

# Internal Revenue Code Section 3405(d)

## Liability for Withholding

### **(d) Liability for withholding**

#### **(1) In general**

Except as provided in paragraph (2), the payor of a designated distribution (as defined in subsection (e)(1)) shall withhold, and be liable for, payment of the tax required to be withheld under this section.

#### **(2) Plan administrator liable in certain cases**

##### **(A) In general**

In the case of any plan to which this paragraph applies, paragraph (1) shall not apply and the plan administrator shall withhold, and be liable for, payment of the tax unless the plan administrator—

- (i) directs the payor to withhold such tax, and
- (ii) provides the payor with such information as the Secretary may require by regulations.

##### **(B) Plans to which paragraph applies**

This paragraph applies to any plan described in, or which at any time has been determined to be described in—

- (i) section 401(a),
- (ii) section 403(a),
- (iii) section 301(d) of the Tax Reduction Act of 1975, or
- (iv) section 457(b) and which is maintained by an eligible employer described in section 457(e)(1)(A).

*Text contains those laws in effect on March 27, 2024*