

Most Defined Contribution Plans Do Not Require Spousal Consent to Remove Funds and Doing So Would Involve Trade-offs

GAO-26-107536

March 2026

A report to congressional requesters.

For more information, contact: Tranchau (Kris) T. Nguyen at nguyentt@gao.gov.

What GAO Found

Millions of married Americans save for retirement by participating in a defined contribution plan, such as a 401(k). While most plans require spousal consent for beneficiary changes, few require it to remove funds (e.g., take a loan, withdrawal, or distribution). For example, money purchase and target benefit plans, which require spousal consent to actively remove funds (e.g., not use the plan’s default distribution option), account for less than one percent of all private sector defined contribution plans. These plans require a survivor annuity upon the participant’s death, ensuring the spouse receives regular plan payments unless the spouse previously consented to the designation of another beneficiary. The Thrift Savings Plan for federal workers generally requires spousal consent to remove funds but not for beneficiary changes. Among the married households where at least one spouse had a 401(k) or similar account, about one in 10 removed funds in 2021, according to national survey data. Those that removed funds typically took less than 10 percent of the total household retirement balance.

When a defined contribution plan participant removes funds without their spouse’s consent, their spouse may experience financial and personal hardship, according to most stakeholders GAO interviewed. For example, the funds may be irreversibly gone, or it may create marital conflict. Stakeholders said that women are more likely than men to be negatively affected, in part because fewer women have their own retirement accounts. While there are no data on how often participants remove funds without their spouses’ knowledge, stakeholders said they think it is likely not common. Of the incidences stakeholders described to GAO, however, some cases reportedly involved severe consequences for the spouse, including losses of hundreds of thousands of dollars. The severity of the economic impact on the spouse depends on the total amount of funds taken and what proportion they represented of the retirement savings. Other factors impacting severity include personal circumstances such as the spouse’s income and how much time they have to make up lost savings before retirement.

401(k)-type Account Ownership in Married Couples



Source: GAO analysis of 2022 Survey of Consumer Finances data. | GAO-26-107536

Adding spousal consent requirements to all defined contribution plans could increase financial safeguards for some spouses but may delay processing or increase costs for plans and participants, according to most stakeholders. For example, spousal consent requirements could prevent participants from removing funds during a divorce without the knowledge of the spouse. Additional requirements could increase operating costs, which plans may pass on to participants. Stakeholders identified alternatives and modifications to spousal consent requirements that may reduce administrative burdens, including notifying spouses when a participant removes funds, or only requiring consent to remove funds above a certain threshold. They also said that some exceptions to spousal consent requirements may be warranted, such as in cases of domestic violence.

Why GAO Did This Study

Married individuals can spend a lifetime saving for retirement through defined contribution plans, and the federal government offers incentives to contribute to them. If a plan participant removes retirement funds from their account without their spouse’s knowledge, it can significantly reduce the future retirement income for both of them. Federal law provides protections in some retirement plans by requiring spousal consent to remove funds, but protections differ among plan types.

GAO was asked to examine these issues. This report examines (1) when married participants are required to obtain spousal consent to remove funds from or designate a beneficiary in defined contribution plans, and how often fund removal occurs; (2) what stakeholders said about the potential effects on spouses when married participants take out funds without their spouse’s consent; and (3) what stakeholders cite as the trade-offs of increasing spousal protections and potential alternatives.

GAO reviewed relevant federal laws and regulations. GAO also analyzed nationally representative survey data from the 2022 Survey of Consumer Finances, the most recent available. GAO interviewed federal government officials and stakeholders from eight national organizations. These organizations represented retirees or the retirement industry. GAO also interviewed representatives from four family or retirement law firms and five firms that sponsor or manage retirement plans, and three spouses. GAO selected interviewees based on research or referral from other interviewees.