Coronavirus, Aid, Relief, and Economic Security (CARES) Act

- **Required Minimum Distributions (RMD) – available to all participants in a retirement plan**
  o Provides a waiver for 2020 RMDs
  o If an RMD has already been received during 2020, participants may roll it over and defer paying taxes, including rolling back into the plan

- **Coronavirus Related Withdrawals Between 1/1/20-12/31/20 – available only to *eligible* participants**
  o Waives the 10% penalty tax on early withdrawals up to $100,000
  o All money types are available for distribution, including match and profit sharing
  o Permits individuals to repay the distribution to the plan over three years
  o The distribution may be taxed ratably over three years
  o Not eligible for rollover

- **Loans – available only to *eligible* participants**
  o Increases the loan limit to the lesser of $100,000 or 100% of the vested account value
  o Delays loan repayments due from 3/27/20 through 12/31/20 for up to one year.
  o Interest continues to accrue
  o The term of the loan can be extended for up to one year.

- **Eligibility Requirements for the Coronavirus Related Withdrawals and Loans Include:**
  o An **employee** who is diagnosed with COVID-19 via a test approved by the CDC,
  o An employee whose **spouse or dependent** is diagnosed with COVID-19, or
  o An **employee** who experiences adverse financial consequences as a result of COVID-19 because the individual, the individual's spouse or a member of the individual's household suffered:
    ▪ Being quarantined,
    ▪ Being furloughed or laid off or having work hours reduced
    ▪ Being unable to work due to lack of child care
    ▪ Closing or reducing hours of a business owned or operated by the individual
    ▪ Reduced pay or self-employment income
    ▪ Having a job offer rescinded or start date for a job delayed

Careful consideration should be taken before you take a withdrawal or loan from your retirement account. Consider other available options, don't take more than you need and consult with a financial advisor before making a decision.

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