

Section 115.

(last updated 3/15/2023)

Title: Withdrawals for certain emergency expenses

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

Mandatory or Optional: Optional

Plans Affected: All

Previous Law: Current law imposes a 10% penalty on early withdrawals before normal retirement age from tax-preferred retirement accounts.

SECURE 2.0 Law: Allows one penalty-free withdrawal of up to \$1,000 per year for “unforeseeable or immediate financial needs relating to personal or family emergency expenses.” The withdrawal may be repaid within three years. Only one withdrawal per three-year repayment period is permitted if the first withdrawal has not been repaid.

Guidance and/or Correction Bills:

- None

Additional Resources:

- [NAGDCA Emergency Savings Provision Webinar \(03/15/23\)](#)