

RETIREMENT & BENEFIT PLAN SERVICES

## Supporting you and the CARES Act provisions

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. There are several provisions that can be adopted by your plan. **This message provides details about how we can support the provisions and elections you would need to make to implement the relief.** Please keep in mind that a plan amendment will be required on or before the last day of the first plan year beginning on or after January 1, 2022.

**A few things to note about the key provisions:**

**New distribution type: Coronavirus Related Distribution (CRDs) from 401(k)s**

- CRDs have a maximum of \$100,000 per individual across all eligible plans and IRAs.
- An eligible participant must take CRDs before a hardship distribution can be taken (if available).
- CRDs are available through December 31, 2020.

**Actions you need to take:**

If you want to make CRDs available to your participants, you must return a completed, electronically-signed election form directing us to implement the CRD; there is no specific deadline. We will not make CRDs available to your plan participants until we receive your completed form. If you elect to make CRDs available, your Client Service Manager will confirm when the election will be implemented. If you take no action, CRDs will not be available to your plan participants.

**Required minimum distributions (RMDs) for 2020 are waived**

- 2019 RMDs not yet distributed, are also waived.
- RMDs that have already been taken in 2020 may be rolled over.
- We will not issue RMDs in 2020; should a participant wish to take an RMD, they can do so by reaching out to our contact center.

**No action needed at this time.**

### Coronavirus related loan provisions

- Increase in maximum loan limit for coronavirus related loans to the lesser of \$100,000 or 100% of the eligible participant's vested balance; effective for 180 days from March 27, 2020.
- For eligible participants, loan repayment for existing loans and new loans can be delayed for up to one year for loans with a repayment due from March 27, 2020 to December 31, 2020.

### No action needed at this time:

We are currently working on developing our approach to support these optional provisions. Bank of America will provide additional information as details become available within the next few days.

### Take advantage of and promote online access

We encourage you to remind your employees to use Benefits OnLine® (BOL) at [benefits.ml.com](https://benefits.ml.com) and the app for 24/7 account access and educational resources. We plan on offering online transactional functionality for CRDs on BOL (full website and app) on or after April 20, 2020. If a plan participant needs to make a CRD request sooner, they may call the contact center starting April 6, 2020 to request manual processing.

Please let me know if you have any questions and how our team can assist you and your employees.

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