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CU*BASE Enhances IRA Processing

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CU*Answers, a CUSO known for providing its flagship core processing system, CU*BASE, has recently announced a software enhancement to comply with IRA distribution regulations.

IRS regulations state that when an IRA distribution is paid out to a beneficiary, the 1099-R form needs to be reported under the beneficiary's SSN or TIN, not the IRA holder's SSN or TIN. To facilitate this, a new IRA Beneficiary Distributions file will act as a supplement to the IRA Beneficiary File, allowing credit unions to record a total distribution amount for each beneficiary, including the reporting year. Additionally, the screen used to add and maintain information about IRA beneficiaries has been improved.

After a member dies, the credit union will have to post withdrawal transactions as usual, coding them with the IRA posting code for death distribution, and the IRA program coordinator will need to use a new command key on the IRA Beneficiaries maintenance screen to record individual beneficiary distribution records showing which beneficiary actually received the money.

The CUSO does point out that this is not an automated process, it will need to be added to the credit unions' to-do list; otherwise all of the distributions would be reported under the member's SSN/TIN like now.

About CU*Answers

CU*Answers was founded over 35 years ago and is a 100% Credit Union owned CUSO located in Grand Rapids, Michigan. CU*Answers offers a wide variety of services for credit unions including its flagship CU*BASE Processing System in both an Online (ASP) and In-house environment, Internet Development Services featuring the **It's Me 247** Online Banking product, Member Check Processing and Direct Deposit processing services. CU*Answers provides combined services to 165 credit unions nationally representing nearly 1.5 million members and \$10 billion in credit union assets. For more information about how "We Make Credit Unions Go" please visit CU*Answers at www.cuanswers.com.

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