

Qualified Retirement Plan Distributions

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RETIREMENT ACCOUNT WITHDRAWAL AND RETIREMENT PLAN LOANS

The CARES Act may allow you to withdraw money from your retirement account or take a loan from your retirement plan. These options are available to qualified plans such as 401(k) and profit-sharing plans, 403(a) and (b) plans, 457 plans and IRS.

- You may be able to withdraw up to \$100,000 from your retirement plan if you meet one of the following criteria:
 - You have been diagnosed with COVID-19.
 - Your spouse or a dependent has been diagnosed with COVID-19.
 - You are experiencing COVID-19 related financial troubles caused by quarantine, termination, furlough, reduction in hours, staying home to care for children due to lack of childcare, or you own a business that has closed or reduced hours of operation.
- It is important that you work with your Plan Administrator to demonstrate that you meet one of the eligibility factors so the distribution can be approved.
- You will not incur the 10% early withdrawal penalty.
- The withdrawal is not subject to mandatory tax withholding from an employer plan.
- The withdrawal is eligible to be repaid over three years and will be treated as a rollover.
- The tax on the withdrawal can be spread over three years.
- If your plan allows plan loans, you can:
 - Take up to \$100,000 as a plan loan,
 - Take up to 100% of the vested balance, andPayments may be delayed up to 1 year.
- Required minimum distributions are waived for 2020. If you have already taken the required distribution, it can be rolled back into the account.
- Call your plan administrator to see if these options are available to you.

Contact Legal Aid of East Tennessee if you need legal help

- Johnson City Office: (423) 928-8311
- Morristown Office: (423) 587-4850
- Knoxville Office: (865) 637-0484
- Maryville Office: (865) 981-1818
- Cleveland Office: (423) 303-2266
- Chattanooga Office: (423) 756-4013
- Family Justice Center, Blountville: (423) 574-7233
- Family Justice Center, Johnson City: (423) 722-3720
- Family Justice Center, Knoxville: (865) 215-6835
- Family Justice Center, Chattanooga: (423) 643-7604
- Erlanger, Chattanooga: (423) 778-7807
- Tennessee Senior Law Alliance: (866) 333-1505