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An Update From Bodman PLC

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Federal Disaster Declarations Clearing the Way for Safe Harbor Hardship Withdrawals [Update]

As previously noted [here](#) a federal disaster declaration has become one of the safe harbor reasons that qualifies a 401(k) or 403(b) plan participant for a hardship distribution. The Federal Emergency Management Agency (FEMA) has now declared a number of disaster areas as a result of the spread of COVID-19. Hardship distributions to participants in declared disaster areas would now qualify under the safe harbor. For instance, a federal disaster declaration for Michigan was issued on March 27, 2020. A complete list of the COVID-19 disaster declarations can be found [here](#).