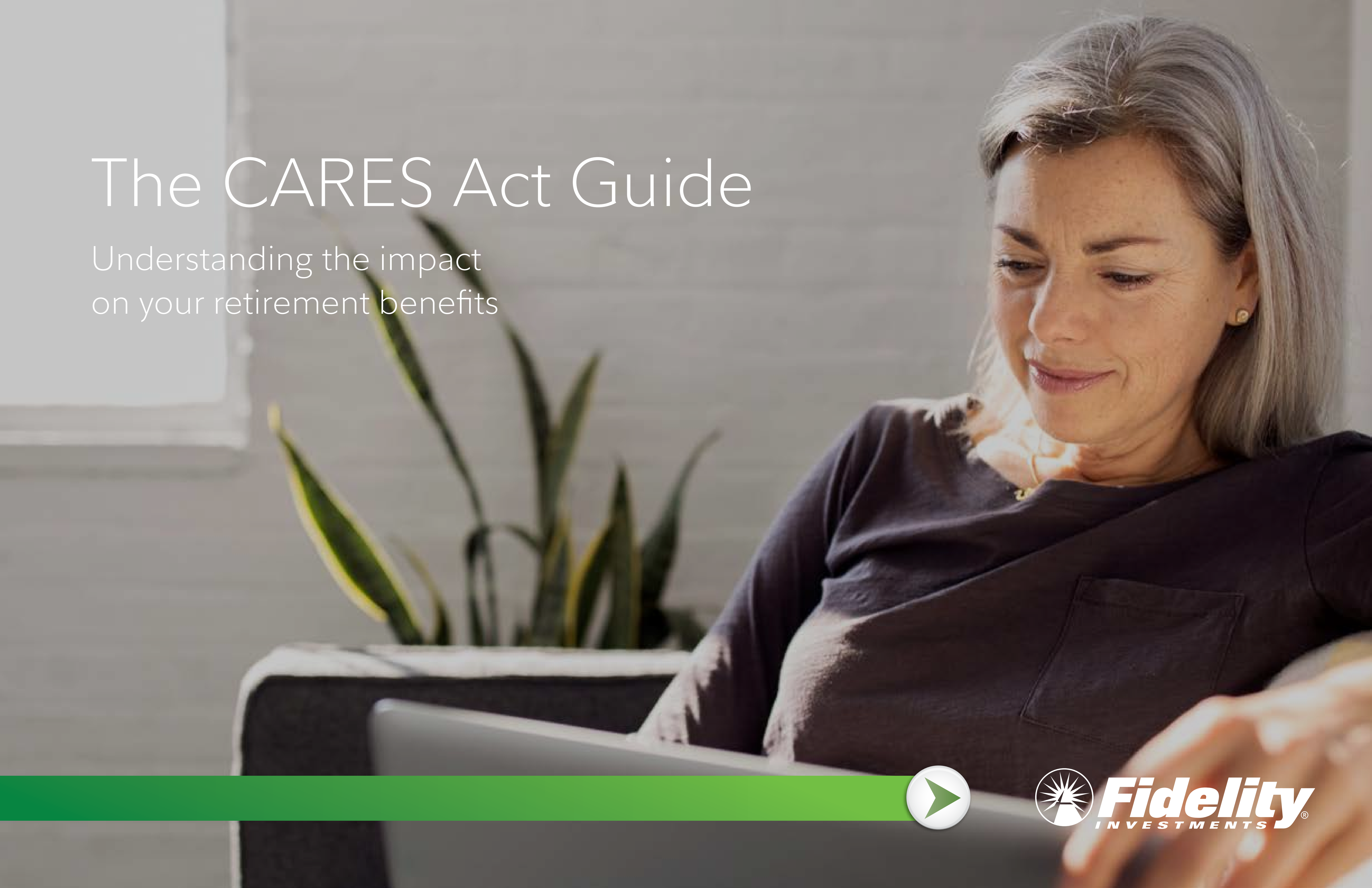
The CARES Act Guide

Understanding the impact on your retirement benefits



On March 27, 2020, the president signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) into law. The more than $2 trillion package seeks to address financial pressures facing individuals, businesses, and state and local governments due to the pandemic.

The CARES Act provisions highlighted in this guide impact plan sponsors, advisors, consultants, and participants. Fidelity is committed to the implementation of these measures and will work to further educate our customers on the details of the law as questions continue to arise.

