



Wealth Management Update



December 14, 2010

Senate Advances Tax Cut Bill in Procedural Vote

The Senate yesterday voted 83-15 -- far more than the 60 votes needed -- to end debate and advance the tax cut bill. The Senate is expected to pass the legislation today and send it to the House, where some Democrats are threatening to change a provision that would set the federal estate tax at 35 percent for two years, with a \$5 million exemption for individuals and \$10 million for couples.

The bill includes, among other things, a two-year extension of Bush-era tax cuts for both the middle class and for wealthier Americans; a one-year employee payroll tax cut of 2 percentage points; and a 13-month extension of unemployment benefits. [Chart on wealth management related provisions in tax bill.](#) [Read the bill.](#) [Read a bill summary.](#) For more information, contact ABA's [Larry Seyfried](#) or [Phoebe Papageorgiou](#).

ABA Publishes Backgrounder on Corporate Fiduciaries for ABA Members

ABA has issued a backgrounder summarizing the duties, regulation, and other aspects of corporate fiduciaries. A similar document was shared with the Government Accountability Office in regards to their study on financial planners. [Read the backgrounder.](#) For further information, please write Phoebe at phoebep@aba.com.

DOL Proposal on Target Date Disclosure

The Department of Labor released a proposal for Target Date Disclosure. This proposal amends the qualified default investment alternative regulation to provide more specificity as to the information that must be disclosed in the required notice to participants and beneficiaries concerning investments in qualified default investment alternatives, including target date or similar investments. This document also contains a proposed amendment to the participant-level disclosure regulation that would require the disclosure of the same information concerning target date or similar investments to all participants and beneficiaries in participant-directed individual account plans. Written comments on the proposed regulation are due January 14, 2011. [Read the proposal here.](#)

Two New ABA Working Groups

ABA is creating two working groups to respond to requests for comment from the DOL and the SEC. Please let Lisa Bleier at lbleier@aba.com or Phoebe Papageorgiou at phoebep@aba.com know if you are interested in participating in one of these working groups.

- **Definition of Fiduciary Comment Letter Working Group:** DOL is proposing to more broadly define the circumstances under which a person is considered to be a "fiduciary" by reason of giving investment advice to an employee benefit plan or a plan's participants. Comments will be due January 20, 2011. Among the changes are that the proposal would include the provision of an appraisal or fairness opinion concerning the value of securities as a fiduciary activity. [Read the proposal.](#)
- **MMMF Comment Letter Working Group:** SEC is requesting comment on the options discussed in the report presenting the results of the President's Working Group on Financial Markets' study of possibly money market fund reforms. Comments will be due January 10, 2011. Among the issues of concern for ABA members would be an option to eliminate the stable NAV, as well as the option to create an insurance program for money market funds (we would have concerns about competitiveness with bank products depending on how this was structured). [Link to request](#) (which includes the report as an attachment).

IRS Ends Federal Tax Deposit Coupon Program on Jan. 1

The Internal Revenue Service yesterday published in the Federal Register a temporary and final rule -- effective Jan. 1, 2011 -- that discontinues the federal tax deposit program that allows taxpayers to present paper coupons and checks to bank branches for federal tax payments. The program is ending because the Treasury Department will no longer maintain the paper coupon system.

All payments, except for those under \$2,500, will be made via electronic funds transfer starting in January. Payments under the \$2,500 threshold still may be made via paper check through a lockbox arrangement established by the IRS. Financial institutions must not accept coupons after Dec. 31, 2010. The final day for processing coupons via the program will be Jan. 3, 2011. The last day to submit an adjustment request will be Feb. 28, 2011. [Read the rule.](#) For more information, contact ABA's [Phoebe Papageorgiou](#).

[ABA Wealth Management and Trust Conference](#)

March 6 – 8, 2011

Loews Miami Beach Hotel. Miami Beach, FL

Restoring trust with clients and developing successful relationships are fundamental to the future success of your wealth management and trust business. The [2011 Wealth Management and Trust Conference](#) will focus on restoring and enhancing relationships with clients, and developing a highly successful line of business. ABA has assembled an unmatched group of industry experts and strategists to discuss the latest approaches and techniques that have proven to deliver to the bottom line.

[Register online](#) or call 1-800-BANKERS.

[Upcoming ABA Telephone Briefing](#)

December 16 Cost Basis Reporting -- Analyzing the New Requirements

2-3:30 pm ET

This live, 90-minute telephone briefing will provide a critical understanding of the requirement enacted by the Energy Improvement and Extension Act of 2008 (the Act) to provide cost basis information for sales or transfers of securities beginning in 2011. [Register Online.](#)

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