



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

201002048

TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

OCT 19 2009

Uniform Issue List: 408.03-00

SE:T:EP:RA:T1

Legend:

Taxpayer =  
IRA A =  
Financial Institution B =  
IRA C =  
Financial Institution D =  
Individual E =  
Amount 1 =  
Date 1 =  
Date 2 =

Dear :

This letter is in response to a request for a letter ruling dated April 16, 2008, as supplemented by correspondence dated July 12, and December 17, 2008, and September 15, and October 2, 2009, in which you have applied for a waiver of the 60-day rollover requirement contained in section 408(d)(3) of the Internal Revenue Code ("Code"), regarding the distribution of Amount 1 from your individual retirement account (IRA A) maintained with Financial Institution B.

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

Taxpayer, age 68 at the time of the distribution of Amount 1 from IRA A, asserts that her failure to accomplish a rollover within the 60-day period prescribed by Code section 408(d)(3) was due to her becoming the sole caregiver for a seriously ill family member who lived in another state.

Taxpayer maintained IRA A, an individual retirement account under section 408(a) of the Code. Taxpayer represents that, prior to Date 1, she requested a distribution of Amount 1 from IRA A. On Date 1, Financial Institution B issued a check for Amount 1. Taxpayer represents that she was dissatisfied with Financial Institution B and desired to transfer Amount 1 to a different financial institution. Taxpayer received a Form 1099-R for 2007 from Financial Institution B showing a taxable amount equal to Amount 1.

Around the time Taxpayer took the distribution, Taxpayer's niece (Individual E) was suffering from cancer and other medical conditions and required extensive treatment. During the 60-day period following the distribution of Amount 1, Taxpayer was living in Individual E's apartment which was 40 miles from her home. During the 60-day rollover period, Taxpayer drove Individual E to doctors' appointments and otherwise managed all of Individual E's daily concerns as her sole caregiver.

Due to her responsibilities as caregiver of Individual E, Taxpayer was unable to attempt to complete the rollover of Amount 1 to an eligible retirement plan until shortly after the expiration of the 60-day rollover period. Unable to locate the check at this point, Taxpayer requested a replacement check which she deposited into IRA C with Financial Institution D on Date 2. Amount 1 has not been used for any purpose.

Based on the above facts and representations, you request that the Internal Revenue Service ("Service") waive the 60-day rollover requirement contained in Code section 408(d)(3) with respect to the distribution of Amount 1.

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 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 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)(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.

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), 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 the documentation submitted by Taxpayer is consistent with her assertion that her failure to accomplish a timely rollover of Amount 1 was due to her responsibility for caring for her seriously ill niece.

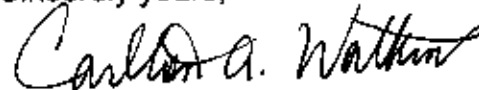
Therefore, pursuant to Code section 408(d)(3)(l), the Service hereby waives the 60-day rollover requirement with respect to the distribution of Amount 1 from IRA A. Provided all other requirements of section 408(d)(3) of the Code, except the 60-day requirement have been met, the deposit of Amount 1 into IRA C on Date 2 will be considered a rollover contribution within the meaning of section 408(d)(3).

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  
(I.D. #           ),           , at (   ) -   .

Sincerely yours,



Manager  
Employee Plans Technical Group 1

Enclosures:

Deleted Copy of this Letter  
Notice of Intention to Disclose, Notice 437