



10% Early Distribution Penalty Exceptions

| Type of Exception | Exception Applies To: | | |
|---|--|---|------------|
| | Plans and IRAs (Including SEP and SIMPLE IRAs) | IRAs Only (Including SEP and SIMPLE IRAs) | Plans Only |
| Death | ✓ | | |
| Disability | ✓ | | |
| Annuitizing (72(t) – Substantially Equal Periodic Payments) | ✓ | | |
| Medical Expenses (over 7.5% AGI) | ✓ | | |
| IRS Levy | ✓ | | |
| Active Reservists | ✓ | | |
| Birth or Adoption (\$5,000) | ✓ | | |
| Terminal Illness | ✓ | | |
| Federally Declared Disasters (\$22,000) | ✓ | | |
| Domestic Abuse (\$10,000) | ✓ | | |
| Emergency Expenses (\$1,000) | ✓ | | |
| Higher Education Expenses | | ✓ | |
| First Time Homebuyer (\$10,000) | | ✓ | |
| Health Insurance if you are Unemployed | | ✓ | |
| Age 55 | | | ✓ |
| Age 50 or 25 Years of Service for Public Safety Employees | | | ✓ |
| Section 457(b) (governmental) Plans | | | ✓ |
| Divorce (QDRO – Qualified Domestic Relations Order) | | | ✓ |
| Phased Retirement Distributions from Federal Plans | | | ✓ |
| Pension-Linked Savings Accounts (\$2,500) | | | ✓ |

Exception generally effective in 2026: For plans only – Long-Term Care (\$2,500)



For more information about this educational membership organization, visit www.ira4help.com

Prism Planning & Solutions Group

777 Westchester Ave. Suite 101, White Plains, NY 10604
Telephone: (914)-831-3050
Fax: (914)-831-0714 | julia@ppsgroup.com

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Website: ppsgroup.com
LinkedIn: www.linkedin.com/in/juliapelosobarnes/ Facebook: www.facebook.com/PrismPlanning