DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Release Number: 202535015
Release Date: 8/29/2025

June 5, 2025

Uniform Issue List: 408.03-00

LEGEND:

Taxpayer A =
Taxpayer B =

IRA X =

Bank A =
Bank B =

Company A =
Company B =

Agency A =
Agency B =

Individual 1 =
Individual 2 =

Amount 1 =
Amount 2 =
Amount 3 =

Date 1 =
Date 2 =
Date 3 =
Date 4 =
Date 5 =
Date 6 =

Dear :

This is in response to your letter dated May 6, 2025, 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 2 withdrew Amount 1 from IRA X, a traditional IRA under section 408(a) of the Code. Taxpayer A asserts that failure to accomplish a rollover within the 60-day period prescribed by section 408(d)(3) was because was the victim of a fraud scheme.

Taxpayers A & B represent that on Date 1 they received an alert on their computer and called what they thought was Company A. Taxpayer B spoke with Individual 1 who falsely claimed to be a representative of Company A. Individual 1 conducted a scan on their computer and told them that a virus had spread to their financial accounts and directed them to contact Individual 2 with Bank A.

Individual 2 falsely represented himself as a representative of Bank A Taxpayers A & B received a forged letter from Bank A. The letter informed them that Individual 2 was the only one they could trust and that all of their funds in Bank A were transferred to secure locker accounts and would be returned after his investigation is complete.

Individual 2 convinced Taxpayers A & B to make three wire transfers of Amount 3 from various financial accounts into the cryptocurrency account of Company B with Bank B. On Date 3, Taxpayer A, transferred Amount 2 (which included Amount 1 from Taxpayer A's IRA X) into the cryptocurrency account of Company B with Bank B.

Taxpayers A & B were in frequent contact with Individual 2 regarding the process of their case. On Date 4 Taxpayers A & B were informed by Individuals 1 and 2 that the investigation would be complete, and their funds would be returned. Taxpayers A & B called Individuals 1 and 2 the next day to check on the progress to discover the contact phone numbers for Individuals 1 and 2 were disconnected.

Taxpayers A & B realized on Date 5 that they were the victims of a scam and filed reports with various governmental agencies, and Bank A . They requested Bank A recall the wire transfer of Amount 2. They also contacted Agency A. Agency A enlisted the assistance of Agency B and together they were able to secure Amount 2 from Company B. On Date 6, Taxpayer A received Amount 2 that was recovered by Agency B and deposited the check in Taxpayer A & B's account with Bank A. Taxpayer A represents that Amount 1 has not been used for any other purpose.

Based on the above facts and representations, you request a ruling that the Internal Revenue Service waive the 60-day rollover requirement contained in section 408(d)(3) of the Code with respect to the distribution of Amount 1 from IRA X on Date 2.

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)(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.

Section 3.02 of 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 assertion that failure to accomplish a timely rollover was caused by being a victim of a fraud scheme.

Therefore, pursuant to section 408(d)(3)(I) of the Code, the Service hereby waives the 60-day rollover requirement with respect to the distribution of Amount 1 from IRA X. Taxpayer A is granted a period of 60 days from the issuance of this ruling letter to contribute Amount 1 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, Amount 1 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.

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

If you wish to inquire about this ruling, please contact , badge number , at .

Sincerely,

Frederick L. Parker, Manager,
Employee Plans Technical Group 1

Enclosures:
Deleted copy of ruling letter
Notice of Intention to Disclose

Cc: