



ED SLOTT'S IRA ADVISOR

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TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

Top IRA Rulings of 2016

With a new Administration coming to Washington, the stage is set for possible new acts, or even whole new plays. Before we move on to 2017, though, it's worthwhile to review last year's IRA highlights. As usual, 2016 produced new laws, IRS actions, and court decisions that affected IRAs and other retirement accounts. Here are last year's top IRA rulings:

60-Day Rollover Relief

Essentially, the IRS permits taxpayers to self-certify their annual federal income tax returns. In Rev. Proc. 2016-47 (8/24/16), self-certification came to the 60-day rollover deadline.

Distributions from a tax-deferred retirement account such as an IRA must go back into tax-deferred territory within 60 days, in order to maintain the tax deferral. Many clients will desire such a rollover, but somehow fail to comply.

Historically, the only remedy has been the very expensive (\$10,000 filing fee plus professional charges) and time-

consuming (one-year minimum) process of applying to the IRS for a private letter ruling (PLR) that granted the waiver. Now a simpler, faster, and less expensive method may be available.

IRA owners and employer retirement plan participants can get a 60-day rollover waiver without requesting and obtaining a PLR. Instead, they can self-certify their eligibility for a waiver, under Rev. Proc. 2016-47.

This Revenue Procedure allows self-certification waivers only if the 60-day deadline was missed due to one or more of 11 specified "hardships."

"The plan administrator or IRA provider can accept the proffered rollover, relying on this self-certification," says Natalie Choate, an attorney with the Boston law firm Nutter McClennen & Fish. (A surviving spouse also can self-certify a spousal rollover, if more than 60 days have elapsed.) This Revenue Procedure allows self-certification waivers only if the 60-day deadline was missed due to one or more of 11 specified "hardships." Of those, the most commonly cited hardship likely will be financial institution error, asserts Choate. (Rev. Proc. 2016-47 and the requirements of the self-certification procedure were explained in detail in the

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