

From: [Fidelity Workplace Investing](#)
To: [Wheat, Audrey](#)
Subject: Review Needed: Continued Support for Your Plans and the CARES Act
Date: Tuesday, May 26, 2020 12:01:57 PM



As information related to the CARES Act continues to unfold, we are committed to keeping you and our shared clients informed. The below email will be sent to plan sponsors today (Tuesday, May 26).

Since passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Fidelity has partnered with plan sponsors to enable the provisions best suited to your plan. Now, we're looking ahead at how we continue to support you and your participants.

We have several initiatives underway—some of which may only apply to the provisions you adopted for your plan:

CONFIRMATION FOR CARES ACT DISTRIBUTIONS:¹ Every participant who took a CARES Act Distribution will receive a communication that:

- Confirms their eligibility;
- Provides instructions to return the funds if they do not believe that they qualify;
- Includes [income tax information](#) regarding CARES Act Distributions; and
- Reiterates that partial or full distribution repayments to the plan or an individual retirement account (IRA) may be made within three years.

The confirmation communication will be sent on a rolling basis as new distributions are taken through year-end. A sample letter will be made available in the coming weeks.

COMMUNICATIONS ON MINIMUM REQUIRED DISTRIBUTIONS: Individuals with a [minimum required distribution](#) (MRD) installment payment in effect prior to 2020 will soon receive a [communication](#) from Fidelity. It details that 2020 installment payments previously selected by participants and beneficiaries will continue, unless directed otherwise. The annual year-end MRD auto-payments to participants and beneficiaries will not be processed this December unless requested. Those individuals will receive a communication later this year. If you would like the year-end auto-generated payments processed for your plan, please reach out to your service team.

We will also provide information on 2020 MRD rollovers. Generally, retirement plans only allow active employees who are participants to make rollover contributions. The communication will include information for:

- Active employees who are participants to inform them of the option to rollover the 2020 MRD into either the plan or an IRA; and
- Terminated employees who are participants and spousal beneficiaries who received 2020 MRDs on or after February 1, 2020** to share that distributions can rollover into an IRA.

Unless legislation or guidance from the Internal Revenue Service (IRS) is received, non-spousal beneficiaries cannot rollover 2020 MRDs into an IRA.

LOAN DEFERRALS:² Fidelity's offering allows participants to defer loan payments through December 31, 2020. While the IRS cites language within the CARES Act permitting a one-year deferral, the timeframe conflicts as loan payments can only be deferred until December 31, 2020.

Fidelity is engaged with industry groups, regulators and outside counsel to obtain clarification on the allowed deferral period and if loan repayment must begin in January 2021. Our current deferral date was intentionally conservative to help reduce angst for participants if there is a need to shorten the deferment period. Once guidance is provided, we will assess if changes are appropriate.

NEW! PARTICIPANT HELP HUB:³ To help participants begin to shift their focus back to long-term goals, our new [Help Hub](#) provides streamlined information all in one place. Topics include repaying loans, getting savings on track and navigating a financial emergency.

PLAN SPONSOR SUPPORT: Review our latest [trends report](#)—a data-driven assessment of participant behaviors and customer sentiment. And then [join us](#) on **June 4 at 1 p.m. ET** for a webinar, where we'll dive into the insights and answer your CARES Act operational questions.

We appreciate your continued partnership as we work together to navigate what's ahead for both you and your participants.

**PLAN SPONSOR COVID-19
RESOURCE CENTER**

**ADVISOR COVID-19
RESOURCE CENTER**



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¹ Applies to plan sponsors that have enabled CARES Act Distributions.

² Applies to plan sponsors that have enabled the CARES Act loan deferral service.

³ Applies to plan sponsors with the Help Hub feature enabled on NetBenefits®.

** The IRS has not yet issued any guidance to enable the rollover of 2020 MRDs that were issued in January 2020.

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