MissionSquare

SECURE 2.0 — SECTION 331

Qualified Federally Declared Disaster Relief — Distributions

Overview:

- Optional provision available under 457(b), 403(b) and 401(a) Profit Sharing and Money Purchase Plans.
- Permits plan participants to receive qualified disaster recovery distributions.
- Distributions of up to $22,000 are automatically available to eligible plan participants who are impacted by federally declared disasters from the first day of a qualified disaster's incident period until the date that is 179 days after the latest of:
  - The date of enactment.
  - The first incident date.
  - The day that the disaster declaration is issued.
- During this period, a participant or IRA owner is eligible for a qualified disaster recovery distribution if the participant:
  - Has a principal place of abode in a qualified disaster area during the relevant disaster.
  - Sustains an economic loss by reason of the disaster.

Sponsor Considerations:

- Optional provision.
- Maximum of $22,000 of vested balance can be distributed.
- Risk of improper withdrawals.
- Provides ongoing authorization versus approving each withdrawal request.

Employee Benefits:

- Ability to repay the distribution.
- Allows participant flexibility.
- Allows easier withdrawal of funds.
- No participant documentation required.
- Distribution is exempt from 10% early withdrawal penalty.

Additional resources available to support your needs:

SECURE 2.0 Webpage

Employer Guide

Changing Plan Provisions Guide

Questions? Contact MissionSquare Plan Services for employer support at (800) 326-7272 or log in to your account to use Secure Messaging.

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