

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

201142034

July 28, 2011

Uniform Issue List: 408.03-00

T:EP:RA:T4

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XXXXXXXXXXXXXXXXXX

Legend:

Taxpayer A	= XXXXXXXXX
Individual C	= XXXXXXXXX
Bank J	= XXXXXXXXX
Financial Institution F	= XXXXXXXXX
Form A	= XXXXXXXXX
Plan X	= XXXXXXXXX XXXXXXX
IRA X	= XXXXXXXXX XXXXXXX
Amount A	= XXXXXXXXX
Amount B	= XXXXXXXXX
Date 1	= XXXXXXXXX
Date 2	= XXXXXXXXX
Date 3	= XXXXXXXXX

Dear XXXXX:

This letter is in response to your request dated September 22, 2010, as supplemented by correspondence dated December 7, 2010, March 4, 2011, and March 23, 2011, in which your authorized representative requested on your behalf 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 A, age 60, represents that she received a distribution from IRA X totaling Amount A. Taxpayer A asserts that her failure to accomplish a timely rollover within the 60-day period prescribed by section 408(d)(3) was due to an error made by Bank J.

Taxpayer A represents that she received a distribution of Amount A from Plan X, intending to roll over the distribution into an IRA at Bank J. To effect the transfer, Taxpayer A met with an employee of Bank J and a financial investment advisor. On Date 1, a check issued from Financial Institution F in Amount A was given to a Bank J representative to establish IRA X at Bank J. Amount A was invested in several funds within IRA X, including an annuity, Certificates of Deposit (CDs), and other investment funds. On Date 2, Taxpayer A was contacted by Bank J regarding investing a portion of Amount A (Amount B) in CDs. Taxpayer A assumed these CD's would be held in IRA X. However, Individual C, an employee of Bank J incorrectly completed Form A which resulted in Amount B being deposited into four non-IRA CDs. Taxpayer A did not realize that Amount B had not been deposited into IRA X until Date 3. Taxpayer A represents that she intended for the entire distribution to remain in IRA X and that Bank J incorrectly deposited Amount B into four non-IRA accounts. Documentation provided indicates that Bank J incorrectly deposited Amount B into four non-IRA accounts.

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 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 60<sup>th</sup> 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 60<sup>th</sup> 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)(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 A is consistent with her assertion that her failure to accomplish a timely rollover was caused by an error made by Bank J, which resulted in Amount B being deposited into four non-IRA accounts.

Therefore, pursuant to section 408(d)(3)(B) of the Code, the Service hereby waives the 60-day rollover requirement with respect to the distribution of Amount B, from Plan 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 valid 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.

Pursuant to a power of attorney on file in this office, a copy of this letter is being sent to your authorized representative.

If you wish to inquire about this ruling, please contact XXXXXXXX, (ID XX-XXXX) at (XXX) XXX-XXXX. Please address all correspondence to SE:T:EP:RA:T3.

Sincerely,

Laura B. Warshawsky, Manager  
Employee Plans Technical Group 3

Enclosures:

Deleted copy of ruling letter  
Notice of Intention to Disclose