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WASHINGTON — The Internal Revenue Service provided a reminder today that the Coronavirus Aid, Relief, and Economic Security (CARES) Act can help eligible taxpayers in need by providing favorable tax treatment for withdrawals from retirement plans and IRAs and allowing certain retirement plans to offer expanded loan options.

Can I get money from my retirement account now?

Under the CARES Act, individuals eligible for coronavirus-related relief may be able to withdraw up to \$100,000 from [IRAs](#) or workplace [retirement plans](#) before December 31, 2020, if their plans allow. In addition to IRAs, this relief applies to 401(k) plans, 403(b) plans, profit-sharing plans and others.

These coronavirus-related withdrawals:

- May be included in taxable income either over a three-year period (one-third each year) or in the year taken, at the individual's option.
- Are not subject to the 10% additional tax on early distributions that would otherwise apply to most withdrawals before age 59½,
- Are not subject to mandatory tax withholding, and
- May be repaid to an IRA or workplace retirement plan within three years.

Can I take out a loan?

Individuals eligible to take coronavirus-related withdrawals may also, until September 22, 2020, be able to borrow as much as \$100,000 (up from \$50,000) from a workplace retirement plan, if their plan allows. Loans are not available from an IRA.

For eligible individuals, plan administrators can suspend, for up to one year, plan loan repayments due on or after March 27, 2020, and before January 1, 2021. A suspended loan is subject to interest during the suspension period, and the term of the loan may be extended to account for the suspension period.

Taxpayers should check with their plan administrator to see if their plan offers these expanded loan options and for more details about these options.

Who is eligible?

To be eligible for COVID-19 relief, coronavirus-related withdrawals or loans can only be made to an individual if:

- The individual is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (collectively, COVID-19) by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetics Act);
- The individual's spouse or dependent is diagnosed with COVID-19 by such a test; or
- The individual experiences adverse financial consequences as a result of:

- The individual being quarantined, being furloughed or laid off, having work hours reduced, being unable to work due to lack of childcare, having a reduction in pay (or self-employment income), or having a job offer rescinded or start date for a job delayed, due to COVID-19;
- The individual's spouse or a member of the individual's household (that is, someone who shares the individual's principal residence) being quarantined, being furloughed or laid off, having work hours reduced, being unable to work due to lack of childcare, having a reduction in pay (or self-employment income), or having a job offer rescinded or start date for a job delayed, due to COVID-19; or
- Closing or reducing hours of a business owned or operated by the individual, the individual's spouse, or a member of the individual's household, due to COVID-19.

Where can I find more information?

Retirement plan recipients can learn more about these provisions in IRS [Notice 2020-50 \(PDF\)](#).

The IRS has also posted [FAQs](#) that provide additional information regarding this relief.

Additional information on the CARES Act and retirement plans, as well as updates, other FAQs, and other information can be found at [IRS.gov/coronavirus](https://www.irs.gov/coronavirus).