



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

201437023

JUN 18 2014

Uniform Issue List: 408.07-00

Company = *****

Dear *****:

This letter is in response to your request for a ruling which was submitted by your authorized representative on May 20, 2011.

Company is a financial services company that is a passive and active non-bank trustee and custodian of Individual Retirement Accounts (IRAs) and Coverdell Education Savings Accounts (CESAs).

In order for an individual to make a contribution to an existing IRA or CESA from a non-retirement account held at Company, the individual must submit a letter of authorization (LOA), which is either a written letter from the client or his or her authorized representative, or a verbal request by the client or authorized representative to a Company representative which is summarized via a written document signed and dated by Company. The LOA indicates the amount of cash contribution to the IRA, the non-retirement account from which the funds are to be transferred, and the tax year that the contribution is designated for, or if silent, the contribution is treated as designated for the current year.

The LOA is irrevocable on receipt, and Company processes such LOAs as soon as administratively practicable, subject to the client having sufficient funds in his or her account and having already established either an IRA or CESA with Company. Company then transfers funds from the individual's brokerage or other account to the individual's IRA or CESA. In some cases, due to processing times, even if the LOA is received by the April 15th deadline, the transfer may not be processed until after such date.

Accordingly, you have asked us to rule that an individual who submits a LOA directing Company to transfer funds from a non-retirement account to a IRA or CESA, postmarked or transmitted not later than the time prescribed by law for filing the individual's tax return for such taxable year, shall be deemed to have made a cash contribution to an IRA or CESA on the last day of the preceding taxable year under sections 219(f)(3), 408(a)(1), 408A(c)(7), 530(b)(1)(A), and 530(b)(4) of the Code (as applicable), provided the funds are, in fact, transferred in a reasonable time.

Section 219(f)(3) of the Code states that a taxpayer shall be deemed to have made a contribution to an individual retirement plan on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof)

Section 408(a)(1) of the Code generally provides that no contribution to an IRA will be accepted unless it is in cash, and not in excess of the amount in effect for such taxable year under section 219(b)(1)(A).

Section 530(b)(1)(A) of the Code states that no contribution to a CESA will be accepted unless it is in cash, made before the date on which the beneficiary attains age 18, and not in excess of \$2,000 in aggregate for the year, not counting rollover contributions.

Section 530(b)(4) of the Code states that a taxpayer shall be deemed to have made a contribution to a CESA on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

Section 7502(a)(1) of the Code provides that where a payment is required to be made within a period prescribed by any provision of the internal revenue laws, the date of the United States postmark stamped on the cover in which such payment is mailed shall be deemed the date of payment.

We conclude with respect to your ruling request that an individual who submits an LOA to Company directing it to transfer funds from a non-retirement Company account to an IRA or CESA if, when received, the date of the U.S. postmark stamped on the cover in which such payment is mailed (or if a verbal request, the date upon which the request is made to a Company representative) is not later than the due date of the taxpayer's return (not including extensions thereof), such individual shall be deemed to have made a cash contribution to such IRA or CESA on the last day of the preceding taxable year under sections 219(f)(3), 408(a)(1), 408A(c)(7), 530(b)(1)(A), and 530(b)(A) of the Code (as applicable), provided the funds are, in fact, transferred as soon as administratively practicable.

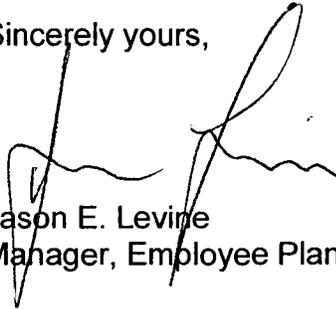
This ruling assumes that the IRAs in question satisfy the requirements of section 408 and the CESAs in question satisfy the requirements of section 530 of the Code.

This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

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

If you require further assistance in this matter, please contact ***** at (****) ****-*****. Please address all correspondence to SE:T:EP:RA:T2.

Sincerely yours,



Jason E. Levine
Manager, Employee Plans Technical 2

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

cc: *****

