

Questions About In-Service Withdrawals for Child Birth/Adoption Expenses

Articles July 21, 2020

Edward A. Wodarczyk, Esq., ewodarczyk@tuckerlaw.com, (412) 594-3920

The SECURE Act of 2019 permits in-service withdrawals from 401(k) and 403(b) plans for expenses incurred for the birth or adoption of a child of up to \$5,000. The 10% excise tax is waived for these “qualified birth or adoption distributions.” Many plan sponsors have delayed amending their plans to permit these distributions until unanswered questions are answered. On June 29, the SPARK Institute sent a letter to the IRS posing many of these unanswered questions. For a copy of the letter, see [SPARK Letter](#)