

## Internal Revenue Service

Number: **202549002**

Release Date: 12/5/2025

Index Number: 408.00-00

Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:EEE:EB:QP4

PLR-105980-25

Date:

September 04, 2025

### Legend

Taxpayer =

Decedent =

IRA X =

IRA Y =

Custodian =

Date 1 =

Date 2 =

Dear :

This is in response to a request for a letter ruling under section 408 of the Internal Revenue Code (Code), submitted on your behalf by your authorized representative on February 26, 2025, and updated on May 8, 2025, and July 7, 2025.

The following facts and representations have been submitted under penalties of perjury in support of the rulings requested.

Decedent died testate as a resident of the State of on Date 1. Decedent was born on Date 2 and was less than 72 years old at the time of death. Decedent was survived by his spouse, Taxpayer. Taxpayer is less than 73 years old.

At the time of death, Decedent owned two individual retirement accounts (IRAs), IRA X and IRA Y (Decedent's Existing IRAs), maintained by Custodian. In 2022, Decedent changed the primary beneficiary of Decedent's Existing IRAs from Taxpayer to Decedent's estate. Decedent's Last Will and Testament leaves Decedent's entire estate solely to Taxpayer.

Decedent's Last Will and Testament designates Taxpayer as the sole executor and beneficiary of Decedent's estate. Decedent's Last Will and Testament was admitted to

probate and Taxpayer was appointed to be the sole personal representative of Decedent's estate with the sole authority to administer such estate.

As the sole executor of Decedent's estate, Taxpayer intends to transfer the assets from Decedent's Existing IRAs to a new IRA (Decedent's Transferee IRA) by means of trustee-to-trustee transfers from IRA X and IRA Y to Decedent's Transferee IRA. Decedent's Transferee IRA will be titled in the name of Decedent for the benefit of Decedent's estate. Then, as sole executor of Decedent's estate, Taxpayer will direct that the distribution from Decedent's Transferee IRA be paid to Taxpayer and Taxpayer will roll over the assets that were distributed from Decedent's Transferee IRA into one or more IRAs set up and maintained in Taxpayer's name.

Taxpayer represents that Decedent's Existing IRAs, Decedent's Transferee IRA, and any IRA maintained in Taxpayer's name will satisfy the requirements of section 408 at all times.

#### Requested Rulings

Based on the above facts and representations, you, through your authorized representative, request the following rulings:

1. The transfer of assets by means of trustee-to-trustee transfers from IRA X and IRA Y to Decedent's Transferee IRA will not result in a distribution from IRA X or IRA Y or a contribution to Decedent's Transferee IRA.
2. The assets of Decedent's Transferee IRA to be paid to Taxpayer will be treated as being paid directly from Decedent's Transferee IRA to Taxpayer and, as a result, Taxpayer will be treated as the payee or distributee of Decedent's Transferee IRA for purposes of section 408(d)(1).
3. Decedent's Transferee IRA will not be treated as an inherited IRA within the meaning of section 408(d) with respect to Taxpayer.
4. Taxpayer is eligible to roll over the proceeds of a distribution from Decedent's Transferee IRA into an IRA set up and maintained in Taxpayer's own name if the rollover of that distribution occurs no later than the 60<sup>th</sup> day after the date the distribution is received by Taxpayer as executor of Decedent's estate.
5. Except in the case of a rollover to a Roth IRA, Taxpayer will not be required to include in gross income for federal income tax purposes for the year in which the distribution from Decedent's Transferee IRA, and subsequent rollover is made, any portion of the amounts from Decedent's Transferee IRA received by Decedent's estate and rolled over to the IRA set up and maintained in Taxpayer's name.

Law

Section 408(d)(1) 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) provides that section 408(d)(1) does not apply to a rollover contribution if such contribution satisfies the requirements of sections 408(d)(3)(A) and (d)(3)(B).

Section 408(d)(3)(A) 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 account is maintained if: (i) the entire amount received (including money and 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 he receives the payment or distribution; or (ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan 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) 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 one-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 his gross income because of the application of section 408(d)(3).

Section 408(d)(3)(C)(i) provides, in pertinent part, that, in the case of an inherited IRA, section 408(d)(3) shall not apply to any amount received by an individual from such account (and no amount transferred from such account to another IRA shall be excluded from gross income by reason of such transfer), and such inherited account shall not be treated as an IRA for purposes of determining whether any other amount is a rollover contribution.

Section 408(d)(3)(C)(ii) provides that an IRA shall be treated as inherited if the individual for whose benefit the account is maintained acquired such account by reason of the death of another individual, and such individual was not the surviving spouse of such other individual.

Section 408(d)(3)(D) permits the rollover of a portion of the amount paid or distributed from an IRA, providing that if the amount paid or distributed out of an IRA would meet the requirements of subparagraph (A) but for the fact that the entire amount was not paid into an eligible plan, such amount shall be treated as meeting the requirements of subparagraph (A) to the extent it is paid into an eligible plan within the applicable 60-day period.

Section 408(d)(3)(E) provides that the rollover provisions of section 408(d) do not apply to any amount required to be distributed under section 408(a)(6) (regarding required minimum distributions under section 401(a)(9)).

Section 408A(d)(3) contains a special rule that applies for a rollover to a Roth IRA from a non-Roth IRA, which provides in part that, notwithstanding section 408(d)(3), there shall be included in gross income any amount which would be includible were it not part of a qualified rollover contribution.

Treas. Reg. § 1.408-8(c) provides that the surviving spouse of an individual may elect to treat the surviving spouse's entire interest as a beneficiary in the individual's IRA (or the remaining part of that interest if distributions have begun) as the surviving spouse's own IRA. In order to make this election, the surviving spouse must be the sole beneficiary of the IRA and have an unlimited right to withdraw amounts from the IRA.

### Analysis

Under the facts presented, the assets in Decedent's Existing IRAs remaining at Decedent's death are payable to Decedent's estate. Under these circumstances, Taxpayer, as Decedent's surviving spouse, is not permitted to treat IRA X or IRA Y as Taxpayer's own IRA because Decedent's estate is the beneficiary of IRA X and IRA Y.

Nevertheless, under the facts presented, as the sole executor of Decedent's estate, Taxpayer can cause the assets in Decedent's Existing IRAs (as transferred to Decedent's Transferee IRA) to be paid to Decedent's estate and then to Taxpayer as Decedent's estate's sole beneficiary. Accordingly, for purposes of section 408(d)(3)(A), Taxpayer is effectively the individual for whose benefit Decedent's Existing IRAs are maintained. Thus, if Taxpayer receives the assets distributed from Decedent's Transferee IRA, Taxpayer may elect to roll over the assets (other than any amounts required to be distributed in accordance with the required minimum distribution rules of section 401(a)(9)) into one or more IRAs (which could include one or more Roth IRAs) set up and maintained in Taxpayer's name, provided that all other applicable rules of section 408(d)(3) are satisfied.

Pursuant to section 408(d)(3)(B), Taxpayer generally may not roll over more than one IRA distribution to an IRA within a one-year period. In order to avoid this limitation with respect to a distribution of the assets in IRA X and IRA Y, the Custodian intends to transfer the assets in IRA X and IRA Y by means of trustee-to-trustee transfers to a single IRA, Decedent's Transferee IRA, which would be titled in the same manner as IRA X and IRA Y. Following these transfers, the assets can be distributed from Decedent's Transferee IRA and rolled over into one or more IRAs set up and maintained in Taxpayer's name.

Rulings

1. The transfer of assets by means of trustee-to-trustee transfers from IRA X and IRA Y to Decedent's Transferee IRA will not result in a distribution from IRA X or IRA Y or a contribution to Decedent's Transferee IRA.
2. The assets of Decedent's Transferee IRA to be paid to Taxpayer will be treated as being paid directly from Decedent's Transferee IRA to Taxpayer and, as a result, Taxpayer will be treated as the payee or distributee of Decedent's Transferee IRA for purposes of section 408(d)(1).
3. Decedent's Transferee IRA will not be treated as an inherited IRA within the meaning of section 408(d) with respect to Taxpayer.
4. Taxpayer is eligible to roll over the proceeds of a distribution from Decedent's Transferee IRA into an IRA set up and maintained in Taxpayer's own name if the rollover of that distribution occurs no later than the 60<sup>th</sup> day after the date the distribution is received by Taxpayer as executor of Decedent's estate.
5. Except in the case of a rollover to a Roth IRA, Taxpayer will not be required to include in gross income for federal income tax purposes for the year in which the distribution from Decedent's Transferee IRA, and subsequent rollover is made, any portion of the amounts from Decedent's Transferee IRA received by Decedent's estate and rolled over to the IRA set up and maintained in Taxpayer's name.

The rulings contained in this letter are based upon information and representations submitted by Taxpayer, and on Taxpayer's behalf by Taxpayer's authorized representative, and accompanied by a penalty of perjury statement executed by Taxpayer, as specified in Rev. Proc. 2025-1, 2025-1 I.R.B. 1, section 7.01(16)(b). While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination. The Associate office will revoke or modify a letter ruling and apply the revocation retroactively if there has been a misstatement or omission of controlling facts, the facts at the time of the transaction are materially different from the controlling facts on which the ruling was based, or, in the case of a transaction involving a continuing action or series of actions, the controlling facts materially change during the course of the transaction. See Rev. Proc. 2025-1, section 11.05.

Except as expressly provided above, no opinion is expressed or implied concerning the federal income tax consequences of any other aspects of any transaction or item of income described in this letter ruling.

This letter is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

/s/ Neil Sandhu  
Neil Sandhu  
Senior Technician Reviewer  
Qualified Plans Branch 1  
Office of the Associate Chief Counsel  
(Employee Benefits, Exempt Organizations, and  
Employment Taxes)

cc: