



Adoption/Birth Distributions for TDI Participants

1. What is it?

The Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 allowed plan sponsors to offer participants the ability to take a \$5,000 distribution from their defined contribution plans to help with expenses for an adoption or birth of a child. The Oregon Public Universities Retirement Plans (OPURP) implemented this provision in the Tax Deferred Investment (TDI) 403(b) Plan.

2. When is this available?

This option became available after January 1, 2022.

3. Who is eligible?

Participants who adopt a child or have a child, if the distribution is requested during the 1-year period beginning on the date on which the child of the individual is born or the date that the legal adoption of an eligible adoptee was finalized by the individual.

4. What is an eligible adoptee?

That term is defined as any individual who has not attained the age of 18 or who is physically or mentally incapable of self-support (generally the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-term and indefinite duration). It does not include the adoption of the child of a participant's spouse.

5. What is the total distribution allowed?

The maximum amount that you may request is \$5,000 per child. Therefore, if the distribution is for twins, the participant can request \$5,000 for each child. Also, if both parents have plans that allow the distributions, they are able to each request distributions. The distributions are made in \$5,000 increments, and therefore, participants would have to make multiple requests.

6. What about taxes?

The participant can request a 0% withholding or a higher withholding and also request that state taxes be withheld. Some vendors default to a 10% withholding unless told otherwise by the participant. There is no penalty on the distribution, even for those under the age of 59 ½.



7. How do I request a distribution?

You will need to work directly with the record keeper who holds your account; each one may have a different process.

The contact numbers are below:

Fidelity - 800-343-0860

TIAA - 800-842-2252

8. Will I have to provide documentation?

No, you will need to self-certify with the record keeper when you apply for the distribution.

9. Is Roth money available for these distributions?

Yes. The distribution will be pro-rated and money will come out first from any pre-tax dollars and then Roth.