

Are Loans Taxable?

401(k) loans are not reported as taxable income if they are re-paid by the borrower. However, if the loan is not repaid when you leave your employer and move the funds out of the 401(k), the loan amount is considered a distribution and you will owe tax on it as well as a penalty if you are under 59 ½.

Please see information about loan repayments [here](#).
