



American Revolution Bicentennial

## FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 76-42  
March 25, 1976

### INDIVIDUAL RETIREMENT ACCOUNTS (IRA) AND KEOGH ACCOUNTS

**TO THE CHIEF EXECUTIVE OFFICER  
OF ALL MEMBER BANKS IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:**

As you know, recent legislation (Public Law 93-406) has authorized the establishment of tax deferred Individual Retirement Accounts (IRA) by persons who do not have retirement programs at their place of work. In December, the Board of Governors of the Federal Reserve System amended Regulation Q to facilitate the offering of such accounts by member banks in the form of time and savings deposits and many banks, as well as other financial institutions, are now offering IRA plans in deposit form. Subsequently, the Board has received numerous requests from member banks that consideration be given to the elimination of the interest rate ceiling differentials between commercial banks and thrift institutions on IRA accounts. Many of these requests assert that the existing differential puts bank depositors at a significant disadvantage vis-a-vis the deposit customers of thrift institutions, and as a result these banks believe that they are unable to compete effectively for IRA deposits. Some of these letters suggest that IRA deposits, because of their long-term, special tax status, and Congressional intent are a unique form of deposit and should be treated differently from other time and savings deposits. In addition, similar sentiment has been expressed regarding Keogh plans offered by banks in the form of time and savings deposits.

As a result of these letters, the Board of Governors is conducting a survey of the amount of IRA and Keogh deposits at member banks in order to obtain information regarding the degree to which relative ceiling rates may have affected banks' ability to attract such deposits. The Federal Deposit Insurance Corporation is joining the Federal Reserve in this survey. The Federal Home Loan Bank Board is also collecting data on IRA and Keogh deposits from savings and loan associations.

I would, therefore, greatly appreciate your completing one of the two enclosed forms with data as of March 31 and returning it to the Federal Reserve Bank of Dallas in the enclosed, pre-addressed envelope by April 14. The second copy of the form is for your files. Even if you have neither IRA nor Keogh deposits outstanding at the survey date, please check the appropriate box and return one copy of the reporting form.

Questions regarding this survey should be directed to Bill Green in our Research Department. You may telephone Mr. Green, collect, at (214) 651-6394 for assistance. I appreciate your cooperation in our endeavor to collect the information necessary to make an accurate evaluation of this issue.

Sincerely yours,

**Ernest T. Baughman**

**President**

**Enclosures (3)**

\_\_\_\_\_  
Name of Bank

FR 1129  
OMB Approval No. 55-S76002  
Expires May 1976

\_\_\_\_\_  
City, State, ZIP Code

SURVEY OF OUTSTANDING AMOUNTS OF INDIVIDUAL  
RETIREMENT ACCOUNTS (IRA) AND KEOGH ACCOUNTS  
AS OF  
MARCH 31, 1976

(Please read instructions on reverse)

DOES YOUR BANK HAVE OUTSTANDING EITHER INDIVIDUAL RETIREMENT ACCOUNTS (IRA) OR KEOGH ACCOUNTS IN THE FORM OF TIME AND SAVINGS DEPOSITS.

Yes  No

IF YOU HAVE NEITHER FORM OF ACCOUNT, PLEASE INDICATE THE NAME OF THE PERSON PREPARING THIS REPORT AND RETURN IT TO THE FEDERAL RESERVE BANK OF DALLAS

IF YOU HAVE OUTSTANDING EITHER IRA OR KEOGH ACCOUNTS IN THE FORM OF TIME AND SAVINGS DEPOSITS, PLEASE PROVIDE THE INFORMATION REQUESTED BELOW AND RETURN THE FORM TO THE FEDERAL RESERVE BANK OF DALLAS.

Type of Maturity of Deposit	Individual Retirement Accounts		Keogh Accounts	
	Mils.	Thous.	Mils.	Thous.
1. Savings deposits				
2. Time deposits with original maturities of:				
a. 30 days up to but not including 4 years				
b. 4 years up to but not including 6 years				
c. 6 years and over				
3. Total (sum of lines 1, 2a, 2b, and 2c)				
4. Total number of accounts				

RETURN ONE COPY TO:  
  
RESEARCH DEPARTMENT  
FEDERAL RESERVE BANK OF DALLAS  
DALLAS, TEXAS 75222

NO LATER THAN APRIL 14, 1976

\_\_\_\_\_  
(Name of person preparing this report, please print)

( )  
\_\_\_\_\_  
(Telephone number - including area code and extension)

## GENERAL INSTRUCTIONS

Report all deposit balances requested as of the close of business March 31, 1976, to the nearest thousand dollars. All figures must reflect the consolidation of all branches located in the States of the United States and the District of Columbia and any domestic nonbank subsidiary of the bank located in the States of the U. S., the District of Columbia, or any U. S. territory or possession that is consolidated for the Consolidated (Domestic) Report of Condition (Call Report) filed by the reporting bank.

Please EXCLUDE any trust department administered Individual Retirement Account or Keogh funds that are not in the form of time and savings deposits at your bank.

If the reporting bank has no IRA or Keogh Accounts in specific categories requested on the report, please write the word "none" for that type of account or maturity. If the reporting bank has neither IRA nor Keogh deposits in the form of time and savings deposits, please check the box so indicating and return the form to the Federal Reserve Bank of Dallas.

### DEFINITIONS

INDIVIDUAL RETIREMENT ACCOUNTS (IRA) are special deposits which permit those individuals who do not have retirement programs at their place of work to defer income taxes on amounts equal to the funds deposited thereto (and the earnings thereon). Annual deposits to IRA accounts may not exceed 15% of net earnings or \$1,500, whichever is smaller.

KEOGH ACCOUNTS (HR-10) are similar to IRA's but are established by self-employed individuals, for themselves and/or their employees, and the maximum annual deposit may not exceed 15% of net earnings from self-employment, or \$7,500, whichever is smaller.

Time and savings deposits are defined in the instructions to the Report of Condition (Call Report). SAVINGS DEPOSITS have no specified maturity and there is no requirement for the depositor to give prior written notice of an intention to withdraw funds. However, the bank, at its option, may at any time require depositors holding savings deposits to give written notice of an intended withdrawal not less than 30 days before such withdrawal is to be made. In contrast, TIME DEPOSITS have either a minimum maturity of at least 30 days, or a fixed maturity, or are withdrawable after a specified period from date of deposit, or following expiration of a period of notice of intended withdrawal given in writing by the depositor.

NUMBER OF ACCOUNTS are the total number of separate IRA or Keogh accounts in the form of time and savings deposits.