

News

Groom's Comment Letters to the Treasury and the IRS Outlined in Tax Notes

ATTORNEYS & PROFESSIONALS

Kathryn Bjornstad Amin

kamin@groom.com

202-861-2604

Elizabeth Thomas Dold

edold@groom.com

202-861-5406

Louis T. Mazawey

lmazawey@groom.com

202-861-6608

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Groom regularly participates in the guidance processes of the U.S. Department of the Treasury ("Treasury") and the Internal Revenue Service ("IRS"), (together the "Agencies"), particularly when the Agencies solicit recommendations each year. Recently, *Tax Notes* covered two of Groom's letters to the Agencies in two separate articles.

In Groom's letter to the Agencies that was highlighted in the *Tax Notes* article, "Firm Seeks Guidance on Welfare Benefit Funds," Groom principals [Lou Mazawey](#) and [Katie Bjornstad Amin](#) requested that they "...publish official guidance confirming that the 100% excise tax on reversions under section 4976 of the Internal Revenue Code of 1986 ("Code") does not apply when an employer "repurposes" surplus retiree benefit assets in a welfare benefit fund to provide health and other welfare benefits to active employees." The letter, dated June 3, 2022, was written in hopes of obtaining a ruling or proposed regulation to "... encourage employers to continue providing meaningful benefits to their employees and beneficiaries through the efficient use of assets."

In Groom's second letter to the Agencies that was highlighted in the *Tax Notes* article, "Firm Requests Guidance on Pension and IRA Withholding," Groom principals [Lou Mazawey](#) and [Elizabeth Dold's](#) requested pension and IRA withholding guidance in light of the new withholding form that was issued this year. The letter, dated June 6, 2022, also placed emphasis on the request that the new Forms W-4P (Withholding Certificate for Periodic Pension or Annuity Payments) and W-4R (Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions) remain optional for 2023 given their recent issuance that came without formal notice and comment process, and "...to date there has been no guidance on how to address paper substitute forms and only informal guidance on electronic substitute forms."

[Firm Seeks Guidance on Welfare Benefit FundsDownload](#)

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