



# TaxNewsFlash

## United States

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### **IRS announces retirement plan loans, hardship distributions for Louisiana flood victims**

The IRS today issued an advance version of Announcement 2016-30 to provide relief for victims of the Louisiana storms and flooding that began August 11, 2016.

Announcement 2016-30 permits easier access to victims' funds held in workplace retirement plans and in IRAs, for the period beginning August 11, 2016, and ending January 17, 2017. This relief is in addition to the relief previously provided by the IRS. Read [TaxNewsFlash-United States](#)

#### **Loans, hardship distributions**

In a related release ([IR-2016-115](#)), the IRS announced that retirement plans—401(k) plans and similar employer-sponsored retirement plans—can make loans and hardship distributions to Louisiana flood victims and members of their families. Participants in 401(k) plans, employees of public schools and tax-exempt organizations with 403(b) tax-sheltered annuities, and state and local government employees with 457(b) deferred-compensation plans may be eligible to take advantage of these “streamlined loan procedures and liberalized hardship distribution rules.” As noted in the IRS release, while IRA participants are barred from taking out loans, they may be eligible to receive distributions under liberalized procedures.

Retirement plans can provide relief to employees and certain members of their families who live or work in the disaster area. To qualify for this relief, hardship withdrawals must be made by January 17, 2017.

The IRS also announced it was relaxing procedural and administrative rules that normally apply to retirement plan loans and hardship distributions. In addition, the six-month ban on 401(k) and 403(b) contributions that normally affects employees who take hardship distributions will not apply.

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