This guide focuses on a high-level summary of the key provisions relevant to qualified workplace retirement plans. While every plan and organization is different, you can use the information to help prepare for the changes affecting your specific benefits programs. Topics include:

- Distributions
- Loans
- Required Minimum Distributions (RMDs)
- Health care and Health Savings Accounts (HSAs)
- Student Debt Repayment Benefits

Important note:

In many cases, additional regulatory guidance and possibly some statutory technical corrections are required to clarify these changes. Fidelity has been working closely with various industry groups to share our interpretations and questions with regulators, while representing the needs of our plan sponsors and participants. Fidelity will provide updates as they are issued. Fidelity doesn't provide legal or tax advice. As always, plan sponsors should discuss any potential plan design changes with their tax advisor and benefits counsel and encourage participants to consult with their tax advisors on how these changes may impact them.

What's new and what's next?

Topic	What's new?	What does it mean for participants?	What are my plan's options and what do I need to do?	What's Fidelity doing to help us prepare?
	A brief overview of the changes	Next steps, timing, requirements, limitations, and eligibility	Decisions and next steps	Communications, operational changes, and system updates
Distributions (CARES Act)	Allows participants who meet the CARES Act criteria* to take penalty-free withdrawals of up to $100,000 from eligible retirement plans and IRAs from January 1, 2020, through December 30, 2020. The service won't be offered to the following plans: money purchase pension plans, Puerto Rico-only qualified plans, and nonqualified deferred compensation plans (including plans subject to 409A, 457(b) plans sponsored by tax-exempt entities, 457(f) plans and 415(m) plans). Money purchase pension plan contribution sources that are available for in-service withdrawals after attainment of age 59 ½ or age 62 (based on the plan's provision) have been excluded due to operational issues. Please refer to the Q&A below for a definition of who is an eligible participant under the CARES Act.	Participants eligible under the CARES Act criteria* must contact Fidelity and self-certify via NetBenefits® or phone that they qualify for the distribution. We encourage participants to update electronic funds transfer (EFT) information on NetBenefits®, as EFTs greatly reduce time to access their funds when the money is transferred to their personal accounts. After self-certification, participants will follow the standard procedures for requesting a distribution. Note that spousal consent and plan sponsor approval procedures, if applicable, will still be a requirement for these distributions. CARES Act distributions must be processed by December 30, 2020, unless the date is extended by legislation. Additional notes: • Participants can claim a defined benefits (DB) distribution as a CARES Act distribution on their taxes. • All contribution sources (other than money purchase pension plan sources and some employer sources) will be available. • Income tax on the distribution may be paid over a three-year period. • Participants will have the ability to repay the amount withdrawn within three years, though repayment is not required. • Repayments won't be subject to the annual retirement plan contribution limits. • A CARES Act distribution from a defined contribution (DC) plan isn't a hardship withdrawal, so an eligible individual doesn't have to first obtain a plan loan or other available plan distributions before requesting it. An eligible individual under the CARES Act must take a CARES Act distribution before a hardship withdrawal.	If you've already added the withdrawal in your DC plan, there's nothing further you're required to do beyond updating the relevant participant notices. See Q&A below for more information on process and next steps. If you're now looking to add the CARES Act distribution to your DC plan, please contact your Fidelity Representative.	Fidelity is ready to help in three key ways:. Remove barriers between participants and their funds: • CARES Act distributions will be preapproved with participant self-certification that they qualify (no paperwork required), with the exception of plans that require spousal consent or plan sponsor approval. • In most cases, participants may certify they are eligible via NetBenefits or via the phone. For DB distributions, a phone call will be required. • Fidelity has enabled Immediate EFT (Electronic Funds Transfer) setup in NetBenefits. • Fidelity will also accept a remote notary in states where permissible during this time. Help participants understand their choices: • Fidelity will walk participants through the hierarchy of accessing their money. Media coverage has been widespread, but not all participants will have all options available to them. Fidelity can help them understand their choices, including in-service withdrawals, existing loans, and other distributions. Help with your administrative load: • Fidelity will track and monitor distribution and loan limits for each participant. • For Volume Submitter plans, Fidelity will update your plan documents based on options adopted for your plan. • Plan sponsors have the option of sending participants a communication making them aware of the distribution. This can be delivered by Fidelity or by the plan sponsor.

