

Department of the Treasury
Internal Revenue Service
Washington, D.C. 20224

200730021

MAY - 3 2007

Uniform Issue List: 408.03-00

Legend:

Decedent B =

Financial Institution C =

Amount H =

IRA X =

Account Z =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Date 6 =

Dear

This is in response to your request dated October 26, 2006, as supplemented by correspondence dated January 17, 2007, January 23, 2007, and February 15, 2007, 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.

You are under age 70 1/2, represent that you received a distribution from an individual retirement account (IRA X) totaling Amount H, and that your failure to accomplish a rollover within the 60-day period prescribed by section 408(d)(3) was due to mental and physical incapacities which impaired your ability to handle your financial affairs, including the rollover of Amount H.

You were married to Decedent B. Decedent B maintained IRA X at Financial Institution C. You were named the beneficiary of 50 percent of the funds in IRA X. (Amount H). On Date 1, 2005 Decedent B passed away. You received a distribution of Amount H from IRA X in the form of a check dated on Date 2, 2005, which you deposited into your Account Z, a non-IRA account on Date 3, 2005. On Date 4, 2005, you began extensive medical treatment for your illness. Your treatment continued until Date 5, 2005, after the 60 day rollover period expired. On Date 6, 2006, you met with your financial advisor. It was at that time that you realized your failure to rollover Amount H within the 60 day time period. You further represent that Amount H has not been used for any other purpose.

Medical documentation submitted with your request from treating health professionals indicates the severity of your chronic medical problems and the extent of your treatment for these conditions.

Based on the facts and representations, you request a ruling that the Internal Revenue Service waive the 60 day rollover requirement with respect to your contribution of Amount H into an IRA because the failure to waive such requirement would be against equity or good conscience.

With respect to your ruling request, 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)(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)(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 you presented, and documentation submitted on your behalf, demonstrate that you were effectively disabled due to your medical condition and

incapable of handling your financial affairs in an appropriate manner. In this regard, we note that you deposited the entire Amount H into Account Z and that amount has never been used for another purpose.

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 H from IRA X. You are granted a period not to exceed 60 days as measured from the issuance of this ruling letter to contribute Amount H 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, the contribution of Amount H into one or more IRAs described in Code section 408(a) will be considered a rollover contribution within the meaning of section 408(d)(3) of the Code.

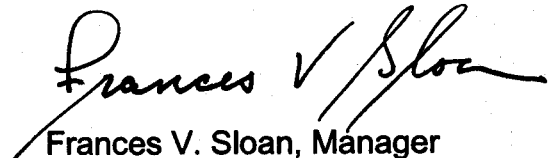
No opinion is expressed as to the tax treatment of the transaction described herein under the provisions of any other section of either the Code or regulations, which may be applicable thereto.

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.

In accordance with a power of attorney on file with this office, a copy of this letter ruling is being sent to your authorized representative.

If you wish to inquire about this ruling, please contact *****, I.D. # **-****, at (***) ***-****. Please address all correspondence to SE:T:EP:RA:T3.

Sincerely yours,


Frances V. Sloan, Manager
Employee Plans Technical Group 3

Enclosures:

Deleted copy of letter ruling
Notice of Intention to Disclose

CC: