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TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

APR 28 2004

Uniform Issue List: 408.03-00

Legend:

Taxpayer A =

Taxpayer B =

IRA C =

Bank X =

Bank Y =

Amount J =

Month 1 =

Month 2 =

Date 1 =

Month 3 =

Dear

This letter is in response to a ruling request submitted by your authorized representative dated _____, in which you request a waiver of the 60-day rollover requirement contained in section 408(d)(3) of the Internal Revenue Code ("Code").

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

You are the surviving spouse of Taxpayer A who died during Month 1. You had always relied upon Taxpayer A to handle financial affairs and were devastated by Taxpayer A's death. Among Taxpayer A's assets was IRA C. During Month 2, at a meeting with personnel at Bank X, you were given confusing information on how IRA C should be distributed. You believed that IRA C had to be liquidated in order to put IRA C into your name. As a result, on Date 1, you withdrew Amount J from IRA C and redeposited Amount J in a money market account in Bank Y where it remains and has been untouched. During Month 3, your Certified Public Account discovered your error in not rolling over Amount J into another IRA within 60 days from the actual date of the distribution on Date 1, to avoid any adverse tax consequences.

Based on the above facts and representations, you request that the Internal Revenue Service waive the 60-day rollover requirement with respect to the distribution of Amount J, because the failure to waive such requirement would be against equity or good conscience.

Section 408(d)(1) of the Code provides that, except as otherwise provided in section 408(d) of the Code, 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 –

- (1) 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,
- (2) 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 one-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.

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) 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 you presented demonstrates that you relied on the confusing information provided to you by Bank X regarding the distribution from IRA C. You were unfamiliar with financial matters and, as instructed by Bank X, believed that the deposit of Amount J into a non-IRA account was the correct way to transfer IRA C to your name. The failure to deposit Amount J into an IRA within the 60-day period was beyond your reasonable control.

Therefore, pursuant to section 408(c)(3)(I) of the Code, the Internal Revenue Service hereby waives the 60-day rollover requirement with respect to Amount J. You are granted a period of 60 days from the issuance of this ruling letter to make your rollover. If all other requirements of section 408(d)(3) of the Code (except the 60-day requirement) are met with respect to such contributions, Amount J will be considered a rollover contribution within the meaning of section 408(d)(3) of the Code.

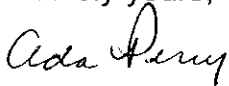
No opinion is expressed as to the tax treatment of the transaction described herein under the provisions of any other section of either the Code or regulations that may be applicable thereto.

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.

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If you wish to inquire about this ruling, please contact _____, SE:T:EP:RA:T4,
I.D. # _____, at _____.

Sincerely yours,


for Donzell Littlejohn, Manager
Employee Plans Technical Group 4

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

cc: