on the Notice. If you have any questions or if we can be of any assistance, please contact either of the undersigned.

Sincerely,

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Attachment

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.