

# DISABLED TAXPAYER ENTITLED TO RELIEF FROM 60-DAY ROLLOVER RULE FOR ONE, BUT NOT TWO, ROLLOVERS IN ONE YEAR

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**Practices & Industries**

Employee Benefits

In March of 2015, a taxpayer received two distributions from his IRA on March 10 and March 30, respectively. Both distributions were deposited into the taxpayer's non-IRA savings account. The taxpayer requested that the IRS waive the 60-day period within which the taxpayer would have been required to roll *both* distributions into another IRA. The taxpayer suffered from cognitive impairment that rendered him incapable of understanding the implications of withdrawing the amounts from the IRA and depositing them into a non-IRA account.

Under a hardship exception made available in the Internal Revenue Code, the IRS agreed to waive the 60-day rollover requirement for the first IRA distribution, and ruled that the first distribution could be rolled by the taxpayer into another IRA as long as the other relevant rollover requirements were satisfied. However, the IRS ruled that the second distribution was *not* eligible for a tax-deferred rollover to another IRA. The ruling with respect to the second IRA distribution had nothing to do with the taxpayer's impaired status. Instead, the IRS ruled that the second IRA distribution could not be rolled over because the Internal Revenue Code imposes a one rollover per year limitation on IRA-to-IRA rollovers, and no relief from that limitation is available. *Priv. Ltr. Rul. 201647014*