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Distributions (FEMA hardship withdrawals)	Under regulations issued in September 2019, a new safe harbor reason was created for hardship withdrawals due to a Federal Emergency Management Agency (FEMA)-declared disaster. Accordingly, if FEMA declares a disaster in a state as a result of the Coronavirus (COVID-19), and the plan automatically allows this new type of hardship withdrawal since it was a new reason determined by the Secretary of the Treasury, or the plan adds the withdrawal option, and individual assistance is approved, a safe harbor hardship withdrawal would be available for 401(k) or 403(b) plans to cover a participant's expenses and losses (including loss of income)—provided that their home or workplace is located in an area designated by FEMA for individual assistance.	Only participants living or working in FEMA hardship-qualified states (states that have declared and been granted individual assistance) will be eligible. Like other hardship withdrawals, participants should note that the FEMA hardship withdrawal is subject to a 10% early withdrawal penalty. Participants must contact Fidelity via the phone for FEMA hardship withdrawals. There is no online option at this time.	If your plan already offers the FEMA Hardship, or "Safe Harbor 7th Reason," your participants will be eligible, since FEMA has granted individual assistance for the affected areas. If you have not added the "Safe Harbor 7th Reason" to your plan and would like to, please contact your Fidelity Representative.	Fidelity's Customer Service Representatives are prepared to handle participant requests for the rules issued in 2019 and are able to help your participants walk through the complicated choices. It is important to carefully consider offering the FEMA hardship withdrawal in light of the CARES Act distribution and the tax benefits of the latter.
Required Minimum Distributions (RMDs)	Waives RMDs rules for all types of DC plans (including 401(k), 403(b), and governmental 457(b) plans, but excluding 457(b) plans sponsored by tax exempt entities) and Individual Retirement Accounts (IRAs) for calendar year 2020, providing relief to individuals who would otherwise be required to withdraw funds from such retirement accounts during an economic slowdown due to COVID-19. There's no waiver for an RMD from DB plans.	Participants or beneficiaries with scheduled installment payments may suspend them in 2020. Finally, participants may be able to re-contribute any RMDs received in 2020 back into their retirement account. This would be an indirect rollover either into the plan if allowed, or into an IRA. The Internal Revenue Service (IRS) has granted an extension to the 60-day limit for RMDs taken between February 1 and May 1, 2020, allowing rollovers until July 15, 2020.	Although we expect most plan sponsors to allow their participants and beneficiaries to take advantage of this benefit, the decision is optional. If you do choose to allow the waiver, and are not on the Volume Submitter document, you may need to amend your plan document by the last day of the first plan year beginning on or after January 1, 2022 (January 1, 2024, for governmental plans).	Fidelity will not process the normal November/December auto-payments of RMDs service in 2020 unless directed otherwise. We will, however, continue any scheduled 2020 installment payments which participants previously established to satisfy their RMDs unless the participant directs us otherwise. Fidelity will send communications to all participants who had an active RMDs prior to 2020 and to participants and beneficiaries who were required to take RMDs for the first time in 2020.

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New CARES Act loans	Increases the maximum loan limit for qualified participants to the lesser of 100% of the vested account balance or up to $100,000 (reduced by the highest outstanding loan balance within the past twelve months) from March 27, 2020, through September 23, 2020, from all plans of the employer and any related employer. The first payment date on the loan is deferred until January 2021.	Participants eligible under the CARES Act criteria* may request the loan. To apply, participants will call Fidelity, self-certify that they qualify, then follow the standard process for requesting a loan. Note that spousal consent procedures and sponsor approval, if applicable, will still be a requirement for these loans. CARES Act loans must be distributed by 4:00 p.m. ET on September 23, 2020.	Enabling CARES Act loans is optional for plan sponsors and can be added any time but cannot be offered beyond September 23, 2020. If you aren't on the Volume Submitter document and plan to offer these loans, you need to update your plan document. If you've not opted into offering the loan, but are now reconsidering, or needed additional time to determine your next steps, contact your Fidelity Representative.	Fidelity has trained our Customer Service Representatives to certify that participants are eligible for the loan via phone at the time of the request. In cases where spousal approval or plan sponsor approval isn't required, preapproved paperless loans will be available by phone or NetBenefits. For our plan sponsors, Fidelity will begin to update Volume Submitter plan documents and may be able to coordinate communications to participants, alerting them to the availability of these loans. Plan sponsors should carefully consider offering the loan if the CARES Act distribution has already been added to the plan. Additionally, the significant loan payment should also be taken into consideration by participants.
Repayment of existing loans	Allows qualified participants to delay loan repayments that would otherwise be due between March 27, 2020, and December 31, 2020. Loan repayments begin again in January 2021. Interest continues to accrue during the deferment period and the term of the loan will be extended by the length of the deferment period. The outstanding loan balance as of January 1, 2021 will be re-amortized in January 2021 to determine the new loan repayment amount.	Participants eligible under the CARES Act criteria* must contact Fidelity via the phone to request deferment. After confirming that the plan permits delay, Fidelity will ask the participant to certify eligibility. Participants should note that loans will continue to accrue interest during the deferment period. If available in their plan, participants currently paying though ACH will also need to stop their ACH debit loan repayments via NetBenefits.	Allowing participants to delay repayments is an optional feature that each plan sponsor can elect. If interested, contact your Fidelity Representative to make the necessary changes. If you do opt in, you'll need to stop payroll deductions for loan repayments during the deferment period. Fidelity will provide a report of participants who have contacted us to self-certify so that plan sponsors can restart the re-amortized payment amounts in January 2021.	Fidelity will track and report to the plan sponsor those who have elected to defer loan payments. In January 2021, Fidelity will calculate the new repayment amount for each applicable loan and extend the loan repayment for the length of deferment. The new repayment amount will reflect the remaining outstanding principal balance of the loan and the interest rate on the loan including the interest that accrued during the deferment period. At the end of the deferment period, Fidelity will also provide the plan sponsor with an updated feedback file to reflect the new repayment amount.

