



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

200909069

DEC 03 2008

UIL No. 408.03-00

Legend:

Taxpayer A =

Date 1 =

Amount A =

Amount B =

IRA X =

Account Z =

Bank Y =

Dear :

SE:T. EP:RA:TS

This is in response to your letter dated July 3, 2008, supplemented by correspondence dated August 27, 2008, 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").

Under penalty of perjury, Taxpayer A submits the following facts and representations in support of the ruling requested.

Taxpayer A, age 70, represents that on Date 1 he received a distribution totaling Amount A from IRA X. Taxpayer A asserts that his failure to accomplish a rollover within the 60-day period prescribed by section 408(d)(3) of the Code was due to his medical condition which impaired his ability to accomplish a timely rollover. Taxpayer A further represents that Amount A has not been used for any other purpose.

Taxpayer A represents that he maintained IRA X with Bank Y. On Date 1, Taxpayer A visited Bank Y for the purpose of rolling over IRA X. He requested and received a distribution totaling Amount A from IRA X. Taxpayer A represents that he intended to rollover Amount B (Amount A, less an amount used by Taxpayer A for other purposes) into a rollover IRA. Instead, Amount B was mistakenly placed into Account Z, a non-IRA Certificate of Deposit with Bank Y.

Taxpayer A represents further that he could not review the paperwork he received from Bank Y on Date 1 during the 60 days following the distribution because of his medical condition. Taxpayer A further represents that when he discovered the error it was beyond the 60-day rollover period, and that Amount B has not been used for any other purpose. Documentation submitted by Taxpayer A's treating physician reflects that Taxpayer A was treated for a medical condition that impaired his ability to make financial decisions during the 60-day rollover period.

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

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.

Revenue Procedure 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 and documentation submitted by Taxpayer A is consistent with his assertion that his failure to accomplish a rollover within the 60-day period prescribed by section 408(d)(3) of the Code was due to his medical condition which impaired his ability to accomplish a timely rollover.

Therefore, pursuant to section 408(d)(3) of the Code, the Service hereby waives the 60-day rollover requirement with respect to the distribution of Amount B from IRA X. Taxpayer A 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 B 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 ruling does not authorize the rollover of amounts that are required to be distributed by section 401(a)(9) of the Code.

This ruling 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.

200909069

If you wish to inquire about this ruling, please contact ***, I.D. No. ***, at *** or
*** (FAX). Please address all correspondence to SE:T:EP:RA:T4.

Sincerely yours,

Lauren B. Worshausly
for

Donzell H. Littlejohn, Manager
Employee Plans, Technical Group 4

Enclosures:

Deleted Copy of Ruling Letter
Notice of Intention to Disclose

Cc: