



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

201550049

TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

U.I.L. 408.03-00

SEP 18 2015

XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX

SE:T:EP:RA:T2

Legend:

- Taxpayer A = XXXXXXXXXXXX
- IRA X = XXXXXXXXXXXX
- Bank C = XXXXXXXXXXXX
- Amount D = XXXXXXXXXXXX
- Amount E = XXXXXXXXXXXX
- Date 1 = XXXXXXXXXXXX
- Date 2 = XXXXXXXXXXXX

Dear xxxxxxxxx:

This is in response to your request dated March 31, 2015, as supplemented by correspondence dated July 21, 2015, July 23, 2015, August 11, 2015, and August 13, 2015, submitted on your behalf, 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 on Date 1, he withdrew Amount D from IRA X. Taxpayer A asserts that his failure to accomplish a rollover within the 60-day period prescribed by section 408(d)(3) of the Code was that he was not advised by Bank C of the tax consequences of the withdrawal of Amount D from IRA X.

Taxpayer A represents that he annually withdraws the required minimum distribution from IRA X. On Date 1, Taxpayer A withdrew Amount D from IRA X and deposited

Amount D into his checking account with Bank C. On Date 2, Taxpayer A withdrew Amount E from his checking account and deposited Amount E in a separate checking account with Bank C.

Taxpayer A represents that he made these withdrawals on a mistaken belief that he was required to do so by the rules of the Code applicable to Individual Retirement Accounts (IRAs). Taxpayer A further represents that he was not advised by Bank C of the tax consequences of the withdrawal from IRA X. Taxpayer A first became aware of the tax consequences of withdrawal of Amount D from IRA X when his 20 federal tax return was being prepared.

Taxpayer A represents that he is not sophisticated with respect to financial matters and as he has gotten older, his ability to adequately manage his financial affairs has become increasingly difficult because of his lack of energy, mental confusion, and memory impairment.

Based on the foregoing facts and representations, you request that the Internal Revenue Service (the "Service") waive the 60-day rollover requirement contained in section 408(d)(3) of the Code with respect to the withdrawal of Amount D 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 received 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 included 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 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.

Rev. Proc. 2003-16, 2003-4 I.R. B. 359, 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 do not support the assertion that Taxpayer A's failure to accomplish a timely rollover was any fault of the bank. Taxpayer A has not presented adequate evidence to the Service that shows his intent to rollover Amount D from IRA X into a rollover IRA. Further, the documentation submitted does not demonstrate that Taxpayer A failed to accomplish a rollover due to any of the factors cited in Rev. Proc. 2003-16.

Therefore, pursuant to section 408(d)(3)(I) of the Code, the Service hereby declines to waive the 60-day rollover requirement with respect to the distribution of Amount D from IRA X.

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 transactions described herein under the provisions of any other section of either the Code or regulations, which may be applicable thereto.

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

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 have any questions concerning this ruling, please contact xxxxxxxxxxxxxxxx, at xxxxxxxxxxxxxxxx. All correspondence should be addressed to SE:T:EP:RA:T:2.

Sincerely yours,

  
Sherri M. Edelman, Manager  
Employee Plans Technical

Enclosures:

- Deleted copy of letter ruling
- Notice of Intention to Disclose

cc:

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