To: All Plan Participants

From:

Date:

RE: Coronavirus Related Distributions and Loans

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the CARES Act) was signed into law that provides special plan distribution and loan provisions to the plan that are available to Coronavirus Related Distributions (CVRD) Qualified Participants (as defined below). This notice is intended to describe the CVRD provisions.

**Who is a CVRD Qualified Participant?**

In order to take a CVRD you must be a CVRD Qualified Participant. You are a CVRD Qualified Participant if you meet any of the following requirements:

1. You, your spouse, or your dependent (as defined by the IRS) have been diagnosed with the virus SARS-CoV-2 or with the disease COVID-19 by a test approved by the Center for Disease Control (CDC); or

2. You have experienced adverse financial consequences as a result of one or more of the following events due to SARS-CoV-2 or COVID-19:

a. you were quarantined;

b. you were furloughed;

c. you were laid-off;

d. you experienced a reduction in work hours;

e. you were unable to work due to lack of childcare; or

f. a business you own or operate either closed or was forced to operate under reduced hours.

This list may be updated by the Secretary of the Treasury.

**Coronavirus Related Distributions (CVRDs)**

We have decided to add a distribution trigger to the plan that may allow you to take money out of the plan. These distributions are referred to as Coronavirus Related Distributions (CVRDs) and you may take the distribution if you meet the requirements to be a CVRD Qualified Participant. CVRDs are further described below.

**What is a CVRD?**

A CVRD is a distribution that meets all the following requirements:

1. you are a CVRD Qualified Participant;

2. the distribution is taken on or after January 1, 2020 but before December 31, 2020; and

3. the total distribution is not more than $100,000 (or your vested account balance). This limit includes all amounts taken from all qualified retirement plans, whether or not sponsored by the same employer, and IRAs.

**Is the CVRD subject to tax?**

Yes, the amount you take out as a CVRD will be considered taxable income. However, the distribution will not be subject to mandatory withholding at the time it is made and the 10% withdrawal penalty tax that usually applies to early distributions will be waived. Additionally, the tax on CRVDs can be paid over a period of up to 3 years by making an election on your 2020 tax return.

**Can the money I take out as a CVRD be put back into a plan?**

Yes, you will also have a window of 3 years to pay back this distribution to either a retirement plan or an IRA. If you pay back the amount after 2020, you will need to amend prior tax filings to claim back any taxes paid.

**Expanded Loan Provisions**

We have decided to enhance the plan loan provisions for CVRD Qualified Participants as described below.

**What are the expanded loan provisions?**

For loans taken from the plan between March 27, 2020 and September 23, 2020 by CVRD Qualified Participants, the applicable limits on plan loans described in the plan’s Summary Plan Description (SPD) are increased. The $50,000 limit that generally applies has been increased to $100,000 and the 50% of vested account balance limit is increased to 100%. Refer to your SPD to see how these limits are applied when calculating the maximum available plan loan.

**Have the repayment terms changed?**

Yes, if you are a CVRD Qualified Participant, all loan payments due at any time between March 27, 2020 and December 31, 2020 can be suspended for a period of 1 year. Loan payments will restart as of the first due date that occurs on or after January 1, 2021 and the skipped payments will be adjusted to reflect interest during the suspension period and must be repaid starting on the one-year anniversary of the first skipped payment. Additionally, the time to repay the loan may be extended by one year.

If you have any questions, please contact your Plan Administrator.