

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

The American Retirement Association (“ARA”) is writing in response to the request for comments in Notice 2026-49, Guidance on Section 324 of the SECURE 2.0 Act with Respect to Rollovers (the “Notice”).¹ ARA thanks the Internal Revenue Service (“IRS” or the “Service”) and the Department of the Treasury (“Treasury”) for the opportunity to provide input on these matters.

ARA is a national organization of over 40,000 members who provide consulting and administrative services to American workers, savers, and sponsors of retirement plans and IRAs. ARA members are a diverse group of retirement plan professionals of all disciplines, including financial advisors, consultants, administrators, actuaries, accountants, and attorneys. ARA is the coordinating entity for its five underlying affiliate organizations, representing the full spectrum of America’s private retirement system: the American Society of Pension Professionals and Actuaries (“ASPPA”), the National Association of Plan Advisors (“NAPA”), the National Tax-Deferred Savings Association (“NTSA”), the American Society of Enrolled Actuaries (“ASEA”), and the Plan Sponsor Council of America (“PSCA”). ARA’s membership is diverse but united in a common dedication to America’s employer-based retirement plan system.

Summary

ARA supports the objective of section 324 of the SECURE 2.0 Act (“Section 324”) to simplify, standardize, facilitate, and expedite rollovers, and appreciates Treasury’s and the Service’s work in developing the sample forms and proposed rollover procedures in the Appendix to the Notice (together, the “Proposed Procedures”). ARA also supports the Notice’s encouragement that plans complete rollovers electronically and the guidance under consideration that would make it an impermissible procedure for a distributing plan to prevent a participant from choosing to complete a rollover by electronic transfer where both plans are capable of electronic transfers.

To further the objective of improving rollover processes, ARA recommends that Treasury and the Service:

- Streamline the Proposed Procedures by publishing sample forms and required or recommended elements for a three-step process that more closely matches existing procedures and limits the information participants must obtain to execute a rollover;
- Retain the ability to use paper checks where electronic transfer cannot be completed, and ensure mobile check deposit continues to be permissible in that situation;

¹Guidance on Section 324 of the SECURE 2.0 Act with Respect to Rollovers, I.R.S. Notice 2026-49, 2026-35 I.R.B. 199, <https://www.irs.gov/pub/irs-drop/n-26-49.pdf>.

- Condition any electronic-transfer requirement on principles-based authentication, account-validation, monitoring, cybersecurity, exception-management, and reject-and-return standards, and permit a reasonable pre-transfer review period;
- Provide a safe harbor for electronic completion of distribution documents;
- Confirm the Proposed Procedures do not apply to 403(b) contract exchanges and plan-to-plan transfers; and
- Adopt a tiered implementation schedule that provides sufficient time for systems changes before any electronic-transfer requirement takes effect.

Discussion

Section 324 directs Treasury to develop and issue guidance, in the form of sample forms (including relevant procedures and protocols), to simplify, standardize, facilitate, and expedite the completion of rollovers. The Notice does not amend any existing regulations. It sets out the Proposed Procedures, the use of which is optional, and describes additional guidance under consideration, including amendments to Q&A-4 of Treas. Reg. § 1.401(a)(31)-1 (“Q&A-4”) and Rev. Rul. 2014-9.² The Notice also cites findings by the U.S. Government Accountability Office (“GAO”) that retirement plans lack uniform rollover procedures and that participants are frequently burdened with serving as the intermediary between a distributing plan and a receiving plan. ARA supports the efforts of Treasury and the Service to reduce that burden. ARA members, including recordkeepers and third-party administrators (“TPAs”), work directly with plans of all sizes and regularly assist participants and plans in completing rollovers.

I. Streamline the Proposed Procedures

The Notice provides that the “sample forms contemplate five sequential proposed rollover procedures to complete a Participant’s rollover request.” Under that sequence, the participant submits Form 1 to the receiving plan, the receiving plan submits Form 2 to the distributing plan, the distributing plan verifies the request and returns Form 3, the receiving plan accepts the rollover on Form 4, and the distributing plan then transfers the funds. Form 1 asks the participant to provide, among other items, the distributing plan’s employer or plan name, plan number or account number, and administrator or trustee name, and instructs the participant to “[c]ontact either the Distributing Plan or Receiving Plan if you do not know or have access to the information required on this form.”

ARA is concerned that many participants will not be able to complete Form 1 accurately and that the sequence will add steps rather than remove them. There are approximately 836,800 private-sector retirement plans in the United States,³ and many share similar names. For example, a participant may know only the recordkeeper’s name on her quarterly statement and not the plan’s legal name, plan number, or administrator. Forms 2, 3, and 4 then require the plans to exchange three forms, each transmitted securely, before any funds move, which adds steps and delay when the plans have no existing relationship. Much of what Form 1 asks the participant to supply is information the distributing plan already holds, and incomplete submissions require further contact among the participant and the plans, which may delay the rollover or leave the funds with the distributing plan.

ARA recommends that the final guidance streamline the Proposed Procedures into a three-step process that plans and participants already use, and publish sample forms along with required or

²26 C.F.R. § 1.401(a)(31)-1, Q&A-4; Rev. Rul. 2014-9, 2014-17 I.R.B. 975.

³Private Pension Plan Bulletin: Abstract of 2023 Form 5500 Annual Reports, U.S. Department of Labor, Employee Benefits Security Administration (2026), <https://www.dol.gov/sites/dolgov/files/ebsa/researchers/statistics/retirement-bulletins/private-pension-plan-bulletins-abstract-2023.pdf>.

recommended elements for each step, which plans can then incorporate into their existing forms and systems. The three recommended steps and corresponding form documents are as follows:

- **Form of rollover information.** Each retirement plan should publish a standard rollover information page—posted to its website and provided to participants with other plan information regarding distributions. This standard form of information should state (1) the plan is intended to qualify as an eligible retirement plan, (2) specify whether (or not) the plan accepts rollovers (including any limitation on the types of rollovers accepted), and (3) if the plan does accept rollovers, provide the rollover instructions from Form 4, including the payee and “for the benefit of” format, mailing address, electronic transfer details, the identifiers that should accompany the rollover, and contact information. The Service should explicitly state that a plan receiving a rollover may rely upon this rollover information form as evidence the distributing plan is an eligible retirement plan. This form will provide the participant relevant information to complete rollover forms and provide a receiving plan information on a distributing plan’s qualified status before a distribution is made.
- **Distribution election form.** The participant would request a distribution election form from the distributing plan, as participants do today. The election form would carry forward the content of Form 1 that participants can readily supply, including the direct rollover election, the amounts and sources to be rolled over, the type of receiving plan, the participant’s receiving account number (in the case of electronic transfers), the receiving plan’s name and rollover instructions (taken from its published rollover information), and the participant’s authorization, including a representation that the distribution is an eligible rollover distribution.
- **Form of distribution confirmation.** A distributing plan would send the receiving plan and the participant a confirmation that carries forward the account information and certification currently in Form 3, including the disbursement method, date, and amounts by source, with Roth and after-tax basis information, and a statement that the distributing plan is intended to be a qualified plan and that the amounts are eligible for rollover. In place of a rollover identification number (“RIN”) assigned by the receiving plan, the distributing plan would assign the RIN and include it with the transfer or check and on the confirmation, so that the receiving plan can match the funds to the participant’s account without the transmission of additional personal identifying information (“PII”).

Because the sample forms are not required, including suggested or required elements that are illustrative rather than exhaustive, would further the objective of streamlining rollovers by providing plan service providers principles that each could satisfy through its own forms and systems.

ARA further recommends that the safe harbors under consideration provide that a distributing plan that relies on a receiving plan’s instruction page, and a receiving plan that relies on a distribution confirmation or the distributing plan’s instruction page, may reach the conclusions described in section IV, item 3 of the Notice. In the alternative, if Treasury and the Service retain the five-step sequence, ARA recommends that the final guidance limit the information participants must provide in sections 2 and 3 of Form 1 to the minimum the receiving plan needs to identify and contact the distributing plan, drawn from information most readily available to participants, such as the employer or recordkeeper name and an account number shown on a recent statement, and permit the receiving plan to confirm the remaining distributing plan information through other means.

