



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

201446033

AUG 18 2014

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Uniform Issue List: 408.03-00

SE: T: EP: RA: T 1

Legend:

- Taxpayer A =
- IRA B =
- Financial Institution C =
- Company D =
- Financial Institution F =
- Financial Institution G =
- Financial Institution H =
- IRA I =
- Security M =
- Security N =
- Amount 1 =
- Amount 2 =
- Amount 3 =

Dear Mr. :

This is in response to your request dated April 10, 2014, as supplemented by correspondence dated May 1, and June 4, 2014, from your authorized representative, in which you request that the Internal Revenue Service ("the Service") recognize that distributions of Amounts 1 and 2 from IRA B were properly rolled over to a new IRA within the 60-day rollover requirement contained in section 408(d)(3) of the Internal Revenue Code ("Code").

The following facts and representations have been submitted under penalty of perjury in support of the ruling requested:

Taxpayer A represents that distributions of Amount 1 and Amount 2 were made from IRA B. The Form 1099-R for tax year 2013 reported a distribution date for both amounts as September 12, 2013, which information was transmitted to the Service. Taxpayer A asserts that his failure to accomplish a rollover within the 60-day period, beginning on the purported distribution date of September 12, 2013, with respect to Amount 1 and Amount 2, was the result of errors made by Financial Institution C in the process of retitling share certificates and defective information reporting on the Form 1099-R.

Taxpayer A maintained IRA B with Financial Institution C. On June 28, 2013, Financial Institution C notified Taxpayer A that it would no longer hold investments in Company D within his IRA (IRA B). IRA B held two investments in Company D: Security M shares with a total value of Amount 1 and Security N shares with a total value of Amount 2. Taxpayer A received a notice from Financial Institution C that if Financial Institution C did not receive instructions from Taxpayer A by September 7, 2013, regarding the disposition of Securities M and N, Financial Institution C would make a taxable distribution to Taxpayer A of all the Security M and Security N shares themselves. On July 26, 2013, Taxpayer A completed an account transfer form with Financial Institution F which authorized the direct transfer of both Security M and Security N shares held by IRA B to a new IRA with Financial Institution F which Taxpayer A intended to open. The transfer never occurred because Financial Institution F could not accept the Security M and Security N shares because the shares were not retitled in the name of the new custodian, Financial Institution H, and, hence, could not be transferred by Financial Institution C to Financial Institution H.

By letter dated September 26, 2013, Financial Institution C notified Taxpayer A that Securities M and N with values of Amounts 1 and 2, respectively, were removed from IRA B on September 12, 2013. By letter dated October 9, 2013, Taxpayer A instructed Financial Institution C to retitle Securities M and N in the name of Financial Institution H as custodian. This instruction was ignored. Taxpayer A submitted a document, prepared by Financial Institution C, which showed the actual distribution date of Securities M and N from IRA B was November 20, 2013. On January 16, 2014, Securities M and N were deposited into IRA I at Financial Institution G with Financial Institution H as the new custodian. On January 16, 2014, Financial Institution G posted the total of the Security M and Security N shares at cost of Amount 3 (the sum of Amounts 1 and 2) and market value of Amount 3.

The Form 1099-R which reported the distribution of Amounts 1 and 2 stated that the distribution date was September 12, 2013. This is inconsistent with the monthly statement prepared by Financial Institution C which indicated a distribution date of November 20, 2013. Financial Institution C refused Taxpayer A's request

that it correct Form 1099-R to show the actual distribution date was November 20, 2013, instead of September 12, 2013.

Based on the above facts and representations, you request that the Service recognize that Taxpayer A satisfied the 60-day rollover requirement contained in section 408(d)(3) of the Code with respect to the actual distributions of Amounts 1 and 2 from IRA B on November 20, 2013, rather than the purported distributions of Amounts 1 and 2 on September 12, 2013.

Section 408(d)(1) of the Code provides that, except as otherwise provided in section 408(d) of the Code, 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 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) of the Code).

Section 408(d)(3)(B) of the Code provides that section 408(d)(3) of the Code does not apply to any amount described in section 408(d)(3)(A)(i) of the Code 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) of the Code from an IRA which was not includible in gross income because of the application of section 408(d)(3) of the Code.

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).

The information presented and the documentation submitted by Taxpayer A is consistent with his assertion that he accomplished timely rollovers of Amounts 1

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and 2 into an IRA within the 60-day rollover period. In support of this claim, Taxpayer A submitted a document prepared by Financial Institution C which showed the actual distribution date of Securities M and N from IRA B was November 20, 2013. In addition, Taxpayer A submitted proof that Securities M and N were deposited into another IRA (IRA I) on January 16, 2014, within the 60-day period following November 20, 2013.

Therefore, the Service concludes that Taxpayer A satisfied the 60-day requirement for rollovers pursuant to section 408(d)(3) of the Code with respect to the distribution of Security M and Security N with values of Amounts 1 and 2, respectively, from IRA B on November 20, 2013. The contribution of Security M and Security N, with values of Amounts 1 and 2, respectively, into IRA I on January 16, 2014, are considered rollover contributions 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 408(a)(6) 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.

A copy of this letter ruling has been sent to your authorized representative pursuant to a power of attorney on file in this office.

If you wish to inquire about this ruling, please contact
(I.D. #), , at () .

Sincerely yours,

Carlton A. Watkins

Manager
Employee Plans Technical Group 1

cc: