Loans versus withdrawals

What's the difference? A withdrawal may get you cash, but you'll likely have to pay taxes and potentially a 10% federal tax penalty, depending on your age. Loans allow you to temporarily borrow money from your account.

Loans	Withdrawals
› **Borrowing** from the account.	› **Permanently taking** funds out of the account.
› You repay the amount plus any applicable interest. Transaction fees may also apply.	› Federal and state taxes apply for most withdrawals. Withdrawal fees may also apply.
› You can generally borrow up to 50% of your vested account or $50,000*, whichever is less. Some plans require you to borrow at least $1,000. * May be further reduced based on loan balances in the prior 12 months. The total of all loans combined can't be more than $50,000.	› Typically, you can only withdraw vested funds. The exact amount you can withdraw will vary, depending on plan provisions and market conditions when the withdrawal is processed.
› Loan FAQs	› Withdrawal FAQs

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