

Withdrawals and Distributions – Frequently Asked Questions

Q: When can I withdraw money from my plan account?

A: You may withdraw any amount from your account without penalty when you reach age 59½, even if you have not terminated employment.

If you are not yet 59½, you can withdraw money in the following instances, but you may be subject to a 10% early withdrawal penalty:

- If you rolled in money to your account – you can withdraw rollover amounts at any time
- If you terminate employment with your employer
- If you have a financial hardship

Other Options

If you're not yet 59½, then a withdrawal may not be the most ideal way to access the money in your 401(k) account. Be sure to review all the options you have available.

- [Dipping into your 401\(k\)](#)
- [Loans FAQ](#)
- [Hardship Withdrawals FAQ](#)

Q: How do I withdraw money from my plan account?

A: Unless you are applying for a hardship withdrawal, you can use the online form on the Distributions tab of the Retirement Service CenterSM to request a withdrawal.

- [Instructions for using the online form to request a withdrawal](#)
- [Instructions for using the online form to request a withdrawal and a rollover](#)

Q: Can I withdraw money from my account before reaching age 59½ if I have a financial hardship?

A: Yes, under certain circumstances. If you have an immediate financial need created by severe hardship and you lack other reasonably available resources to meet that need, then you may be eligible to take a hardship withdrawal in the amount necessary to satisfy your financial need. Review the [Hardship Withdrawals FAQ](#) for more information.

Q: I took a COVID-19-related distribution (CRD). How does repayment work?

A: You may pay back the CRD (or a portion thereof) to an eligible retirement plan or an IRA as a rollover at any time within the 3-year period beginning on the date of the distribution. Note that not all plans may accept such repayment rollovers. Check with your Plan Administrator at the time you wish to recontribute the amount of the CRD.

Q: Are there any fees when I take a withdrawal or distribution?

A: Yes. Insperity charges a \$50 processing fee for each withdrawal and distribution made from an account.

Q: What happens to my account when I retire?

A: Your retirement is considered a termination of employment. The three options you have are leaving the money in the plan, rolling the money to another qualified plan or taking a lump sum (or a partial distribution if the plan allows). If your account has less than \$1,000 in it, you may not have the option to leave your money in the plan. Call the Insperity Contact Center at 866.715.3552, option 3, to find out more.

Q: Must I take mandatory distributions when I reach a certain age?

A: It depends on your circumstances:

- If you are actively employed when you reach age 70½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) and do not own 5% or more of the company, then you do not have to take a distribution until you no longer satisfy both criteria.
- If you are terminated from service when you reach age 70½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949), then you must take your first required minimum distribution (RMD) for the year you turn age 70½ and each year thereafter.
- If you are still actively employed and you own 5% or more of the company, then you must take your first RMD for the year you turn age 70½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) and each year thereafter.

If you voluntarily elect to take a distribution of all or a portion of your account in the Plan at any time, the RMD portion will be subject to the standard federal income tax of 10%. To opt out of federal income tax withholding, please complete and submit Insperity's 401(k) Distribution Withholding form, which is available via the Insperity Contact Center at 866.715.3552, option 3. If you would prefer a higher tax withholding amount on the RMD, please complete [IRS Form W-4P](#).

Once you become RMD eligible, Insperity will annually issue the RMD amount.