



TaxNewsFlash

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Notice 2024-55: Guidance on exceptions to 10% additional tax on early retirement plan distributions

The IRS yesterday released [Notice 2024-55](#) providing guidance on exceptions to the 10% additional tax under section 72(t)(1) when taking early retirement plan distributions for emergency personal expenses and for victims of domestic abuse.

A related IRS release—[IR-2024-170](#)—explains that the exceptions were added by the SECURE 2.0 Act of 2022 and became effective on January 1, 2024.

For both the emergency personal expense and victims of domestic abuse exceptions, Notice 2024-55 provides relevant definitions, sets out the types of retirement plans for which the relief is available, describes the limitations (both dollar amount and frequency) on receiving eligible distributions, and provides that recipients are permitted to repay distributions to certain plans.

The notice also provides guidance to applicable eligible retirement plans on the plan requirements relating to emergency personal expense distributions and domestic abuse victim distributions, including that it is optional for a plan to permit these types of distributions.

In addition, the notice provides that the Treasury Department and IRS anticipate issuing regulations on the 10% additional tax (including the exceptions to the 10% additional tax) and request comments relating to the notice by October 7, 2024. Comments are specifically requested on repayments of certain distributions permitted under section 72(t)(2).

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