



Disaster relief frequently asked questions: Retirement plans and IRAs under the SECURE 2.0 Act of 2022

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This fact sheet issues frequently asked questions about SECURE 2.0 Act of 2022 (SECURE 2.0) that provides for special rules for distributions from retirement plans and individual retirement arrangements (IRAs) and for retirement plan loans, for certain individuals impacted by federally declared major disasters.

These FAQs are being issued to provide general information to taxpayers and tax professionals as expeditiously as possible. Accordingly, these FAQs may not address any particular taxpayer's specific facts and circumstances, and they may be updated or modified upon further review. Because these FAQs have not been published in the Internal Revenue Bulletin, they will not be relied on or used by the IRS to resolve a case. Similarly, if an FAQ turns out to be an inaccurate statement of the law as applied to a particular taxpayer's case, the law will control the taxpayer's tax liability.

Nonetheless, a taxpayer who reasonably and in good faith relies on these FAQs will not be subject to a penalty that provides a reasonable cause standard for relief, including a negligence penalty or other accuracy-related penalty, to the extent that reliance results in an underpayment of tax. Any later updates or modifications to these FAQs will be dated to enable taxpayers to confirm the date on which any changes to the FAQs were made. Additionally, prior versions of these FAQs will be maintained on IRS.gov to ensure that taxpayers, who may have relied on a prior version, can locate that version if they later need to do so.

More information about [reliance is available](#). These FAQs were announced in [IR-2024-132](#).

Background

The SECURE 2.0 Act of 2022 (SECURE 2.0), enacted on Dec. 29, 2022, amended the Internal Revenue Code to provide for special rules for distributions from retirement plans and individual retirement arrangements (IRAs) and for retirement plan loans, for certain individuals impacted by federally declared major disasters occurring on

or after Jan. 26, 2021 (the date that is 30 days after the enactment of the Taxpayer Certainty and Disaster Tax Relief Act of 2020).

Prior to the changes made by SECURE 2.0, there was no disaster relief allowing these distributions and loans that applied generally for all major disasters; instead, Congress would enact relief on a disaster-by-disaster or year-by-year basis. Under SECURE 2.0, Congress has provided for ongoing disaster relief for these distributions and loans in the case of federally declared major disasters.

These questions and answers are divided into four categories, to assist taxpayers in applying the SECURE 2.0 disaster relief:

- [General information](#)
- [Taxation and reporting of qualified disaster recovery distributions](#)
- [Repayment of qualified distributions taken for the purpose of purchasing or constructing a principal residence in a qualified disaster area](#)
- [Loans from certain qualified plans](#)

General information

Q1. What are the special disaster relief rules for retirement plans and IRAs in SECURE 2.0?

A1. As described in more detail in the frequently asked questions below, in general, section 331 of SECURE 2.0 provides for:

- **Expanded distribution and tax relief:** Expanded distribution options and favorable tax treatment for up to \$22,000 of qualified disaster recovery distributions from eligible retirement plans (certain employer-sponsored retirement plans, such as section 401(k) and 403(b) plans, and IRAs), to qualified individuals, as well as special rollover and repayment rules with respect to such distributions.
- **Relief to repay distributions taken for principal residence purchase/construction:** The ability for an individual to repay a first-time homebuyer distribution from an IRA or a hardship withdrawal from a section 401(k) or 403(b) plan if the distribution was to be used to purchase or construct a principal residence in a qualified disaster area but was not so used because of the qualified disaster.
- **Plan loan relief:** Increased limit on the amount a qualified individual may borrow from the individual's account under an eligible retirement plan (not including an IRA). An employer may also provide qualified individuals up to an additional year to repay their plan loans.

Q2. Who is a qualified individual?

A2. An individual is a qualified individual if:

- The individual's principal residence at any time during the incident period of any qualified disaster is in the qualified disaster area with respect to that disaster, and
- The individual has sustained an economic loss by reason of that qualified disaster.

Q3. What is the incident period of a qualified disaster?

