



# TaxNewsFlash

## United States

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### **Announcement 2017-15: Hardship distributions, loans from retirement plans, hurricane and wildfire relief**

The IRS today released an advance version of Announcement 2017-15 that provides relief for taxpayers who were affected by Hurricane Maria or the recent wildfires in California.

The relief specifically provided by [Announcement 2017-15](#) [PDF 44 KB] concerns loans or hardship distributions made by qualified employer plans to employees (or former employees) whose principal residences or places of employment were located in one of the areas identified for individual assistance by the Federal Emergency Management Agency (FEMA) as of the following “incident dates”—

- September 16, 2017, if the location is the U.S. Virgin Islands
- September 17, 2017, if the location is Puerto Rico
- October 8, 2017, if the location is California

#### **Guidance for employers, plan administrators**

The IRS announcement states that plan administrators can rely on representations made by their employees (or former employees) as to the need for and amount of a hardship distribution, unless the plan administrator has actual knowledge to the contrary. Eligible distributions will be treated as hardship distributions for all purposes under the Code and regulations.

Today’s announcement includes guidance about the amount available for a hardship distribution. It also states that a qualified employer plan that does not provide for a loan or hardship distribution must be amended to provide for loans or hardship distributions no later than the end of the first plan year beginning after December 31, 2017. To qualify for the tax-relief treatment, a hardship distribution must be made on account of a hardship resulting from Hurricane Maria or the California wildfires and be made on or after the “incident date” and no later than March 15, 2018.

Plan loans made pursuant to Announcement 2017-15 must satisfy the requirements of section 72(p).

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