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TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

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

JUN 23 2009

UIL No. 408.03-00

SE: T: EP: RA: TY

Legend:

Taxpayer A =  
Taxpayer B =  
IRA X =  
IRA Y =  
IRA Z =  
Amount A =  
Amount B =  
Amount C =  
Date 1 =  
Date 2 =  
Date 3 =  
Date 4 =

Dear :

This is in response to your request, dated , 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, age 85, represents that, on Date 1, he received a distribution from IRA X totaling Amount A and that, on Date 2, he received a distribution from IRA Y totaling Amount B. Taxpayer A asserts that his failure to accomplish a rollover of Amount A and Amount B within the 60-day period prescribed by section 408(d)(3) of the Code was due to surgery for a fractured hip and recovery in a skilled nursing facility during the 60-day rollover period. Taxpayer A's medical condition was due to a fall on Date 3.

Taxpayer A received Amount B from IRA Y as proceeds paid on the death of his spouse, Taxpayer B. Taxpayer A represents that, while it was his intention to rollover Amount A and Amount B into another IRA within the 60-day period, his medical condition made it impossible for him to do so. It was only while collecting information to file his tax return for 2011 that Taxpayer A realized that Amount A and Amount B had not been rolled over within the 60-day period. Recognizing his mistake, Taxpayer A deposited Amount C (an amount less than [or equal to] the sum of Amount A and Amount B) in IRA Z on Date 4.

Based on these facts and representations, you request a ruling that the Internal Revenue Service waive the 60-day rollover requirement with respect to Amount C.

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 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 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 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 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 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. Only distributions that occurred after December 31, 2001, are eligible for the waiver under section 408(d)(3)(I) of the Code.

Revenue Procedure 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), 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 of Amount C was caused by his medical condition during the 60-day rollover period.

Therefore, pursuant to section 408(d)(3)(I) of the Code, the Service hereby waives the 60-day rollover requirement with respect to Amount C. Provided all other requirements of section 408(d)(3) of the Code, except the 60-day requirement, are met with respect to Amount C, which was rolled over into IRA Z, Amount C 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 401(a)(9) 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.

If you wish to inquire about this ruling, please contact (ID - ) weekdays between 8:15 a.m. and 4:45 p.m. at (202) . Please address all correspondence to SE:T:EP:RA:T4.

Sincerely yours,

  
Donzell Littlejohn, Manager  
Employee Plans Technical Group 4

Enclosures:

Deleted Copy of Ruling Letter  
Notice of Intention to Disclose