April 2, 2020

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by the president. The CARES Act is the latest round of federal government support relating to the coronavirus public health crisis and associated economic turmoil.

The following is an overview of the main CARES Act provisions regarding retirement plans, as well as a description of how John Hancock will be supporting these transactions.

2020 required minimum distribution (RMD) waivers under the CARES Act: The CARES Act waives the requirement that a participant receive a (RMD) in calendar year 2020. RMDs from defined contribution plans such as 401(k), employee stock ownership plans, profit-sharing, money purchase, 403(b) and governmental 457(b) plans, as well as individual retirement accounts (IRAs) (including inherited IRAs); however, the waiver doesn't apply to RMDs from defined benefit pension plans.

- John Hancock will continue to process existing RMDs that participants are currently setup to automatically receive unless a participant requests that John Hancock not process their 2020 RMD.
- John Hancock is prepared to support all requested waivers of existing RMDs and will accept instruction directly from participants.
- John Hancock won't setup any new RMDs unless requested to do so by the participant and after communicating to participants that a 2020 RMD is not required.

Loan provisions under the CARES Act: The CARES Act affects loans by increasing loan limits and suspending repayments, but only for qualified individuals. The CARES Act increases the current limits for loans from $50,000 to $100,000 and the 50% of vested account limit to 100% of the vested account, but only for "qualified individuals" for loans made between March 27 and September 23, 2020. In determining the maximum dollar loan limit, the limit is still reduced if the qualified individual has other loans in the last 12 months under the existing loan rules.

- The plan sponsor must authorize John Hancock to make this provision available to plan participants. We'll work with plan sponsors, TPAs and advisors to ensure plan sponsor authorization is received and documented.
- John Hancock is currently updating systems and forms for the increased loan limits. We'll communicate our expected effective date for this transaction in a separate communication.
- Participants can always request a loan of up to $50,000 or 50% of their account balance in accordance with existing processes, if allowed by the plan, and within the plan's allowed number of loans.
- Plans that use an external plan consultant should work directly with them to amend plan documents.
- Plans that use a John Hancock ERISA consultant should work with their service team to amend plan documents. A member of your service team will contact you next week on the process.
- John Hancock will rely on participants to self-certify their eligibility for this transaction.
- John Hancock will support the 12-month extension of loan repayments. No loans will be defaulted without the direction of the plan sponsor.

Coronavirus related distributions (CRDs) under the CARES Act: A coronavirus-related distribution (also referred to as a CRD, COVID-19 withdrawal, or a CARES Act withdrawal) is a new type of distribution available to participants under a plan, including those still employed by the plan sponsor. Qualified individuals may receive a distribution of up to $100,000 across all plans maintained by their employer. The withdrawal can be in one lump sum, or in multiple payments, but must be made in 2020 and no later than December 30. Participants are permitted to spread payment of the income taxes they owe on a CRD ratably over three years. Participants may repay a CRD to their retirement plan within three years. The three-year period begins on the day after the date on which the CRD is received. Only the distribution amount, and no additional money, can be paid back.

- The plan sponsor must authorize John Hancock to make this provision available to plan participants. We'll work with plan sponsors, TPAs and advisors to ensure plan sponsor authorization is received and documented.
- John Hancock is currently updating systems and forms to handle this distribution. We'll communicate our expected effective date for this transaction in a separate communication.
- Plans that use an external plan consultant should work directly with them to amend plan documents.
- Plans that use a John Hancock ERISA consultant should work with their service team to amend plan documents. A member of your service team will contact you next week on the process.
- John Hancock will rely on participants to self-certify their eligibility for this transaction.
- It will be the participant's responsibility to track the $100,000 limit.
- John Hancock will allow for repayment of the CRD. More specifics on the process will be provided in a separate communication.
- John Hancock will continue to follow all existing plan provisions related to distributions (i.e. spousal consent).

In addition to the information above, John Hancock can support final hardship regulations that address participant expenses and losses (including loss of income) incurred due to federally declared disasters, if the plan allows. Currently, the COVID-19-related disaster declaration currently only extends to certain states, but the Federal Emergency Management Agency is continuously updating the states affected.

We'll communicate the expected effective dates and processes for the transactions mentioned above in a separate communication. For any additional questions regarding the CARES Act provisions or John Hancock's process, please contact a member of your service team.