



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

201533024

MAY 19 2015

Uniform Issue List: 408.03-00

SET: EP:RA:TI

Legend

Taxpayer A	=
Decedent B	=
Individual C	=
IRA D	=
Financial Institution E	=
State F	=
Amount 1	=

Dear :

This is in response to your request dated January 3, 2014, as supplemented by correspondence dated May 1, 2014, May 5, 2014, April 27, 2015, and April 28, 2015, 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 Individual C received a distribution equal to Amount 1 from Decedent B's IRA D. Taxpayer A asserts that a rollover was not made

within the 60-day rollover period prescribed by section 408(d)(3)(A) of the Code because Decedent B's and Individual C's mental conditions impaired their ability to make financial decisions during the 60-day period.

Taxpayer A is the daughter of Decedent B and Decedent B's spouse, Individual C. Decedent B was the owner of IRA D, which was maintained by Financial Institution E. Individual C was the designated beneficiary of IRA D. In 2000, Decedent B was diagnosed with a rare medical condition causing progressive mental decline. By late 2011, Decedent B was no longer able to manage her financial affairs and on August 29, 2012, she was moved to a memory care unit.

In the late 1980's, Individual C had been diagnosed with a serious psychiatric disorder and was prescribed medication, which had stabilized Individual C's behavior. In 2011, Individual C developed toxicity to the medication and was put on a reduced dosage. Subsequently, he was taken off of the medication and in July of 2012, Individual C's physician began trying other medications. Due to intolerable side effects of the new medications, Individual C was not able to reach a therapeutic dose, which resulted in a prolonged neurological episode during the second half of 2012. During this time, Individual C exhibited erratic behavior, financial irresponsibility, and paranoia. Medical documentation was submitted in support of Taxpayer A's assertions.

Acting pursuant to a power of attorney, Individual C began depleting Decedent B's IRA D in a series of transactions. The first of these occurred on October 3, 2012, when Individual C withdrew bullion coins equal to Amount 1 from IRA D. Prior to this withdrawal, Decedent B had taken only the required minimum distribution. Individual C placed the bullion coins equal to Amount 1 in a deposit box for safe keeping, where they remain.

On June 24, 2013, a district court in State F appointed Taxpayer A to be the Guardian and Conservator of Individual C, who had become a danger to himself and others. On June 24, 2013, the court in State F also appointed Taxpayer A to serve as the Guardian and Conservator of Decedent A. On October 24, 2013, the court ordered that Taxpayer A's appointments become permanent. On November 6, 2013, Decedent B died.

Based on the above facts and representations, you request a ruling that the Service waive the 60-day rollover requirement with respect to the distribution of Amount 1 on October 3, 2012, and that Taxpayer A be given a period of 60 days from the date of this ruling to roll over the distribution of the same bullion coins equal to Amount 1 into an IRA established on behalf of Individual C.

Section 408(a) of the Code defines an individual retirement account ("IRA") to mean a trust created or organized in the United States, and requires that the trustee be a bank or an approved non-bank trustee.

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.

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) 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).

Effective January 1, 2015, all of an individual's IRAs are aggregated for purposes of applying the one rollover per year limit set forth in section 408(d)(3)(B) of the Code.

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 of the Treasury may waive the 60-day requirement under sections 408(d)(3)(A) and 408(d)(3)(D) 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.

Rev. Proc. 2003-16, 2003-4 I.R.B. 359, provides that the Service will issue a ruling waiving the 60-day rollover requirement in cases 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 taxpayer. 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 presented and documentation submitted by Taxpayer A are consistent with her assertion that the failure to complete a rollover of the distribution of Amount 1 from IRA D was due to Decedent B's and Individual C's mental conditions which impaired their ability to make financial decisions during the 60-day rollover period.

Therefore, pursuant to section 408(d)(3)(I) of the Code, the Service waives the 60-day rollover period with respect to the distribution of Amount 1. Provided all other requirements of section 408(d)(3) (except the 60-day requirement) are met, the contribution of the same property received in the distribution, equal to Amount 1, to an IRA established on behalf of Individual C within 60 days from the date of this ruling will be considered a rollover contribution within the meaning of section 408(d)(3).

This ruling assumes that the bullion coins to be rolled over do not constitute collectibles as defined under section 408(m) of the Code.

This ruling does not authorize the rollover of amounts that are required to be distributed by section 408(a)(6) of the Code.

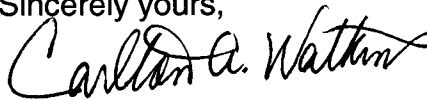
No opinion is expressed as to the tax treatment of the transaction described herein under the provisions of any other section of either the Code or regulations which may be applicable thereto.

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.

Pursuant to a power of attorney on file with this office, a copy of this letter ruling is being sent to your authorized representative.

If you wish to inquire about this ruling, please contact
at . Please address all correspondence to SE:T:EP:RA:T1.

Sincerely yours,



Carlton A. Watkins, Manager
Employee Plans Technical Group 1

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

Cc: