

# Disaster Relief: Your 401(k) Options

If you've been impacted by the recent disaster, know that there are several financial options available to help you during this challenging time.

## Key Relief Options Available to You

### 1. Emergency Withdrawals from Your 401(k)

You can take a disaster-related emergency distribution from your retirement plan (401(k), 403(b), 457(b), or profit-sharing plans) of up to **\$22,000**.

- Waived 10% early withdrawal penalty: Typically, withdrawals before age 59½ come with a 10% penalty, but this penalty is waived for disaster-related distributions.
- Flexible tax payments: You don't have to pay all the taxes on your distribution in one year. You can spread out the tax liability over three years, or repay the amount within three years. If repaid, it will be treated as a rollover, meaning you won't owe taxes on it.

### 2. Loan Options from Your Retirement Plan

If allowed by your plan, you can take a loan to help cover significant damage or expenses caused by the disaster. Retirement plan loans typically allow you to repay the borrowed amount over time, usually with lower interest rates compared to traditional loans.

### 3. In-Service Withdrawals

Even if your plan doesn't offer specific disaster-related distributions, you may still be able to take a regular in-service withdrawal. You can fill out the necessary tax forms to indicate that the withdrawal was due to a federally declared disaster to avoid the 10% penalty.

### 4. \$1,000 Emergency Withdrawal

If your plan allows, you may also take a \$1,000 emergency withdrawal for immediate financial needs. This amount is designed to be accessible quickly without penalties.

**We understand that navigating these options during a stressful time can feel overwhelming.** That's why we are here to provide guidance and support. Whether you need assistance understanding your 401(k) distribution options, help with your financial planning, or answers to any questions, we're just a call or email away.

## IMPORTANT DEADLINES

Distributions for those impacted are available for up to **180 days** following the official disaster declaration date, which means there is a limited window to take advantage of this relief.

## PLAN-SPECIFIC OPTIONS

While these provisions are available under federal rules, not all retirement plans are required to offer them. To learn what specific options your plan allows, **contact the person in charge of your retirement plan benefits or your HR department.** They can provide details on what distributions option are available in your plan.



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