

Section 314.

(last updated 1/19/2023)

Title: Penalty-free withdrawal from retirement plans for individual in case of domestic abuse

Effective Date: Effective for distributions made after December 31, 2023.

Mandatory or Optional: Optional

Plans Affected: 401(k); 403(b); 457(b)

Previous Law: N/A

SECURE 2.0 Law: Permits certain penalty-free early withdrawals in the case of domestic abuse in an amount not to exceed the lesser of \$10,000 (indexed) or 50% of the value of the employee's vested account under the plan.

In addition, such eligible distributions to a domestic abuse victim (defined by the amendment to Code Sec. 72(t)(2)(K)(iii)(II)) may be recontributed to applicable eligible retirement plans, subject to certain requirements. (This is similar to the QBAD provision.) This also provides for an in-service distribution event for 401(k), 403(b), and governmental 457(b) plans.

Guidance and/or Correction Bills:

- None