



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

200634051

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

MAY 25 2006

SET:EP:RTY

Uniform Issue List: 408.03-00

Legend:

Taxpayer A	=
Company B	=
Amount C	=
Credit Union D	=
Date E	=
IRA X	=

This is in response to your ruling request dated _____ as supplemented by correspondence dated _____ for 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 _____, represents that he received a distribution from IRA X totaling Amount C. Taxpayer A asserts that his failure to accomplish a rollover within the 60-day period prescribed by section 408 (d)(3) was due to a misunderstanding between Taxpayer A and Company B which led to Amount C being placed into

Taxpayer A's savings account with Credit Union D instead of into Taxpayer A's IRA with Credit Union D.

On Date E Taxpayer A received a distribution from IRA X of Amount C which Company B moved that same day by wire transfer to Credit Union D. Taxpayer A maintained both a regular savings account and an IRA at Credit Union D. Taxpayer A intended to rollover Amount C into his IRA with Credit Union D. However, the transfer of Amount C was made to Taxpayer A's non-IRA savings account and not rolled over into his IRA with Credit Union D as Taxpayer A intended. Taxpayer A did not realize the error until he received a Form 1099-R in early that reflected the distribution of Amount C from IRA X. Amount C remains in Taxpayer A's savings account and has not been used for any other purpose.

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 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 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 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)(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 submitted by Taxpayer A is consistent with his assertion that he intended to rollover Amount C into his IRA maintained at Credit Union D. Taxpayer A's failure to accomplish such a timely rollover was caused by a misunderstanding between Taxpayer A and Company B which led to Amount C being placed into Taxpayer A's savings account with Credit Union D instead of Taxpayer A's IRA with Credit Union D.

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 C. You are granted a period of 60 days from the issuance of this ruling letter to contribute Amount C into a rollover IRA. 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, Amount C 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.

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

Sincerely yours,

for /s/ Ada Perry
Donzell Littlejohn, Manager
Employee Plans Technical Group 4

Enclosures:

Notice of Intention to Disclose
Deleted copy of this letter