



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

200417034

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Uniform Issue List: 408.03-00

JAN 30 2004

T:EP.RA:T4

Legend:

Taxpayer A	=
Company B	=
Account C	=
Company D	=
Amount E	=
Amount F	=
Account G	=
IRA X	=

Dear

This is in response to a ruling request submitted by you on *****, **, in which you request a waiver of the 60-day rollover requirement contained in section 408(d)(3) of the Internal Revenue Code. The following facts and representations have been submitted in support of your request.

Taxpayer A maintained an individual retirement account (IRA), with Company B. In the Fall of 2002, Taxpayer became dissatisfied with the service he was receiving from the representative of Company B with respect to IRA X, and decided to transfer his IRA to Company D. Taxpayer A requested a withdrawal of his funds in IRA X. A check to Taxpayer A, dated *****, **, representing Amount E was drawn by Company B. Taxpayer A received the check from Company B on *****, **, and deposited Amount E in Account C on *****, **.

During this time Taxpayer A left on a week-long trip that was interrupted by the news that his son-in-law had died. Taxpayer A then returned home for the funeral and to console his daughter and his grandchildren. During this period of family trauma and confusion, Taxpayer A transferred Amount F out of Account C to Company D. However, Company D deposited Amount F into a non-IRA investment account. Taxpayer A was not aware that his IRA funds had not been properly rolled over until he received a Form 1099-R in ***** of *****, showing taxable IRA distributions of Amount E from IRA X. Within several days after Taxpayer A received the Form 1099-R he met with his tax preparer who explained the significance of the Form 1099-R. Taxpayer A was informed at that time that he would owe significant additional taxes and penalties, Amount G, as a result of the failed rollover. Taxpayer is now age ** and plans to retire soon, but he states that he had no present plans to withdraw his IRA funds and will suffer quite a hardship if he has to pay Amount G in taxes and penalties at this time.

Based on the above facts and representations, you request that the Service waive the 60-day rollover requirement with respect to the distribution of Amount E from your IRA because the failure to waive such requirement would be against equity or good conscience, and grant you a hardship exception allowing you adequate time to rollover Amount E to one or more IRAs.

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 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 or 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)(I) of the Code provides that the Secretary of the Treasury may waive the 60-day requirement under sections 408(d)(3)(A) and (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, 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 by Taxpayer A indicates that the confusion caused by a death in the family resulted in the transaction not being carried out in accordance with Taxpayer A's intent. Under these facts and circumstances the failure to waive the 60-day requirement would be against equity and good conscience.

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 E. Taxpayer A is granted a period of 60 days from the issuance of this ruling letter to contribute Amount E, in cash, into one or more IRAs. Provided all other requirements of section 408(d)(3) of the Code, except the 60-day rollover requirement, are met with respect to such contribution, this amount will be considered a rollover contribution within the meaning of section 408(d)(3) 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 that may be applicable hereto.

This ruling is directed solely to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

200417034

If you have any questions regarding this ruling, you may contact
at

Sincerely yours,

/s/ Donzell Littlejohn
Donzell Littlejohn, Manager
Employee Plans Technical Group 4

Enclosures:

Notice of Intention to Disclose
Deleted copy of letter