



TaxNewsFlash

United States

No. 2024-016
January 12, 2024

Notice 2024-22: Initial guidance on pension-linked emergency savings accounts

The IRS today released [Notice 2024-22](#) [PDF 130 KB] providing guidance regarding anti-abuse rules under section 402A(e)(12) to assist in the implementation of section 127 of the SECURE Act 2.0 (signed into law on December 29, 2022, as part of the “Consolidated Appropriations Act of 2023” (H.R. 2617)), which provides for the creation of pension-linked emergency savings accounts (PLESAs).

Notice 2024-22 also addresses whether Rev. Rul. 74-55 and Rev. Rul. 74-56 are applicable to PLESAs.

The IRS invites comments on the guidance in the notice and any other aspect of section 127(e) and (f) of the SECURE 2.0 Act.

As explained in the related IRS release—[JR-2024-11](#) (January 12, 2024)—PLESAs are individual accounts in defined contribution plans and are designed to permit and encourage employees to save for financial emergencies. Employers can offer PLESAs in plan years beginning after December 31, 2023.

Subject to certain restrictions, matching contributions are made with respect to PLESA contributions at the same rate as contributions to the linked defined contribution plan. Employees who are eligible to participate in an employer’s defined contribution plan and qualify to contribute to a PLESA, if their employer offers one, may contribute to the PLESA even if they do not participate in the employer’s defined contribution plan. In general, the maximum balance in a participant’s PLESA (attributable to contributions) is \$2,500, although employers can choose to set a lower limit.

PLESAs are treated as designated Roth accounts. This means that contributions are not tax deductible, but withdrawals are generally tax free. Participants can withdraw funds held in the PLESA at least once a month, as necessary.

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533 3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)