



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

201340025

JUL 09 2013

T:EP: RA:T1

Uniform Issue List: 408.03-00

Legend

Taxpayer A =

Taxpayer B =

IRA C =

IRA D =

Financial Institution E =

Amount 1 =

Amount 2 =

Amount 3 =

Dear :

This is in response to your request dated October 27, 2012, as supplemented by correspondence received on February 27, 2013, and April 24, 2013, 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 A represents that he received a distribution equal to Amount 1 from IRA C, which was maintained by Financial Institution E. Taxpayer A asserts that his failure to accomplish a rollover within the 60-day period prescribed by 408(d)(3)(A) was due to serious health problems. Taxpayer A's spouse, Taxpayer B, represents that she received a distribution equal to Amount 2 from IRA D, which was maintained by Financial Institution E. Taxpayer B asserts that

her failure to accomplish a rollover within the 60-day period was due to caring for Taxpayer A.

On June 8, 20 , Taxpayer A withdrew Amounts 1 and 2 from IRA C and IRA D, respectively. Taxpayer A represents that he intended to roll over Amount 1 and Amount 2 into IRAs within the 60-day period, but he was experiencing a worsening of medical problems that continued through November of 20 . During this period, Taxpayer B cared for Taxpayer A. On September 20, 20 , Taxpayer A rolled over Amounts 1 and 2, respectively, back into IRA accounts.

Based on the above facts and representations, Taxpayer A and Taxpayer B request the following rulings:

- (1) That the Service waive the 60-day rollover requirement with respect to the distribution of Amount 3, an amount equal to Amount 1 less the required minimum distribution from IRA C; and
- (2) That the Service waive the 60-day rollover requirement with respect to the distribution of Amount 2 from IRA D.

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.

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) 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 or 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 of the Treasury may waive the 60-day requirement under sections 408(d)(3)(A) and 408(d)(3)(D) 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).

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) of the Code, 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 and Taxpayer B are consistent with their assertion that the failure to accomplish timely rollovers of Amounts 2 and 3 was due to Taxpayer A's worsening medical problems, and Taxpayer B's care of Taxpayer A, during the rollover period.

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 3 from IRA C and Amount 2 from IRA D. Taxpayer A and Taxpayer B are granted a period of 60 days from the issuance of this ruling letter to contribute Amount 2 and Amount 3 into rollover IRA accounts. Provided all other requirements of section 408(d)(3), except the 60-day requirement, are met with respect to such contributions, Amount 2 and Amount 3 will be considered rollover contributions within the meaning of section 408(d)(3).

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:T1.

Sincerely yours,



Carlton A. Watkins, Manager
Employee Plans Technical Group 1

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