Some food for thought, etc.

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Can the IRS waive the 60-day IRA rollover deadline?

If you take a distribution from your IRA intending to make a 60-day rollover, but for some reason the funds don't get to the new IRA trustee in time, the tax impact can be significant. In general, the rollover is invalid, the distribution becomes a taxable event, and you're treated as having made a regular, instead of a rollover, contribution to the new IRA. But all may not be lost. The 60-day requirement is automatically waived if all of the following apply:

- A financial institution actually receives the funds within the 60-day rollover period.
- You followed the financial institution's procedures for depositing funds into an IRA within the 60-day period.
- The funds are not deposited in an IRA within the 60-day rollover period solely because of an error on the part of the financial institution.
- The funds are deposited within one year from the beginning of the 60-day rollover period.
- The rollover would have been valid if the financial institution had deposited the funds as instructed.

If you don't qualify for this limited automatic waiver, the IRS can waive the 60-day requirement "where failure to do so would be against equity or good conscience," such as a casualty, disaster, or other event beyond your reasonable control. However, you'll need to request a private letter ruling from the IRS, an expensive proposition — the filing fee alone is currently $10,000.

Thankfully, the IRS has just introduced a third way to seek a waiver of the 60-day requirement: self-certification. Under the new procedure, which has no IRS fee, if you want to make a rollover but the 60-day limit has expired, you can simply send a letter (the Revenue Procedure contains a sample) to the plan administrator or IRA trustee/custodian certifying that you missed the 60-day deadline due to one of the following 11 reasons:

"Financial crises require governments."
- *Timothy Geithner*

"Great money management is not a prediction, but a disciplined reaction."
- *Bill Miller*

"Derivatives are financial weapons of mass destruction."
- *Warren Buffett*

"Wall Street people learn nothing and forget everything."
- *Benjamin Graham*

1. The financial institution receiving the contribution, or making the distribution to which the contribution relates, made an error.
2. You misplaced and never cashed a distribution made in the form of a check.
3. Your distribution was deposited into and remained in an account that you mistakenly thought was an eligible retirement plan.
4. Your principal residence was severely damaged.
5. A member of your family died.
6. You or a member of your family was seriously ill.
7. You were incarcerated.
8. Restrictions were imposed by a foreign country.
9. A postal error occurred.
10. Your distribution was made as a result of an IRS tax levy, and the proceeds of the levy have been returned to you.
11. The party making the distribution delayed providing information that the receiving plan or IRA needed to complete the rollover, despite your reasonable efforts to obtain the information.

IRS
Department of the Treasury
Internal Revenue Service

To qualify for this new procedure, you must make your rollover contribution to the employer plan or IRA as soon as practicable after the applicable reason(s) above no longer prevent you from doing so. In general, a rollover contribution made within 30 days is deemed to satisfy this requirement.

The downside of self-certification is that this new self-certification process is not an automatic waiver by the IRS of the 60-day rollover requirement. The self-certification simply allows you and the financial institution to treat and report the contribution as a valid rollover. If you're subsequently audited, the IRS can still review whether your contribution met the requirements for a waiver. For this reason, some taxpayers may still prefer the certainty of a private letter ruling from the IRS.

[Remember, you can make only one tax-free, 60-day rollover from any IRA you own (traditional or Roth) to any other IRA you own in any 12-month period. This limit does not apply to direct rollovers or trustee-to-trustee transfers or to Roth IRA conversions.]

Source (BroadridgeInvestor Communication Solutions, Inc.)

Recipe of the Month

Chahohbili – Georgian Chicken Stew

Ingredients:

- *3 lb chicken thighs and drumsticks, bone in with skin trimmed but not entirely removed*
- *2 large onions, sliced*
- *3-4 large ripe tomatoes, peeled and chopped*
- *2 teaspoons sugar*
- *1 small hot pepper, seeded and finely chopped*
- *5 garlic cloves, minced*
- *1 teaspoon fenugreek seeds*
- *1 teaspoon coriander seeds*
- *2 dried bay leaves*
- *6-7 strands of saffron*
- *1 tablespoon of each: chopped cilantro, parsley, basil*
- *Salt, freshly ground black pepper to taste*

Directions:

- Put all spices into a spice grinder and pulse until they turn into a powder.
- Wash and dry the chicken. Preheat the heavy skillet. Add the chicken pieces and fry on medium-high flame for 2-3 minutes on each side until golden brown. Season with salt and black pepper, Transfer the chicken to a large casserole. Reserve 2 tablespoons of chicken roasting fat.
- Preheat a clean skillet with 2 tablespoons of chicken roasting fat. Add the sliced onions and sauté' until just softened. Transfer the onion to a casserole; add chopped tomatoes and hot pepper. Season with salt and sugar to taste and 1 tablespoon of spice powder. Cover, bring to boil, reduce the heat and simmer for 30-35 minutes.
- Remove the casserole from heat stir in minced garlic and chopped herbs. Let stand for 5 minutes, serve and enjoy.

Original recipe makes 6 servings.