



# COVID-19 and your retirement plan—we're here to help

We understand that this may be an uncertain and challenging time for you and your family, and we want you to know that we're here to help.

It's natural to be concerned about recent fluctuations in the stock market that have been caused by COVID-19, and, like many others, you may have questions about what it means for your retirement plan. We want to help you by sharing the answers to the questions we're hearing most often at our service centers during this unprecedented time.

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## Accessing your online account

### How do I register for my retirement plan website?

Go to [jhpensions.com](http://jhpensions.com) and click on **Register Here**. Follow the instructions and you will be registered in a few simple steps. Be sure to have your contract number handy. You can find this on your quarterly retirement plan statements.

For future visits, you will only need your username and password to access your account. If you ever forget it, you can click on **Forgot Username/Password** on the sign-in page.

### Who is my plan administrator?

Your plan administrator is usually someone in your company's human resources department.

## CARES Act

### What is the CARES Act?

The CARES (Coronavirus Aid, Relief, and Economic Security) Act was enacted on March 27, 2020. It may offer you relief if you need to borrow from your retirement plan account. Our [CARES Act flyer](#) provides an overview of the program.

## **Has my plan adopted the CARES Act?**

Your company's plan administrator or employer can help you understand what provisions have been adopted to your company's plan.

## Taking a loan

### **When can the increased loan limits be used?**

There is a limited window to use the new increased loan limits. These limits apply to loans taken within 180 days of March 27, 2020 (i.e., date of enactment of the CARES Act).

### **I need money, can I take a loan from my retirement account?**

If your plan allows loans and has adopted the CARES Act loan provisions you can determine online if your retirement account with John Hancock has loan provisions. After signing in to your account, click on **Manage** at the top of the homepage, then on **Loans**. If you do not see this option, it's very likely that loans are not allowed on your employer sponsored retirement plan with John Hancock. If you wish to take a loan in accordance with the provisions of the CARES Act of 2020, contact your plan administrator for further assistance and to confirm your plan has been amended. These loans must be initiated by form request.

From the **Loans** menu, follow the instructions to model and apply for a loan. Be sure to read the Learn about loans page to find out more about how loans work and what loans cost and the estimated maximum amount available for your loan online.

### **What criteria do I need to meet for this?**

A "self-certification" is required. You must certify you are a qualified individual and a plan administrator can rely solely on that certification.

### **Can I take out another loan to repay or refinance an existing loan with John Hancock?**

You may not take a loan online to repay an existing loan. Contact your plan administrator to determine if loan consolidations are allowed in your plan and to obtain the required forms.

### **I'm eligible for a loan now, but what happens if my company goes out of business?**

If your plan is terminated, then any outstanding loan balance would need to be paid off or it will be considered a taxable distribution. It will be subject to the 10% penalty if you're under the age 59½, and a 1099R tax form will be issued.

## Repaying a loan

### **I currently have a loan. What are my options?**

Typically, you have five years to repay a retirement plan loan. If you do not repay it on time, the amount is treated as a distribution and taxed. With the CARES Act, if you already have a plan loan outstanding and were scheduled to finish repaying it before December 31, 2020, you may now have an extra year to do so.

For a qualified individual under the CARES Act, loan repayments due on or after March 27, 2020 through December 31, 2020 can be delayed for one year from their original due date. This applies to existing loans in good order on March 27, 2020, and to loans taken after that date in 2020, with payment due dates in 2020.

If you find yourself in a situation whereby you need to delay making loan payments for a year,

contact your plan administrator to make them aware of your situation. John Hancock will not default any loans without direction of your plan administrator.

**I've been laid off. Can I delay payments on my loans for awhile until I find another job? I don't want to default on my loan.**

If applicable you may qualify for loan repayment suspension under the CARES Act. Contact your plan administrator to understand the options available to you.

**I submitted a loan request online, when can I expect to get my money?**

You can check the status of your loan by signing into your online account and clicking on **Review**, then on **Account Snapshot**.

If the loan shows as In Progress or Pending Final Approval, the request has not yet been reviewed by the Third Party Administrator (TPA) and/or approved by the Plan Administrator. Please speak with your company's plan administrator, who may need to investigate the status of your request with the TPA.

Once John Hancock receives your authorized loan request in good order, your request will be processed as soon as administratively possible. If a check is issued, please allow 7-10 business days for mailing time. If you elected to have your loan distributed in the form of a wire transfer or direct deposit, the funds will generally appear in the receiving account 2-3 business days after the processing date.