A3. The incident period for a qualified disaster is the period specified by the [Federal Emergency Management Agency \(FEMA\)](#) as the period during which the disaster occurred. An incident period might be a single day (for example, in the case of a tornado) or it might be multiple days (for example, in the case of a hurricane or snowstorm). The incident period for a qualified disaster can be located by referring to the [FEMA website on declared disasters](#).

Q4. What does it mean for an individual to sustain an economic loss by reason of a qualified disaster?

A4. Examples of an economic loss include, but are not limited to:

- Loss, damage to, or destruction of real or personal property from fire, flooding, looting, vandalism, theft, wind, or other cause,
- Loss related to displacement from the individual's home, or
- Loss of livelihood due to temporary or permanent layoffs.

Q5. What is a qualified disaster?

A5. A qualified disaster is any disaster with respect to which a major disaster has been declared by the President after Dec. 27, 2020 (the date of enactment of the Taxpayer Certainty and Disaster Tax Relief Act of 2020). Use the [FEMA disaster declaration search tool](#), filtering for declaration type: Major Disaster Declaration, to determine if a specific disaster qualifies. Note that, on occasion, the disaster declaration type identified by FEMA may change if new information becomes available regarding the severity of impact of the event on individuals and businesses. For example, a disaster may initially be declared to be an “emergency” but may subsequently be declared to be a “major disaster.” The relief provided under SECURE 2.0 only applies in the case of declared **major disasters**.

Q6. What is a qualified disaster recovery distribution?


A6. A qualified disaster recovery distribution is a distribution to a qualified individual that is made from an eligible retirement plan on or after the first day of the incident period of a qualified disaster and before the date that is 180 days after the latest of the following three dates:

- Dec. 29, 2022,
- The first day of the incident period with respect to the qualified disaster, or
- The date of the disaster declaration with respect to the qualified disaster.

With respect to a particular disaster, a maximum aggregate amount of distributions of \$22,000 from all plans and IRAs of an individual can be treated as a qualified disaster recovery distribution.

Q7. Is it optional for employers to adopt the expanded distribution and loan rules?

A7. Yes. An employer is permitted to choose whether, and to what extent, to amend its plan to provide for qualified disaster recovery distributions and/or loans that satisfy the provisions of SECURE 2.0. For example, an employer may choose to provide for qualified disaster recovery distributions but choose not to change its plan loan provisions or loan repayment schedules.

Even if an employer does not treat a distribution as a qualified disaster recovery distribution, an individual may still treat a distribution as such on their federal income tax return if they are a qualified individual and the distribution meets the requirements to be a qualified disaster recovery distribution. Use [Form 8915-F, Qualified Disaster Retirement Plan Distributions and Repayments](#)  to report qualified disaster recovery distributions. For more information, see [How do qualified individuals report qualified disaster recovery distributions?](#) (relating to how qualified individuals report qualified disaster recovery distributions) and section 4.A of [Notice 2005-92](#).

Q8. Does SECURE 2.0 provide additional distribution rights to participants or otherwise change the rules that apply to plan distributions?

A8. Under SECURE 2.0, a qualified disaster recovery distribution is treated as meeting the distribution restrictions for a section 401(k) plan, a money purchase pension plan, a section 403(b) plan, or a governmental section 457(b) plan. For example, a section 401(k) plan may permit a qualified disaster recovery distribution, even if the distribution would be made before an otherwise permitted distributable event (such as severance from employment, disability, or attainment of age 59½).

However, SECURE 2.0 does not otherwise change when plan distributions are permitted to be made from employer-sponsored retirement plans. For example, a defined benefit pension plan is not permitted to make a distribution (such as an in-service distribution) before an otherwise permitted distributable event merely because the distribution, if made, would qualify as a qualified disaster recovery distribution. Further, a pension plan is not permitted to make a distribution in a form that is not a qualified joint and survivor annuity without spousal consent merely because the distribution, if made, could be treated as a qualified disaster recovery distribution. See section 2.A of [Notice 2005-92](#).

Q9. May an individual repay a qualified disaster recovery distribution?

A9. In general, yes, a qualified individual may repay all or part of the amount of a qualified disaster recovery distribution to an eligible retirement plan, provided that the qualified individual completes the repayment within the 3-year period beginning on the day after the date that the distribution was received. If the qualified individual repays a qualified disaster recovery distribution, the distribution will be treated as though it were repaid in a direct trustee-to-trustee transfer so that that qualified individual does not owe federal income tax on the distribution.

For example, assume a qualified individual received a qualified disaster recovery distribution in 2022, and chose to include the distribution amount in income in equal amounts over a 3-year period (2022, 2023, and 2024). In 2024, that individual chooses to repay the full amount of the 2022 distribution to an eligible retirement plan. As a result of the repayment, the individual may file amended federal income tax returns for 2022 and 2023 to claim a refund of the tax attributable to the amount of the distribution that was included in income for those years, and the individual will not be required to include any amount in income in 2024 with respect to the 2022 distribution. See sections 4.D, 4.E, and 4.F of [Notice 2005-92](#), as well as the instructions to [Form 8915-F](#) [PDF](#), for additional examples regarding repayment.

Q10. Is an eligible retirement plan required to accept repayment of a participant's qualified disaster recovery distribution?

A10. In general, the IRS anticipates that eligible retirement plans will accept a qualified individual's repayments of a qualified disaster recovery distribution, which are to be treated as rollover contributions. However, eligible retirement plans generally are not required to accept rollover contributions. For example, if a plan does not accept any rollover contributions, the plan is not required to change its rollover terms or procedures to accept repayments of qualified disaster recovery distributions.

Q11. May a plan sponsor or plan administrator rely on a participant's reasonable representations that the participant is a qualified individual?

A11. A plan sponsor or plan administrator is permitted to rely on a participant's reasonable representations that the participant is a qualified individual who qualifies for this special treatment for distributions and loans, unless the plan administrator (or other responsible person) with respect to the qualified employer plan has actual knowledge to the contrary.

Taxation and reporting of qualified disaster recovery distributions

Q1. Is a qualified disaster recovery distribution from a retirement plan or IRA subject to the 10% additional tax?

A1. No, regardless of how a distribution is reported by the employer on [Form 1099-R](#), the 10% additional tax on early distributions does not apply to any qualified disaster recovery distribution made to a qualified individual. See [Is it optional for employers to adopt the expanded distribution and loan rules?](#), [How do qualified individuals report qualified disaster recovery distributions?](#), and [Form 8915-F](#) [PDF](#) for more information on reporting by the individual of a qualified disaster recovery distribution.

Q2. When does an individual have to pay income tax on qualified disaster recovery distributions?

A2. Qualified disaster recovery distributions generally are included in income in equal amounts over a 3-year period, starting with the year in which the distribution is received, unless the individual elects to include the entire distribution in income in the year of receipt by making an election on that year's [Form 8915-F](#) [PDF](#). For more information, see the question about how qualified individuals report distributions in [How do qualified individuals report qualified disaster recovery distributions?](#), as well as the instructions for Form 8915-F.

Q3. How do qualified individuals report qualified disaster recovery distributions?

A3. A qualified individual may designate any eligible distribution as a qualified disaster recovery distribution as long as the total amount designated for a particular qualified disaster is not more than \$22,000. As noted in [Is it optional for employers to adopt the expanded distribution and loan rules?](#), a qualified individual may treat a distribution that meets the requirements to be a qualified disaster recovery distribution as such a distribution, regardless of whether the eligible retirement plan treats the distribution as a qualified disaster recovery distribution.

A qualified disaster recovery distribution received by a qualified individual should be reported on the individual's federal income tax returns, including [Form 8915-F](#) [PDF](#), over the 3-year period beginning with the year of receipt, unless the qualified individual elects on Form 8915-F to include the entire amount in income in the year of receipt. For example, a qualified individual who received a qualified disaster recovery distribution in 2023 must include the taxable portion of the distribution in income in equal amounts over the 3-year period – 2023, 2024, and 2025 – unless the qualified individual elects on the 2023 Form 8915-F to include the entire amount in income in 2023. Whether or not a qualified individual is required to file a federal income tax return, that individual would use Form 8915-F to report any receipt or repayment of a qualified disaster recovery distribution and to determine the amount of any qualified disaster recovery distribution includible in income for a year. See section 4 of [Notice 2005-92](#).

Q4. How do plans and IRAs report qualified disaster recovery distributions?

A4. The payment of a qualified disaster recovery distribution to a qualified individual must be reported by the eligible retirement plan on [Form 1099-R](#), [Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.](#) This reporting is required even if the qualified individual repays the qualified disaster recovery distribution in the same year. See section 3 of [Notice 2005-92](#).

Repayment of qualified distributions taken for the purpose of purchasing or constructing a principal residence in a qualified disaster area

Q1. What is a qualified distribution taken for the purpose of purchasing or constructing a principal residence in a qualified disaster area?

A1. A qualified distribution taken for the purpose of purchasing or constructing a principal residence in a qualified disaster area means any distribution that is a qualified first-time homebuyer distribution from an IRA or a hardship distribution from a section 401(k) or section 403(b) plan, which:

- Was to be used to purchase or construct a principal residence in a qualified disaster area, but which was not so used because of the qualified disaster (as defined in [What is a qualified disaster?](#)) that affected that area, and
- Was received during the period beginning 180 days before the first day of the incident period of that qualified disaster and ending 30 days after the last day of that incident period.

Q2. May an individual repay a qualified distribution that was to be used to purchase or construct a principal residence in a qualified disaster area?

A2. Yes, an individual who received a qualified distribution that was to be used to purchase or construct a principal residence in a qualified disaster area (as described in [What is a qualified distribution taken for the purpose of purchasing or constructing a principal residence in a qualified disaster area?](#)) may, within a specified period of time, repay any or all of the distribution. Under SECURE 2.0, a qualified distribution may be repaid during the period beginning on the first day of the incident period of the qualified disaster and ending on the date that is 180 days after the latest of the following three dates:

- Dec. 29, 2022,
- The first day of the incident period with respect to the qualified disaster, or
- The date of the disaster declaration with respect to the qualified disaster.

The total of any repayment contributions must be no more than the amount of the qualified distribution, and the contributions must be made solely to an eligible retirement plan of which that individual is a beneficiary and to which a rollover contribution of that distribution can be made. If the qualified individual repays a qualified distribution for the purpose of purchasing or constructing a principal residence in a qualified disaster area, the distribution will be treated as though it were repaid in a direct trustee-to-trustee transfer so that the qualified individual does not owe federal income tax on the distribution. For more information on reporting repayments of qualified distributions, including filing an amended return using [Form 1040-X](#), see the **Amending Form 8915-F** paragraph in the instructions to Form 8915-F.

Loans from certain qualified plans

Q1. What plan loan disaster relief is provided under SECURE 2.0?

A1. With respect to a qualified individual, SECURE 2.0 permits an additional year for repayment of loans from eligible retirement plans (not including IRAs) and relaxes certain dollar limits on loans.

Certain loan repayments may be delayed for one year: SECURE 2.0 permits employers to provide additional time (up to one year) for qualified individuals with respect to a qualified disaster to repay certain plan loans if the plan loan is one that was outstanding on or after the latest of three dates:

- Dec. 29, 2022,
- The first day of the incident period with respect to the qualified disaster, or
- The date of the disaster declaration with respect to the qualified disaster.

In the case of any repayment on such a loan that is due from the first day of the disaster's incident period to the date that is 180 days after the last day of the incident period, the due date for repayment may be delayed under the plan for up to one year. Any payments after the suspension period will be adjusted to reflect that delay and any interest accruing during the delay. See section 5.B of [Notice 2005-92](#).

Loan limit may be increased: SECURE 2.0 also permits employers to increase the maximum loan amount available to qualified individuals. Generally, the maximum amount that a plan can permit as a loan is (1) the greater of \$10,000 or 50% of the individual's vested benefit under the plan, or (2) \$50,000, whichever is less. Under this loan provision, for plan loans made during a specified period following a major disaster, an employer may increase the dollar limit for plan loans up to the full amount of the individual's vested benefit under the plan, but not more than \$100,000 (minus outstanding plan loans of the individual). See section 5.A of [Notice 2005-92](#).

IRS-FAQ

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