This approach would give plans the common data elements and terminology that the Notice seeks, while allowing recordkeepers and TPAs to build them into the forms and systems they already use, consistent with the Notice’s encouragement that plans use the same data, procedures, and protocols in programming their own forms. The approach would be effective only if it is widely used, because a participant benefits from a rollover instruction page only if the receiving plan publishes one, and from a confirmation only if the distributing plan sends one. Plans are more likely to adopt elements they

can build into the distribution election forms and systems they already use than a new set of forms and sequence, and a safe harbor for plans that rely on the rollover instruction page and confirmation would give plans a reason to rely on them in place of their own documentation requirements. It would preserve the Notice's protocols, including use of a RIN and protection of participants' PII. It would also rely on information the plans already hold and reduce the recurring plan-to-plan follow-up that incomplete participant submissions would otherwise require.

II. Retain Custodian-Directed Checks and Mobile Deposit

The Notice describes guidance under consideration "amending (a) Treasury Regulations under § 1.401(a)(31)-1 to remove Q&A-4, which allows paper checks to be sent to participants to complete a direct rollover, and (b) Revenue Ruling 2014-9 to remove the safe harbor in Situation 2," and guidance "that would require administrators and trustees to complete rollovers via electronic transfers or paper checks mailed or sent directly to the receiving plan." The Notice also refers to possible guidance "eliminating the use of transfers by paper check" and acknowledges that electronic transfers "may require electronic infrastructure and processes that have not been built or established at this time."

ARA agrees with the goal of moving rollovers to electronic, institution-to-institution transfers. However, not every plan and provider will be able to connect electronically with every other. Smaller plans and their providers may not be able to meet the connectivity, security, and volume-processing requirements that larger recordkeepers and custodians set for the institutions they connect with, and electronic connections may be suspended during outages or fraud or cybersecurity investigations. In those cases, a check payable to the receiving plan and mailed or sent directly to the receiving plan (a "custodian-directed check") provides an efficient and secure way to complete the rollover, consistent with the Notice's own protocol directing a distributing plan that cannot complete the rollover electronically to make the check payable to the receiving plan and mail or send it directly to the receiving plan.

Removing Q&A-4 would also affect mobile check deposit. Several recordkeepers now offer rollovers by mobile check deposit, in which the participant receives a check payable to the receiving plan for the benefit of the participant and uses the receiving plan's authenticated mobile application to photograph and submit the check for deposit. That process relies on Q&A-4: the check is delivered to the participant, not to the receiving plan. Although mobile check deposit places the check in the participant's hands, it may be the most secure available option when an electronic transfer cannot be completed and a custodian-directed check is not practical or presents security concerns, because the receiving plan's authenticated application identifies both the participant and the receiving account.

ARA recommends that the final guidance retain custodian-directed checks as a fallback for rollovers that cannot be completed by electronic transfer, during and after any transition, rather than eliminate the use of transfers by paper check. If Treasury and the Service remove Q&A-4, **ARA further recommends** that the final guidance permit a check payable to the receiving plan for the benefit of the participant to be delivered through the receiving plan's authenticated mobile check deposit application where neither an electronic transfer nor a custodian-directed check can be completed or where security considerations warrant.

While ARA agrees that custodian-to-custodian interaction is ideal, not all providers may be able to meet the requirements at all times. Retaining backup procedures, including mobile check deposit, would preserve the Notice's institution-to-institution direction while also giving participants a more secure deposit path if their plans cannot connect electronically. The identification, authentication, and security procedures within mobile applications reduce the risk that a check is lost or misplaced, and therefore should be retained when a plan cannot complete a custodian-to-custodian transfer.

