

THE CARES ACT IMPACT ON RETIREMENT PLANS

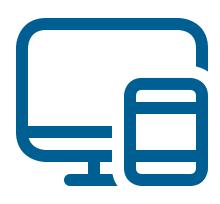
EMPLOYEE LOANS



The available loan amount increased to the lesser of (1) 100% of the vested balance (up from 50%) or (2) \$100,000 (up from \$50,000). In addition, some participants will be able to delay loan repayments for one year. This provision applies to loans taken between March 27, 2020, and September 23, 2020.

PENALTY-FREE WITHDRAWALS

Eligible participants can take up to \$100,000 of their vested balance from their employersponsored retirement plan accounts without being subject to the normal 10% early distribution penalty or the 20% mandatory tax withholding, and the distribution can be repaid within a three-year period as a roll-in to any accepting plan or IRA. Regular income taxes due on the distribution can be spread across three years.



WHO IS ELIGIBLE FOR THESE LOANS OR DISTRIBUTIONS

A plan participant must certify* that he or she meets

one or more of the following criteria:

- He or she has contracted COVID-19
- His or her spouse or dependent has contracted COVID-19
- He or she has experienced adverse financial consequences due to being furloughed, quarantined, laid off, or having their paid work hours reduced due to COVID-19
- He or she is unable to work due to loss of child care because of COVID-19
- He or she is a business owner who closed or reduced the hours of a business owned or operated by the individual due to such virus or disease

*Individuals can self-certify that they meet these conditions.

REQUIRED MINIMUM DISTRIBUTION (RMD) WAIVER

Individuals are permitted to waive RMDs for 2020, including first-time 2019 RMDs, which individuals may have been waiting until April 1, 2020, to take and RMDs due as a death benefit in accordance with the five- and 10-year rules, and those time limits are extended by one year. If a distribution is made in 2020 that would have been treated as an RMD but for the waiver, it can be rolled over in accordance with the 60-day rollover rules.