## Requesting a withdrawal/distribution

**I've been laid off and I need money to pay rent and bills. Can I take a cash withdrawal from my retirement account?**

Your retirement plan likely offers a variety of withdrawal/distribution options, and you may be able to submit a cash distribution request online if you're terminated or retired under the CARES Act.

If applicable you may qualify for a Coronavirus Related Distribution under the CARES Act and your plan's provisions. Contact your plan administrator to understand the options available to you.

**Need help understanding your distribution options and choosing the option that's right for your current financial situation? Call us at 1-888-695-4472, Monday through Friday, 8:30am – 7:00pm. ET. One of our representatives will be happy to help answer any questions you may have.**

Under normal circumstances, if you make take a traditional distribution directly with the payment made to you (cash withdrawal) in the form of a lump sum, partial lump sum, or installment payment, the distribution will be reported to the IRS as income in the year that you take the distribution and you will owe income tax on the distribution amount.

In addition to income tax, if you are younger than age 59½, normally you will also pay a 10% early withdrawal penalty.

**Will my withdrawal fees be waived, given the current situation with COVID-19?**

For withdrawal types related to COVID-19 relief measures John Hancock will be waiving our associated fees for you during this time period.

**I have been out of work and need to pay my bills. Can I take a hardship withdrawal?**

If your plan allows for a Coronavirus Related Distribution and you qualify, it may be an option.

A “qualified individual” is a participant, his or her spouse, or a dependent who’s been diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a CDC-approved test. Or who, due to such virus or disease suffers adverse financial consequences resulting from:

- You, your spouse, or a dependent testing positive for coronavirus, or
- You’re facing quarantine, layoffs, reduced hours, or a furlough before the end of 2020, or
- Being unable to work due to lack of childcare or, if the individual owns or operates a business, as a result of a closure or reduction of operating hours, or
- Other factors as determined by the Secretary of the Treasury (or the Secretary’s delegate)

If your plan allows has not adopted the CARES Act provisions but offers it,, you may be able to take a hardship withdrawal if it is:

- Due to an **immediate and heavy financial need**.
- Limited to the **amount necessary** to satisfy that financial need.

Unlike a loan, hardship withdrawals are not repaid to your retirement plan so taking one will permanently reduce your account balance. They are also subject to income tax and if you are younger than age 59½ - you’ll incur a 10% early withdrawal penalty.

You will not be able to request a hardship withdrawal online. Contact your plan administrator to determine hardship withdrawals are allowed in your plan and to obtain the required forms.

### **I’m still an active employee but my entire company is shut down due to the virus. Can I still take a withdrawal?**

You may qualify for a Coronavirus Related withdrawal under the CARES Act. Contact your plan administrator to understand the options available to you.

### **I submitted a withdrawal request online, when can I expect to get my money?**

You can check the status of your Coronavirus related withdrawal by signing into your online account and clicking on **Review**, then on **Transaction history**.

Once John Hancock receives your authorized withdrawal request in good order, your request will be processed as soon as administratively possible. At this time, it is strongly recommended that you elected to have your withdrawal distributed in the form of a wire transfer or direct deposit, the funds will generally appear in the receiving account 2-3 business days after the processing date. If a check is issued, please allow 7-10 business days for mailing time.

### **I really don’t want to take my required minimum distribution (RMD) this year when my account balance has decreased so much. Is that an option?**

Under the CARES Act, RMDs can be suspended in 2020 for both employer retirement plans and individual retirement accounts. This allows those who would normally be subject to minimum distribution requirements to keep their money in place rather than having to take it out when market values may be lower due to the pandemic.

Contact your plan administrator to understand your options and to have your RMD suspended.

## Tips for handling market volatility

Investing for a long-term goal—such as retirement—takes planning, patience, and discipline. While recent market activity may be causing you to question your planning, it's important to remain patient and disciplined.

Visit My Learning Center to learn about investment strategies or riding out the market cycle, and why *not* acting on your emotions in this difficult time may be a good approach.

## What's next?

We'll continue to update this communication with additional resources to support you and help you navigate ongoing changes. It's also important to read our [short-term trading guidelines](#) before making any transactions.

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There is no guarantee that any investment strategy will achieve its objectives.

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