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Health care and Health Savings Accounts (HSAs)	Diagnostic testing and vaccinations (once recommended by the government) for COVID-19 are now required to be covered by HSA-eligible health plans before satisfying the deductible or any cost-sharing.	If a participant requires diagnostic testing or vaccination for COVID-19, there is no payment required.	Employers that are self-insured should consider how they plan to respond to the new CARES Act guidance specific to COVID-19 treatment and telemedicine, and contact their administrator to update their HSA-eligible health plan (i.e., HDHPs) design and plan documents. Those with fully insured HSA-eligible health plans should contact their insurer to discuss next steps.	For you: The Plan Sponsor COVID-19 Resource Center on Plan Sponsor Webstation (PSW®) contains numerous overviews of the impact of the CARES Act on your health care benefits, including Health and Welfare and HSA FAQs. For your employees: For the IRS tax-filing deadline extension, we have included an alert on the HSA page in NetBenefits alerting them to the option to make additional HSA contributions for 2019. We have created several new educational pieces for employees on: How to use an HSA during a pandemic (which covers the new CARES Act legislation); an overview on the expansion of qualified medical expenses; and a piece on when to use telemedicine. These pieces are available on the NetBenefits® COVID-19 Resource Center.
	With the extension of the tax filing deadline to July 15, HSA holders can continue to contribute to make 2019 HSA contributions until July 15, assuming that they haven't already met the 2019 HSA contribution limits.	The IRS has stated that HSA contributions for 2019 can now be made up through July 15, 2020. Employees will need to abide by the 2019 HSA maximum contribution amounts, which were $3,500 for individual coverage and $7,000 for family coverage, with a $1000 catch-up limit for account holders age 55 or older. Employees can make after contributions through NetBenefits.	There's no action needed from plan sponsors—Fidelity will continue to handle and process contributions as normal.	
	For plan years beginning on or before December 31, 2021, the CARES Act allows HSA-eligible health plans to provide telehealth (or telemedicine) and other remote care services without cost-sharing or a deductible.	Employees need to check with their employer to better understand if their HSA-eligible plan now allows for telemedicine without a cost-sharing component.	Employers that are self-insured should consider how they plan to respond to the new CARES Act Guidance specific to telemedicine and contact their administrator to update their HSA-eligible health plan design and plan documents.	
	The CARES Act expands the definition of "qualified medical expenses" allowing HSAs, Archer Medical Savings Accounts (MSAs), Health care Flexible Spending Accounts (HFSAs), and Health Reimbursement Arrangements (HRAs) to cover certain over-the-counter medications (without a prescription) as well as the addition of feminine products.	Employees should review the list of additional qualified expenses from the IRS.	There's no action needed to enable your HSA to accept the expanded list of qualified medical expenses, since our systems are already prepared. As the industry adjusts to the change, however, employees may experience some delays as pharmacy systems get updated.	

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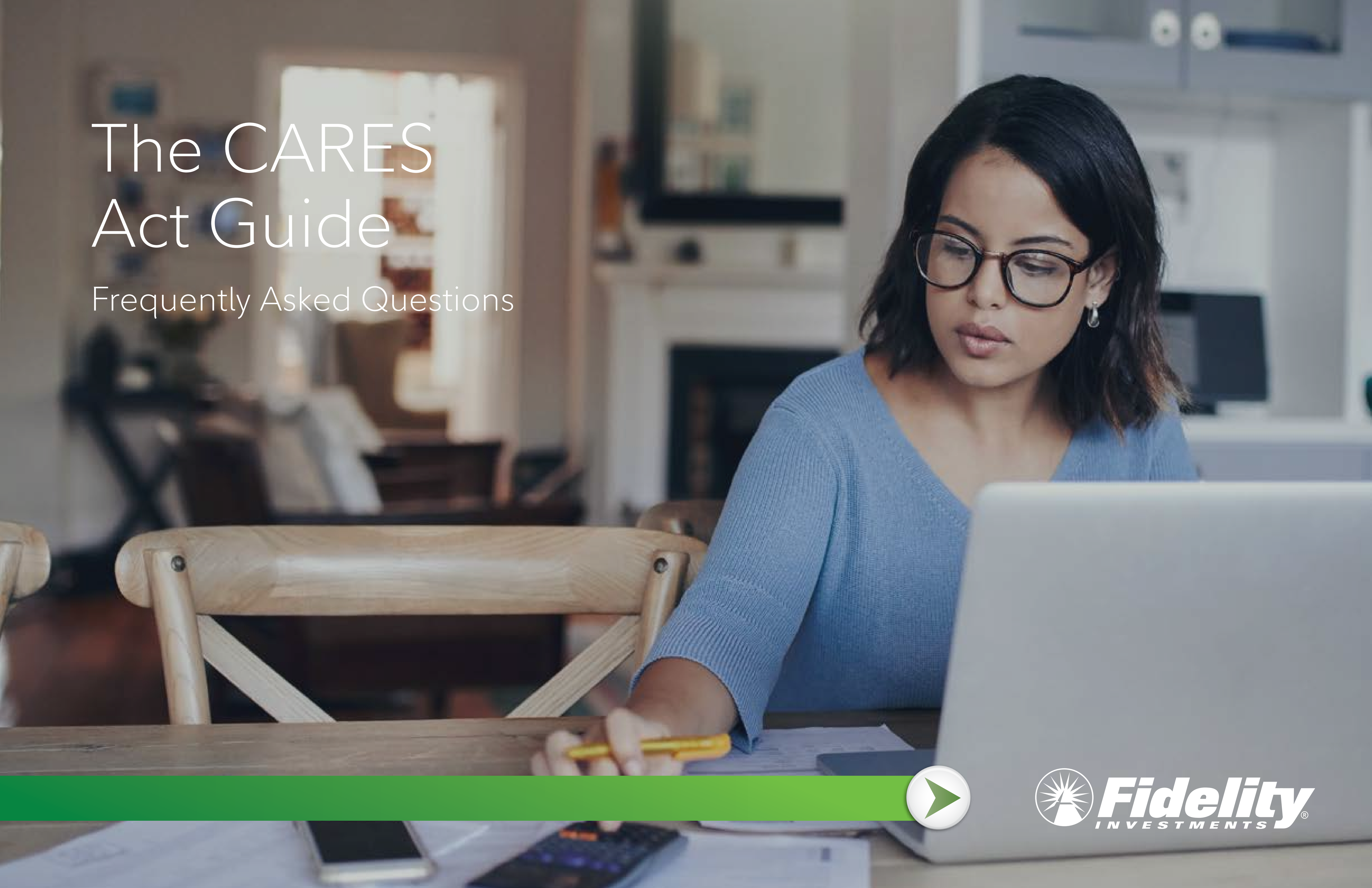
Student Debt Repayment Benefits	Automatically suspends all student loan borrowers' minimum loan payments and interest accrual on federal student loans for six months (until September 30, 2020). NOTE: It doesn't apply to loans held by private lenders. Student debt repayment benefit plans can now provide an income tax exclusion for participants receiving student loan payments from their plan sponsors from now until January 1, 2021, provided the sponsor's plan complies with IRS section 127 guidelines.	If a borrower is unsure whether their loan qualifies, they should contact their loan servicer. And because the CARES Act automatically suspends all student loan borrowers' minimum loan payments and interest accrual on federal student loans for six months, all payments made to employees' federal student loans between from March 27 to September 30, 2020, will go directly toward their principal balance, maximizing their savings.	The CARES Act doesn't mandate plan sponsors adjust their current student debt repayment program configuration to comply with IRS section 127. You'll want to consider the current objectives of your student debt benefit plan to determine whether making changes to reduce your employees' taxable income is the best course of action. Steps to take: • Determine whether your plan is IRS 127–compliant • Update your plan document • Adjust your payroll • Communicate with your participants	For plan sponsors looking for opportunities to help participants address their financial needs, now may be a good time to consider adding a Student Debt program that can help participants pay down their loans faster.

The CARES Act was passed amidst historic market volatility and uncertainty during a global pandemic. As a result, there may be a host of other decisions you're making about your benefits plan today—whether that's evaluating your ability to provide a match, rethinking your loan strategy, or finding ways to help your participants manage their financial wellness in the short and long term.

While each plan and situation are unique, Fidelity can help you evaluate your options. Our Plan Sponsor COVID-19 Resource Center is updated frequently with information on your next steps, market trends, and a view into what your peers are seeing and thinking.



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Frequently Asked Questions

Fidelity INVESTMENTS

Let's talk about the details: Q&A

General:

Q: How can I tell if the CARES Act applies to my plan?

A: The following plans are eligible for the provisions in the CARES Act:

- 401(a), including 401(k)
- 403(a)
- 403(b) and governmental 457(b) plans

Defined benefits plans are eligible only for the tax relief provisions of the CARES Act, and nonqualified and 457(f) plans are not eligible under the CARES Act.

Q: What is the eligibility requirement under the CARES Act?

A: For both CARES Act distribution and loan provisions, a qualified individual is one who:

- is 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,
- has a spouse or dependent diagnosed with such virus or disease, or
- 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, or other factors as determined by the Secretary of the Treasury.

Q: Which components of the CARES Act are mandatory vs. optional? Are there components that I can customize?

A: Plan sponsors have the opportunity to choose which provisions of the CARES Act they want to offer, including CARES Act distributions, loan deferrals, an increase in the loan amount, and RMD provisions.

Plan sponsors may impose additional restrictions or limitations, but you must work with your Fidelity representative to determine which ones can be offered and when they can be implemented. You should determine which options are best for your plan. Please review them with your legal counsel since they will require amendments to your plan document.

Q: When do I have to amend my plan document for the CARES Act?

A: A plan document must generally be amended by the last day of the plan year that begins in 2022 (2024 for governmental plans), or later if prescribed the Treasury Secretary for CARES Act provisions.

However, if a plan never offered participant loans and the plan sponsor wants to offer them, it must be amended before the last day of the plan year that begins in 2020. In addition, the plan document must be amended for the increased loan limits under the CARES Act by the last day of the plan year that begins in 2022 (2024 for governmental plans), or later if prescribed the Treasury Secretary for CARES Act provisions.

If your plan limits the number of outstanding loans available at any one time, you may have to amend the plan document, plan administration manual, service agreement, and/or loan policy to increase that limit depending on how may loans will be available.

For Volume Submitter plans, Fidelity will prepare amendments to the plan document and service agreement reflecting the increased loan amounts and deferral, to increase the number of loans available, and to allow CARES distributions if applicable. Timing is yet to be determined, but Fidelity will communicate with you once those steps are ready to begin.

Q: What steps do I need to take in order to update required participant notices for safe harbor plans?

A: Fidelity is ready to help in distributing your required notices. There are several scenarios which may apply to your organization:

- If you currently work with a dedicated Communications Consultant (CC), they can provide support on a fee-for-service basis.
- If your plan is on the Volume Submitter document and you take advantage of Fidelity's Notice Delivery Service, you can use that system to distribute your Safe Harbor Notices. Fidelity will provide a template that you can use to update vesting and withdrawal information. Upload that as you normally would via PSW® and elect to distribute the notice.
  - Safe Harbor Notices
    - If the distribution is for the current plan year, select the "current year" notice on PSW, which is different than the typical annual distribution process.
    - The Notice Delivery Service should NOT be used to distribute a stand-alone safe harbor change notice or a safe harbor discontinuance notice; doing either will cause notices to be removed from NetBenefits.
  - Summary of Material Modifications (SMM) and Summary Plan Description (SPD)
    - Non-safe harbor plans are not required to send a SMM or SPD notices until 210 days after the plan year amendment. The Notice Delivery Service doesn't distribute a SMM; thus, if you plan to use this service to communicate the change, an updated SPD will need to be distributed.
    - The draft SPD in the Notice Delivery Service will include the new distribution options after the effective date of the plan change. Fidelity will build a reminder into the year-end regulatory notice coordinated through the Solutions Office.

In either case, your Fidelity Representative can walk you through the steps to ensure you are compliant in communicating changes to your participants.

Q: Unfortunately, we have furloughed some employees and terminated others. Are the status codes I use significant? Do they impact participants' ability to access CARES Act provisions?

A: The CARES Act doesn't include distinguishing language between termination, furlough, and layoff. The key issue is whether the employee has terminated their employment.

