

## Rollover of Retirement Plans Self Certification for Additional Time

Normally a taxpayer has 60 days to rollover retirement plan distributions in order to avoid current taxation and possible penalty. If a taxpayer has special circumstances which cause the taxpayer to be unable to complete the rollover within this 60-day timeframe, the taxpayer can request a letter ruling allowing the taxpayer additional time. The cost of such a letter ruling is expensive in IRS' user fees plus there is the cost of hiring a professional to write up the ruling request.

There are several circumstances in which IRS has repeatedly given taxpayers additional time to complete the rollovers. In an attempt to help taxpayers avoid costs and time, IRS released Revenue Procedure 2016-47.

The RevProc has a self-certification statement which should be completed and given to the financial institution receiving the rollover. The taxpayer should keep a copy in his/her files to be available if the taxpayer is audited. A copy of this statement can be found at the end of this textbook.

This RevProc gives taxpayers additional time if the taxpayer is affected by one or more of 11 different events. Here are the events:

- 1 – An error was committed by the financial institution receiving the contribution or making the distribution to which the contribution relates.
- 2 - The distribution, having been made in the form of a check, was misplaced and never cashed.
- 3 – The distribution was deposited into and remained in an account that the taxpayer mistakenly thought was an eligible retirement plan.
- 4 – The taxpayer's principal residence was severely damaged.
- 5 – A member of the taxpayer's family died.
- 6 – The taxpayer or a member of the taxpayer's family was seriously ill.
- 7 – The taxpayer was incarcerated.
- 8 – Restrictions were imposed by a foreign country.
- 9 – A postal error occurred.
- 10 – The distribution was made on account of a levy under § 6331 and the proceeds of the levy have been returned to the taxpayer.

11 – The party making the distribution to which the rollover relates delayed providing information that the receiving plan or IRA required to complete the rollover despite the taxpayer's reasonable efforts to obtain the information.

The contribution must be made to the plan or IRA as soon as practicable after the reason(s) listed no longer prevent the taxpayer from making the contribution. This requirement is deemed to be satisfied if the contribution is made within 30 days after the reason or reasons no longer prevent the taxpayer from making the contribution.

This RevProc is effective August 24, 2016.

This revenue procedure can be found by going to [www.irs.gov/pub/](http://www.irs.gov/pub/) clicking on irs-drop and then on rp-2016-47. We can also send you a pdf copy attached to an email upon request.

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