



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

201636049

JUN 09 2016

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Uniform Issue List: 408.03-00

T:EP:RA:T2

Legend:

Taxpayer A =

Individual B =

IRA X =

Amount B =

Financial Institution C =

Bank B =

Dear

This is in response to your letter, dated July 30, 2015, as supplemented by correspondence dated October 7, 2015, December 9, 2015, and May 13, 2016, 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 he received a distribution from IRA X totaling Amount B. Taxpayer A asserts that his failure to complete a rollover of Amount B, within the 60-day period prescribed by section 408(d)(3) of the Code, was due to a mental condition which impaired his ability to make financial decisions.

Taxpayer had a 10-year Individual Retirement Account Certificate of Deposit with Financial Institution C (IRA X). On April 25, 2014, Financial Institution C sent a letter to Taxpayer A informing him that the certificate of deposit would mature on May 27, 2014. Taxpayer A contacted Financial Institution C and requested an entire distribution from IRA X. On June 5, 2014, Financial Institution C sent a check to Taxpayer A in Amount B. On August 4, 2014, Taxpayer A deposited the check into his savings account at Bank B. Amount B has not been used for any other purpose and remains in Taxpayer A's savings account.

In November 2014 Taxpayer A contacted Financial Institution C inquiring about IRA X and was told that it was closed and the money had been sent to him. Taxpayer asked his daughter, Individual B, for help because he was confused and wanted to know where his money went. Individual B was unaware of the distribution from IRA X, became concerned about her father's mental condition, and received a diagnosis from Taxpayer A's physician. On December 3, 2014, Individual B obtained a durable power of attorney to take control of Taxpayer A's finances.

Medical documentation submitted shows that Taxpayer A has developed a state of mental and cognitive impairment that interferes with his ability to adequately manage his financial and personal matters.

Upon discovery of the distribution Individual B took steps to consult with a tax professional and requested this ruling.

Based on the facts and representations, you request a ruling 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 distribution of Amount 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 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 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)(1) 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 (January 27, 2003) provides that in determining whether to grant a waiver of the 60-day rollover requirement pursuant to section 408(d)(3)(1) 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 presented and documentation submitted by Taxpayer A is consistent with his assertion that his failure to accomplish a timely rollover

was due to a mental condition which impaired his ability to make adequate financial and personal decisions.

Therefore, pursuant to section 408(d)(3)(1) of the Code, the Service hereby waives the 60-day rollover requirement with respect to the distribution of Amount B from IRA X. Taxpayer A is granted a period of 60 days from the issuance of this ruling letter to contribute an amount not to exceed Amount B into 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, the contribution will be considered a 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 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.

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 wish to inquire about this ruling, please contact
Please address
all correspondence to SE:T:EP:RA:T1.

Sincerely yours,



Carlton A. Watkins, Manager
Employee Plans Technical Group 1

CC: