



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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

AUG 29 2013

Uniform Issue List: 408.03-00

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XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX

T. EP:RA:TI

Legend

| | | |
|------------|---|--------------------|
| Taxpayer A | = | XXXXXXXXXXXXXXXXXX |
| IRA B | = | XXXXXXXXXXXXXXXXXX |
| Bank C | = | XXXXXXXXXXXXXXXXXX |
| Account D | = | XXXXXXXXXXXXXXXXXX |
| Bank E | = | XXXXXXXXXXXXXXXXXX |
| Amount 1 | = | XXXXXXXXXXXXXXXXXX |

Dear XXXXXXXXXXXXXXXX:

This is in response to your request dated April 9, 2013, as submitted by your authorized representative, 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 she received a distribution equal to Amount 1 from IRA B, which was maintained by Bank C. Taxpayer A asserts that her failure to accomplish a rollover within the 60-day period prescribed by 408(d)(3)(A) was due to the fact that the distribution was unexpected and the check was not identified as an IRA distribution compounded by the fact that Taxpayer A had relied on her late husband to handle all their financial affairs. Taxpayer A further represents that Amount 1 has not been used for any other purpose.

Taxpayer A maintained IRA B with Bank C. Upon the unexpected closure of Bank C by the FDIC on October 26, 2012, a distribution check was mailed to

Taxpayer A dated October 28, 2012, totaling Amount 1. Prior to his death, Taxpayer A relied on her husband to handle their financial affairs. The distribution check did not indicate that it was from an IRA. On November 10, 2012, Taxpayer A deposited Amount 1 into Non-IRA Account D with Bank E. Taxpayer A did not realize the distribution was from an IRA until meeting with her accountant in March 2013. Amount 1 remains in Account D and has not been used for any other purpose.

Based on the above facts and representations, Taxpayer A requests that the Service waive the 60-day rollover requirement with respect to the distribution of Amount 1 from IRA 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.

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 is consistent with her assertion that the failure to accomplish a timely rollover of Amount 1 was due to the unexpected closure of Bank C and resulting unidentified distribution of Amount 1 from IRA B compounded by her inexperience handling her financial affairs due to her reliance on her late husband. 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 1 from IRA B. Taxpayer A is granted a period of 60 days from the issuance of this ruling letter to contribute Amount 1 to 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 1 will be considered a valid rollover contribution 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 XXXXXXXXXXXXXXXX
(ID XXXXXXXXXXXX) at (XXX) XXX-XXXX. Please address all correspondence to
SE:T:EP:RA:T1.

Sincerely yours,

Carlton A. Watkins

Carlton A. Watkins, Manager
Employee Plans Technical Group 1

Enclosures:

Notice of Intention to Disclose

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