



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

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

FEB 17 2016

201620020

Uniform Issue List: 408.03-00

SE: T: EP: RA: T1

Legend

|                         |   |
|-------------------------|---|
| Taxpayer A              | = |
| IRA B                   | = |
| Fund C                  | = |
| Trust Company D         | = |
| Financial Institution E | = |
| Company F               | = |
| Company G               | = |
| Company H               | = |
| Individual I            | = |
| Individual J            | = |
| State X                 | = |
| State Y                 | = |
| Amount 1                | = |

**201620020**

Dear \_\_\_\_\_ :

This is in response to your request dated August 4, 2015, as supplemented by correspondence dated November 19, 2015, and January 13, 2016, in which you request, through your authorized representative, 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 B, an individual retirement account under section 408(a) of the Code, which was maintained by Trust Company D. Taxpayer A asserts that his failure to accomplish a rollover of Amount 1 within the 60-day period prescribed by section 408(d)(3)(A) was due to the fact that he was unaware of the distribution of Amount 1 from IRA B because Trust Company D's resignation letter was not forwarded to Taxpayer A's new address.

In November of 2003, Individual I, Taxpayer A's broker, advised Taxpayer A to invest his IRA in Fund C, which was maintained by Financial Institution E. In March of 2007, Taxpayer A changed custodians for IRA B to Trust Company D. Over the years, Taxpayer A continued to rely on the services of Individual I, who oversaw Taxpayer A's IRA investments.

In 2010, Taxpayer A and Individual I agreed that in order to compensate Taxpayer A for losses sustained in IRA B, Individual I and his firm, Company G, would be responsible for the payment of custodial fees to Trust Company D. In September of 2011, Individual I transferred employment to a new brokerage firm, Company F, where he continued to serve as Taxpayer A's broker until Individual I took an indefinite leave of absence and Taxpayer A's accounts were assigned to Individual J.

On December 5, 2012, Trust Company D sent a letter to Taxpayer A's former address, advising him that it was resigning as custodian of IRA B – which resignation would become effective on February 1, 2013, due to non-payment of fees. However, Taxpayer A had moved from State X to State Y and the letter was not forwarded to Taxpayer A's new address. Consequently, Taxpayer A was unaware that Amount 1 was distributed from IRA B until he received a Notice of Deficiency for the \_\_\_\_\_ tax year.

Taxpayer A represents that Amount 1 has not been used for any other purpose. Taxpayer A has found a new IRA custodian, Company H, which is willing to accept a rollover of Amount 1 into an IRA. 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 and that he be given 60 days from the date of a favorable letter ruling to roll over the distribution of Amount 1 into another IRA.

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 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 Service has the authority to waive the 60-day rollover requirement where the individual failed to complete a rollover to another IRA within the 60-day rollover period because of one of the factors enumerated in Rev. Proc. 2003-16; for example, errors committed by a financial institution, death, hospitalization, postal error, incarceration, and/or disability.

The information and documentation submitted are consistent with Taxpayer A's assertion that the failure to accomplish a rollover within the 60-day period prescribed by 408(d)(3)(A) of the Code was due to the fact that he was unaware of the distribution of Amount 1 from IRA B because Trust Company D's resignation letter was not forwarded to Taxpayer A's new address.

Therefore, pursuant to section 408(d)(3)(I) of the Code, the Service waives the 60-day rollover requirement with respect to the distribution of Amount 1, and Taxpayer A has 60 days from the issuance of this letter ruling to complete the rollover of Amount 1 to an IRA.

Provided all other requirements of section 408(d)(3) of the Code, except the 60-day requirement, will be met with respect to the contribution of Amount 1, such contribution will be considered a rollover contribution 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 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.

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

If you wish to inquire about this ruling, please contact  
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

cc: