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DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

NOV 16 2012

Uniform Issue List: 408.03-00

T:EP:RA:T2

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Legend:

Taxpayer	=	************************
Spouse	=	**************************
IRA X	=	*** *************************************
IRA Y	=	*** **************************************
Amount A	=	************
Amount B	=	************
Investment Advisor	=	****************
Financial Institution	=	*****************************

Dear ************************:

This is in response to your request dated May 22, 2012, as supplemented by correspondence dated August 16, 2012, in which you request a waiver of the 60-day rollover requirement contained in section 408(d)(3) of the Internal Revenue Code (the "Code").

The following facts and representations have been submitted under penalty of perjury in support of the ruling requested:

Taxpayer represents that he received a distribution from IRA X totaling Amount A. Spouse represents that she received a distribution from IRA Y totaling Amount B. Taxpayer and Spouse assert that their failure to accomplish a rollover within the 60-day period prescribed by section 408(d)(3) was due to fraud committed by Investment Advisor. Taxpayer and Spouse further represent that neither Amount A nor Amount B has been used for any other purpose.

Taxpayer and Spouse withdrew Amount A and Amount B from their respective IRAs with the intent to roll those amounts over into new IRAs within 60 days. Within the 60 day period, Spouse contacted Investment Advisor, who worked at that time with Financial Institution, and who handled all withdrawal and deposit transactions, to request that he deposit the funds into Taxpayer's and Spouse's new IRAs before the expiration of the 60-day period. Investment Advisor stated that he would do so, and sent a statement to Taxpayer and Spouse showing that the funds were deposited within that period. The statement however proved to be fraudulent, and the Investment Advisor had not actually executed the rollover until after the 60-day period. Financial Institution provided documentation taking responsibility for the failure to roll over Amount A and Amount B into the new IRAs within the 60-day period.

Based on the facts and representations, you request a ruling that the Internal Revenue Service waive the 60 day rollover requirement contained in section 408(d)(3) of the Code with respect to the distribution of Amount A and Amount B.

Section 408(d)(1) of the Code provides that, except as otherwise provided in section 408(d), any amount paid or distributed out of an IRA shall be included in gross income by the payee or distributee, as the case may be, in the manner provided under section 72 of the Code.

Section 408(d)(3) of the Code defines, and provides the rules applicable to IRA rollovers.

Section 408(d)(3)(A) of the Code provides that section 408(d)(1) of the Code does not apply to any amount paid or distributed out of an IRA to the individual for whose benefit the IRA is maintained if

(i) the entire amount received (including money and any other property) is paid into an IRA for the benefit of such individual not later than the 60th day after the day on which the individual receives the payment or distribution; or

(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan (other than an IRA) for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to section 408(d)(3)).

Section 408(d)(3)(B) of the Code provides that section 408(d)(3) does not apply to any amount described in section 408(d)(3)(A)(i) received by an individual from an IRA if at any time during the 1-year period ending on the day of such receipt such individual received any other amount described in section 408(d)(3)(A)(i) from an IRA which was not includible in gross income because of the application of section 408(d)(3).

Section 408(d)(3)(D) of the Code provides a similar 60-day rollover period for partial rollovers.

Section 408(d)(3)(E) of the Code provides that the rollover provisions of section 408(d) do not apply to any amount required to be distributed under section 408(a)(6).

Section 408(d)(3)(I) of the Code provides that the Secretary may waive the 60-day requirement under sections 408(d)(3)(A) and 408(d)(3)(D) of the Code where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement. Only distributions that occurred after December 31, 2001, are eligible for the waiver under section 408(d)(3)(I) of the Code.

Rev. Proc. 2003-16, 2003-4 I.R.B. 359 (January 27, 2003) provides that in determining whether to grant a waiver of the 60-day rollover requirement pursuant to section 408(d)(3)(I), the Service will consider all relevant facts and circumstances, including: (1) errors committed by a financial institution; (2) inability to complete a rollover due to death, disability, hospitalization, incarceration, restrictions imposed by a foreign country or postal error, (3) the use of the amount distributed (for example, in the case of payment by check, whether the check was cashed); and (4) the time elapsed since the distribution occurred.

The information presented and documentation submitted by Taxpayer and Spouse is consistent with their assertion that their failure to accomplish a timely rollover was caused by Investment Advisor's fraudulent actions.

Therefore, pursuant to section 408(d)(3)(I) of the Code, the Service hereby waives the 60-day rollover requirement with respect to the distribution of Amount A from IRA X and Amount B from IRA Y. Taxpayer is granted a period of 60 days from the issuance of this ruling letter to contribute Amount A into a rollover IRA. Spouse is granted a period of 60 days from the issuance of this ruling letter to contribute Amount B into a Rollover IRA. Provided all other requirements of section 408(d)(3) of the Code, except the 60-day requirement, are met with respect to such contribution, Amount A and Amount B will be considered rollover contributions within the meaning of section 408(d)(3) of the Code.

This ruling does not authorize the rollover of amounts that are required to be distributed by section 401(a)(9) of the Code.

No opinion is expressed as to the tax treatment of the transaction described herein under the provisions of any other section of either the Code or regulations which may be applicable thereto.

This letter is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

If you wish to inquire about this ruling, please contact ************** (ID ***-*********) at (****) ****-******. Please address all correspondence to SE:T:EP:RA:T2.

Sincerely yours,

Donzell Littlejohn

Donzell Littlejohn, Manager
Employee Plans Technical Group 2

Enclosures:
Deleted copy of ruling letter
Notice of Intention to Disclose