Multiple considerations such as access to retirement benefits or health benefits, severance entitlement, service crediting, and potential partial plan termination all come into play for this question. Therefore, plan sponsors should consult with their legal advisor to determine the appropriate status code for each employee based upon their specific situation.

Note that participants should not have their status code changed just to invoke certain provisions related to loans and/or withdrawals. You should analyze the overall employment relationship before deciding what status code to utilize.

Q. Has Puerto Rico issued any retirement plan guidance for retirement plan participants affected by the January earthquake and COVID-19?

A. The Puerto Rico Department of the Treasury ("Hacienda") issued guidance over the past few months for participants in retirement plans qualified under the Puerto Rico Internal Revenue Code who were affected by the January earthquake and the COVID-19 pandemic.

Collectively, they can obtain distributions for eligible expenses that they, their spouse, children, or parents incurred, up to $100,000 to cover the cost of losses, damages, and expenses caused by or resulting from the January 6, 2020, earthquake, and for expenses incurred for losses or damages, and extraordinary and unforeseen expenses to cover basic needs as a consequence of the emergency declared by COVID-19, including the loss of income due to the curfew declared by the Governor.

The total distributions from all Puerto Rico retirement plans and IRAs cannot exceed the $100,000 limit. The distributions must be made by June 30, 2020, unless extended by the Hacienda and returned to Fidelity by the time indicated on the forms to ensure enough time for processing. The first $10,000 will not be subject to income tax and the next $90,000 will be subject to a flat 10% income tax rate. Participants must complete a sworn statement affidavit that requires them to identify the relevant information about all prior distributions from Puerto Rico retirement plans and IRAs, and agree to continue to be a resident of Puerto Rico through December 31, 2020. Recently, the Hacienda issued guidance specifying that participants can sign the affidavit "under penalty of perjury" instead of having it witnessed and notarized by a notary public. Fidelity has created distribution kits for affected participants to request these distributions before the internal June 12, 2020, deadline so they can be processed by June 30, 2020. Please contact your Fidelity representative for further information.

Distributions/Loans:

Q: If we've already opted out of offering CARES Act distributions or Loans, can my organization opt in now?

A: We developed processes so we could quickly implement CARES Act distribution and/or loan provisions for your plan to help your participants. We realize that they may have been complicated decisions and you needed more time to consider them. Please contact your Fidelity Representative if you want to now add one of those provisions.

Q: If my plan doesn't allow loans today, am I able to offer CARES Act loans?

A: Not immediately. Your first step would be to work with your Fidelity Representative to add participant loans to your plan. They can walk you through the timing and next steps, including changes you'll need to make to your payroll services.

Managing a loan offering can be complicated for any plan sponsor and unfortunately, CARES Act loans specifically come with a unique set of rules regarding deferment periods, and re-amortization of the outstanding loan balance and accrued interest. However, we're happy to start the process for you, if you are interested.

Q: What is the difference between CARES Act distributions and FEMA declared disaster distributions?

A: Both distributions options were established to help participants access their funds when they need them during an emergency; however, there are key differences when comparing the two.

CARES Act distributions:

- Limited to $100,000 for distributions from January 1, 2020, through December 30, 2020
- No 10% early withdrawal penalty if the participant is under the age of 59 ½
- The income tax on the taxable distribution may be spread evenly over a three-year period
- Provide access to more sources of money
- Allow participants to repay the distribution within three years after the distribution
- A participant must satisfy one of the three CARES Act criteria to be eligible to request a distribution
- Are offered online for most participants (excluding those with no other in-service withdrawal options, or those who need sponsor approval or spousal consent)

FEMA declared disaster hardship withdrawals:

- Are subject to the 10% tax penalty
- Are available only to participants living or working in the specific geographic FEMA-declared disaster area, provided that the individual's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster

Q: How will "self-certification" work? Who is responsible for verifying that a participant is eligible?

A: Participants can contact Fidelity by phone or go online to NetBenefits to certify. They will be presented with the CARES Act eligibility language and can certify that they qualify. Fidelity won't gather any HIPAA information.

Q: How will Fidelity guide participants through their decisions to access money?

A: Although every participant's situation is different and will vary based on the plan provisions that are elected, Fidelity strives to communicate the adverse effects of an emergency withdrawal, such as unexpected or unplanned taxes, penalties, or impacts to other planning goals for your participants.

In general terms, Customer Service Representatives use plan-specific reference documents to:

- Determine all withdrawal and loan options available within the plan
- Educate participants on the benefits, drawbacks, and eligibility requirements for each plan distribution or loan option
- Support the participant in the execution of elected transactions
- Convey required legal disclosures for the withdrawal and/or loan

Q: Will CARES Act distributions be made from all contribution sources?