III. Condition Electronic Transfers on Fraud-Prevention Standards

The Notice states that the sample forms are designed to effectuate protocols “requiring plans to verify the accuracy of information with respect to a participant’s rollover request and the legitimacy of the rollover before transferring funds,” and directs the distributing plan, after receiving Form 4, to “promptly and securely transfer the Participant’s requested rollover to the Receiving Plan.” The guidance under consideration would require electronic transfers, but the Notice does not describe the authentication, validation, or reject-and-return standards that would apply. Rollovers frequently involve unrelated institutions, newly established receiving accounts, registration changes, and substantial balances. Before releasing assets, institutions may need to verify identity, validate ownership and registration, authenticate instructions, confirm account status, review anomalous activity, and resolve mismatches, which can require several business days. A bad actor may take control of an account, initiate a transfer, and move the assets before either institution identifies the problem, and an Automated Clearing House (“ACH”) entry may be returned after posting. If the receiving institution permits a later distribution before an inbound amount is returned, recovery may be difficult, and the parties may face inconsistent tax reporting and disputed responsibility.

ARA recommends that any electronic-transfer requirement should include principles regarding minimum authentication, account-validation, monitoring, cybersecurity, exception-management, and reject-and-return standards, and permit a reasonable pre-transfer review period. **ARA further recommends** that the principles address:

- authentication of the participant and the rollover instructions;
- validation of the receiving account, including ownership and registration;
- monitoring for anomalous activity;
- cybersecurity and protection of participant data in transmission, including encryption;
- uniform reason codes and status messages;
- defined acknowledgment, reject, and return timing;
- authority to restrict downstream movement of funds during review;
- participant notices;
- reconciliation, recovery, and correction procedures, including tax-reporting rules; and
- clear allocation of responsibility among plans, custodians, trustees, recordkeepers, and transmitting and receiving institutions.

The Notice observes that the Automated Customer Account Transfer Service (“ACATS”) operates under a standard, uniform protocol for electronic transfers. ARA is not recommending that ACATS be adopted for plan rollovers, but its experience shows that transfer timing can improve while time for review and exception handling is preserved. ARA supports electronic transfers where they can be completed securely. Standards measured by their ability to protect assets and resolve exceptions, and not solely by speed, would give institutions a common basis for allocating responsibility when a transfer fails while leaving each institution flexibility in how it meets them.

IV. Provide a Safe Harbors for Electronic Completion of Distribution Documents

The Notice states that the safe harbors under consideration “would apply only to the transferability of a rollover and not to any requirements that apply to a distributing plan in making a distribution, for example, obtaining spousal consent or making a required minimum distribution.” A direct rollover cannot be completed, however, until the participant has completed the required distribution forms. Because some institutions require paper distribution forms, which then must be manually processed, the process of initially requesting a distribution can extend the process of obtaining a rollover to several months.

ARA recommends that Treasury and the Service consider providing a safe harbor regarding the electronic completion of distribution documents, subject to reasonable authentication and security standards.

The documents that might be included in such a safe harbor would include:

- the participant's distribution request or benefit claim;
- any required spousal consent;
- acknowledgment or delivery of the section 402(f) notice;
- federal income tax withholding elections, including Forms W-4R and W-4P (or their electronic equivalent);
- rollover acceptance or receiving-plan certification;
- other certifications or representations necessary to establish rollover eligibility; and
- supporting documentation associated with death or beneficiary claims (such as a death certificate).

Encouraging electronic distribution forms would further the stated objectives of Section 324 by simplifying, facilitating, and expediting the completion of rollovers.

V. Exclude 403(b) Exchanges and Transfers

The Notice provides that the sample forms “are not intended to be used for IRA-to-IRA rollovers or transfers, but may be used for rollovers to or from an IRA,” and Form 1 lists a “403(b) Plan” as an account type, so the Proposed Procedures already apply to rollovers to and from 403(b) plans. The Notice does not address transactions specific to 403(b) arrangements, including contract exchanges, plan-to-plan transfers, and transfers and mergers under IRC § 414(z). None of these transactions is a rollover. Each is subject to its own conditions and occurs within an existing relationship, whether between the employer and its approved contract issuers, between plans that both provide for the transfer, or between a plan and an annuity contract maintained by the same church or convention or association of churches, so the parties do not need the procedures designed to connect plans that may be unknown to each other. Without separate procedures, however, these transactions are often processed on rollover forms, which can cause them to be reported as distributions, subject them to rollover restrictions that do not apply, and delay the movement of assets.

