



Announcement

2001 YEAR-END UPGRADE

It is time once again for the final upgrade of the year—our annual year-end upgrade. The release will be implemented for on-line clients on **December 17, 2001** (self processors will receive the upgrade during the week of December 17 as well). Normally, the year-end release is implemented with little fanfare and generally involves “behind the scenes” changes related to tax reporting. This year is much the same; however, there are a few things included in this release that we’d like to call to your attention.

- **Savings Bond Redemption** - After January 1, 2002, you will be able to adjust savings bond redemption information for a previous-year redemption transaction (MNUPDT #22).
- **IRA Required Minimum Distribution (RMD) Calculation** - The new “Uniform Table” calculations recently released by the IRS will now be available in the RMD inquiry (MNINQY #18).
- **New IRA Balance File “Bucket”** - A new IRA withdrawal code, **Y**, has been added for Prior Year Recharacterization withdrawal transactions. A new “bucket” will be displayed in the IRA Balance File (MNUPDT #17).
- **Backup Withholding** - The standard backup withholding percentage will be changed to 30% as of January 1, 2002. (We will be handling this change for on-line clients and will contact self-processors about making this change at the end of the year.)
- **IRA Contribution Limit** - The contribution limits for Traditional and Roth IRAs will be increased to \$3,000 (single) and Education IRAs to \$2,000 as of January 1, 2002. (We will be handling this change for on-line clients and will contact self-processors about making this change at the end of the year.)
- **CD Penalty** - When beginning-of-year is run for 2002, we will be clearing out the penalty amount on all certificate accounts, so that this “bucket” is ready to start over for 2002. (Penalty amounts are reported for the calendar year in which they were paid.)
- **New 1099-A, -C, and -MISC Tax Information Report** - This new report (MNRPTE #16) can be used to list 1099-MISC, 1099-A and 1099-C information for members.
 - ☛ **ATTENTION SECURITY OFFICERS:** The 1099/1098 Tax Information Report which was formerly option #16 on menu MNRPTE will be moved to option #15 on that same menu.
- **ACH Exception Handling** - The ACH “Trial Balance” report (PACXTB) has been modified to include additional information that is required when submitting an ACH Return via the on-line system. When creating a return using the ACH Exception Handling system, if the return is being created from an exception, all fields except the return code will be protected from changes so that the return exactly matches the incoming transaction. If creating a return (or NOC) manually, the system will now require all fields to be completed exactly as shown on the PACXTB report. (NOTE: If you have been filling in “dummy” data, please begin using exact data from the report effectively immediately.)

In addition, other miscellaneous changes will be made to comply with various form and regulatory changes pertaining to tax reporting. Keep in mind that because many of these features are related to tax information, enhancements may not be evident until after the end of the year when the 2001 tax file is created.

If you have any questions, please contact a Client Service Representative at 800-327-3478 or 616-285-5711.

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