A: All contribution sources, other than money purchase pension plan sources, may be available for a CARES Act distribution. Eligible individuals can only request amounts that are vested and available from applicable contribution sources.

Q: How will Fidelity monitor if participants reach the maximum CARES Act distribution or loan amount?

A: Fidelity has instituted the following process:

- Fidelity will accumulate all applicable CARES Act distributions made after they were enabled at the plan sponsor level, across all defined contribution plans that are part of the controlled group that we recordkeep on our system.
- After the close of the market each business day, we will review all pending CARES Act distributions against our year-to-date database of all previously processed CARES Act distributions.
- Any distributions that do not exceed the $100,000 limit will be processed.
- If a participant requests a transaction that would exceed $100,000, we will process the transaction up to the $100,000 limit but reject any amount in excess of the limit of all defined contribution plans of the plan sponsors–controlled group that we recordkeep on our system.
- We plan to make a desktop tool available to Customer Service Representatives to calculate the exact remaining defined contribution plan CARES Act amount "live" for participants who talk to a Representative.
- NetBenefits will NOT be able to dynamically calculate and identify a participant's exact remaining amount against the $100,000 cumulative limit at the time that the participant initiates a transaction.
- For plans with many participants that reaches $100,000, we do have a plan to restrict further requests so they do not cause repeat not-in-good-order responses.

  Loan limits will be monitored and managed the same way that other plan loans are handled today. The CARES Act loan does not require any additional system changes to track.

  For Tax Exempt plan sponsors working with multiple providers; Unfortunately, at this time, we are able to track only CARES Act distributions taken from Fidelity, but we continue to look for a solution.

Q: What is Fidelity's policy for spousal consent and remote notary?

A: Spousal consent is determined based on the terms of the plan. Fidelity will continue to administer this requirement.

However, during these extraordinary times, participants contacted us and indicated that they are having difficulty obtaining traditional in-person notarization of spousal consent when required by the plan. Remote notarization allows notarizations to be conducted over the internet using online audiovisual technology in lieu of a physical presence. Fidelity will accept digital notarizations, including those obtained through remote technology. To help participants obtain available loans or distributions during this critical time, where the state of the notary allows, our Representatives have begun to communicate the remote notary option.

Required Minimum Distributions (RMD)

Q: How will Fidelity handle RMDs in 2020?

A: Your plan services and instructions to Fidelity will dictate the distributions of RMDs in 2020.

- For plans using Fidelity's auto-gen service where payments are normally processed in December, no 2020 RMDs will be sent unless we receive plan sponsor or participant/beneficiary direction
- For plans not using this service, no 2020 RMDs will be sent unless we receive plan sponsor direction
- Scheduled installment payments (i.e., monthly) selected by participants or beneficiaries will continue unless we receive plan sponsor, or participant/beneficiary direction

Note, this excludes RMDs that were distributed before the CARES Act was passed. Those distributions may now be eligible for rollover into an IRA or a retirement plan that accepts an indirect rollover contribution.

Staying Connected:

Q: What reporting will be available to plan sponsors and advisors about the actions participants take?

A: Fidelity will share weekly plan-level reporting on CARES Act activity, including:

- Summary of distributions and distributions by source
- Loans processed and loans deferred
- Summary of 2019 and 2020 year-to-date contributions by source

Contact your Fidelity Representative for more information on available reporting for your plan.

Q: What's the best way to stay current with CARES Act guidance, changes, or Fidelity deadlines and requirements?

A: The Plan Sponsor COVID-19 Resource Center is updated frequently and covers the latest regulatory and market updates, ranging from financial and retirement benefits to health and well-being.

Current schedules of live webinars, recorded meetings, and deeper-dive analyses of each CARES Act provision is available.

Q: Where can participants go for more information?

A: The NetBenefits® COVID-19 Resource Center contains materials, planning tools, videos, and more to help participants understand the new rules, manage their investments through a rocky market, and help them to prepare for the long term.

*Participants "eligible under the CARES Act criteria" is defined as participants who meet one or more of the following:

- The participant is diagnosed with the virus SARS-Co-V-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention,
- The participant's spouse or dependent is diagnosed with such virus or disease by such a test, or
- The participant experienced 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.

An eligible individual who meets any of the above criteria, including an active or terminated employee, an alternate payee of a qualified domestic relations order (QDRO), and a beneficiary of a deceased participant, can request a CARES Act distribution or loan.

The CARES Act loan services described above may be modified if legislative, regulatory, or other relevant guidance is issued or for service enhancements.

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