ARA recommends that the final guidance confirm that the Proposed Procedures do not apply to 403(b) contract exchanges, plan-to-plan transfers, or transfers and mergers under § 414(z), and provide that these transactions would be processed using a separate exchange or transfer form rather than a rollover form.

An express exclusion, parallel to the Notice's exclusion of IRA-to-IRA transfers, would help 403(b) vendors and recordkeepers route each transaction through the correct procedure and report it correctly. A statement that a separate exchange or transfer form should be used would give providers a clear basis for changing current practice and allow these assets to move without unnecessary delay.

VI. Adopt a Tiered Implementation Schedule

The Notice acknowledges that “completing rollovers via electronic transfers may require electronic infrastructure and processes that have not been built or established at this time,” and states that “any such guidance would not be effective until administrators and trustees have been given sufficient time to implement changes to their systems to comply with such guidance.” The Notice requests comments on “what time frames would be necessary to implement the guidance.” The guidance under consideration involves two different kinds of change: standardizing forms and

procedures that institutions can adapt within existing systems, and requiring electronic transfers, which depends on infrastructure and standards that do not yet exist. For example, a recordkeeper that today issues checks for a significant share of its outgoing rollovers would need to build and test connections with each receiving institution before it could stop issuing them.

ARA recommends that the final guidance adopt a tiered implementation schedule. First, the Proposed Procedures and any safe harbor based on them should be available for voluntary use upon issuance, with a reasonable, good-faith interpretation of the guidance accepted during any interim period.

Second, for any required elements, electronic documents and signatures, and reliance rules, ARA recommends at least 12 months following issuance of final guidance, and at least 18 months where compliance requires material systems programming, revision of forms and participant communications, or coordination among recordkeepers, trustees, custodians, TPAs, plan sponsors, and receiving institutions. The period should begin only after final forms and technical specifications are issued.

Third, for any requirement that rollovers be completed by electronic transfer, or any removal of Q&A-4 or Situation 2 of Rev. Rul. 2014-9, ARA recommends at least three years, measured from publication of the final data, security, and reject-and-return standards on which electronic transfers would depend. ARA **further** recommends that Treasury and the Service permit these changes to take effect in stages, so that steps that reduce participant-delivered checks may take effect before steps that depend on new fraud-prevention standards, and that custodian-directed checks remain available as a fallback during and after the transition.

ARA appreciates the recognition in the Notice that any guidance requiring electronic transfers would not be effective until administrators and trustees have been given sufficient time to implement changes to their systems, consistent with the transition relief Treasury and the Service have provided for other changes affecting plan administration. A tiered schedule would allow participants to benefit from the Proposed Procedures as soon as they are issued, avoid costs for plans and participants from building systems to standards that remain subject to change, and ensure that any electronic-transfer requirement takes effect only after the fraud controls that protect participants' retirement savings are in place and tested.

Conclusion

The Notice is an important step toward simplifying, standardizing, and expediting rollovers. Streamlining the Proposed Procedures by publishing required or recommended elements for distribution election forms, distribution confirmations, and rollover instruction pages in place of the four forms and limiting participant obligations to provide information would reduce participant burden. Retaining custodian-directed checks and permitting mobile check deposit when electronic transfers cannot be completed and conditioning any electronic-transfer requirement on fraud-prevention and reject-and-return standards would keep rollover funds within institutional channels and protect participants from fraud. Providing a safe harbor for electronic completion of distribution documents, confirming the Proposed Procedures do not apply to 403(b) contract exchanges and plan-to-plan transfers, and adopting a tiered implementation schedule would give plans and service providers a practical path to compliance.

These comments are submitted on behalf of ARA in consultation with the ASPPA DOL and Reporting Subcommittee, chaired by Brian Furgala, CPA, QPA. ARA appreciates the opportunity to submit these comments on the Notice and would welcome the opportunity to discuss them further. Please contact Kelsey Mayo, Chief of Retirement Policy and Regulatory Affairs, at kmayo@usaretirement.org or (703) 516-9300, with any questions regarding this matter. Thank you for your time and consideration.

Sincerely,

/s/

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