

781—9.12(556) Reporting of tax-advantaged accounts.

9.12(1) Property held in a plan account described in Sections 223, 529 and 529A of the Internal Revenue Code or held in a nonretirement account or plan that qualifies for tax deferral under the income tax laws of the United States is presumed abandoned if it is unclaimed by the owner three years from the later of:

a. The date a second item sent to the owner by first-class mail was returned as undeliverable by the United States Postal Service (USPS), unless a later mailing by first-class mail to the apparent owner was not returned as undeliverable or, for an apparent owner not receiving communications from the holder by first-class mail, the date of the last indication to the holder by the apparent owner of interest in the property; or

b. Thirty years have elapsed after the date the account was opened.

9.12(2) Uncashed distribution checks issued from tax-advantaged accounts are reportable three years from the date the property became reportable pursuant to Iowa Code section 556.7. Uncashed distribution checks issued for a plan account described in Sections 529 and 529A of the Internal Revenue Code shall be reported in accordance with the IRS 1099-Q form issued at the time the distribution check was issued.

This rule is intended to implement Iowa Code section 556.7.

[ARC 2809C, IAB 11/9/16, effective 12/14/16; ARC 8844C, IAB 1/22/25, effective 2/26/25]