



IMPORTANT INFORMATION ABOUT YOUR PLANPREMIER-TPA RETIREMENT PLAN:

We anticipate that as a result of the continued impact of the coronavirus pandemic, people may look to their retirement accounts to ease a potential financial burden. To provide some relief, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27. It allows your plan to make available a new distribution called a “coronavirus-related distribution” as well as coronavirus-related loans and extended loan repayment periods.

WHAT IT MEANS FOR YOUR EMPLOYEES: The CARES Act allows qualified individuals to request penalty-free distributions of up to \$100,000 and allows qualified loans of up to the lesser of \$100,000 or 100% of a participant’s vested balance for qualifying coronavirus-related reasons. **See the Plan Administrative Procedures section below for more information about these provisions including who is a qualified individual.**

IMPORTANT:

- The CARES Act distributions, qualified loans and loan repayment extensions will be available to your plan Monday, April 6, 2020.
 - Coronavirus-related distributions (CRDs) and Coronavirus-related loans (CRLs)
 - CRD request forms will be made available on the Participant Website and the Plan Sponsor Website; requests will be routed to you for your approval.
 - CRL request forms will be available on the Plan Sponsor Website.
 - Coronavirus-related loan repayment extensions: Forms for participants to request a coronavirus-related loan extension will be available on the Participant Website and the Plan Sponsor Website. The suspension period and repayment of coronavirus-related loans will be administered in accordance with the procedures described below.



- **CHANGE FOR REQUIRED MINIMUM DISTRIBUTIONS (RMDs):** The CARES Act also provides for the temporary waiver of any RMDs due in 2020. This waiver applies to all participants and beneficiaries, not just Qualified Individuals. We will notify account holders who have scheduled RMDs in 2020, that they have the option to cancel any remaining 2020 payment(s). For one-time RMD payments, participants can continue to request RMDs online or via a form which we will process accordingly upon receipt of the request.

PLAN DOCUMENT AMENDMENTS

The plan does not have to be amended to conform to the plan's operations under the new rules until the end of the 2022 plan year (or such later date as the Treasury Department provides).

Please work with your TPA or plan document provider to determine whether an amendment to your plan is necessary.

PLAN ADMINISTRATIVE PROCEDURES

Coronavirus-related distributions (CRDs)

CRDs may be issued by the plan to Qualified Individuals (as defined below) in an amount not to exceed \$100,000, less prior CRD amounts from all plans maintained by the employer (and any member of any controlled group which includes the employer) prior to December 31, 2020. The plan sponsor may accept the participant's self-certification that: (i) the participant is a Qualified Individual eligible for the requested coronavirus-related distribution; and (ii) the amount requested by the participant satisfies the requirements for a coronavirus-related distribution including that the participant's receipt of such distribution does not exceed the \$100,000 limit when added to all other coronavirus-related distributions the participant has received across all IRAs and plans maintained by the plan sponsor and, as applicable, any plans maintained by any member of the plan sponsor's controlled group.

These distributions will be processed prorated across all available vested money sources and investment options held in the participant's account.

The distribution is not subject to mandatory 20% federal income tax withholding. Federal income tax of 10% (plus any applicable state and/or local income tax) on the amount of the distribution will be withheld unless the participant elects a different withholding amount or elects no withholding.



The entire amount of the coronavirus-related distribution will be reported as taxable income on *IRS Form 1099-R* in the year withdrawn from the Plan. Participants are responsible for determining the appropriate reporting of the coronavirus-related distribution on their income tax return and should contact their qualified tax adviser with questions.

CRDs may be repaid (i.e. rolled over) into a plan within 3 years from the date the distribution was taken. We intend to make available forms for participants to request a CRD repayment.

Coronavirus-related loans

New loans

Amount available

The plan may issue coronavirus-related loans to a Qualified Individual (as defined below) between March 27, 2020 and September 22, 2020 (180 days following enactment of the CARES Act) at an increased maximum amount that does not exceed the lesser of: (1) \$100,000 minus the difference between the highest outstanding loan balance during the last 12-consecutive-month period and the outstanding loan balance on the date the loan is made; or (2) 100% of the participant's vested account balance.

One-year suspension period and repayment of coronavirus-related loans

If a participant that self-certifies as a Qualified Individual has an outstanding loan from the plan on or after March 27, 2020 and the date of any repayment of such loan occurs during the period between March 27, 2020 and December 31, 2020, the participant may elect to suspend the repayment due date by 1 year. Following the end of the suspension period, the loan will need to be reamortized to adjust the remaining payments (plus interest accrued during the suspension period) over the remaining period of the loan, plus the suspension period.

Qualified Individuals who may request coronavirus-related loans or distributions

To qualify for a coronavirus-related loan or withdrawal, the participant can self-certify within the applicable form that he/she meets at least one of the following requirements:

- (I) the participant has been diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;



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- (II) the participant's spouse or dependent is diagnosed with such virus or disease by such a test; or
- (III) experiences adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reducing hours of a business owned or operated by the individual due to such virus or disease, or other factors as determined by the Secretary of the Treasury.

If you have any questions, please contact us at RPServices@capitalgroup.com or at (877) 872-5159.