



Sponsor Alert

T. ROWE PRICE RETIREMENT PLAN SERVICES, INC.

CARES Act: Loan and RMD Options

WHAT YOU NEED TO KNOW

- We will not make the forced required minimum distribution (RMD) payments in the fourth quarter of 2020 for your plans(s). Other RMDs will be handled as described below.
- We made Calendar Year 2019 RMD payments due by April 1, 2020, and will allow repayments as described below.
- In addition, we have created procedures for requesting implementation of the loan suspension provision for eligible individuals. If you wish to adopt this service, complete and return the linked procedure to your client account manager.
- We will follow up with standard procedures for increasing the maximum loan amount an eligible participant can borrow. For plans that opt into the service, it will be available for those participants by the week of May 11.

As a follow-up to our recent communication, we are providing more information about the new loan and RMD provisions included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was signed into law on March 27, 2020.

RMD PROCESSING

No action is required on your part. We will not make the forced RMD payments in the fourth quarter of 2020. Installment payments that comprise or include RMDs amounts will continue. In addition, for the remainder of the year, we will educate impacted participants, beneficiaries, and alternate payees ("Participants") who are taking a voluntary withdrawal about their 2020 RMD distribution options.

With this change, please note that:

- Participants who would have been due an RMD payment for the 2020 Calendar Year but have not made a proactive request for distribution will not have their RMD payment forced out of the plan. T. Rowe Price will suspend the RMD processing that typically occurs in the fourth quarter to account for this new 2020 legislation.
- While Calendar Year 2020 RMD payments will not be forced out, Participants may still contact T. Rowe Price to have those amounts distributed.
- If a Participant elects a distribution as a rollover, we will distribute to the Participant in cash any RMD amount and will not provide an option for a direct rollover of the Calendar Year 2020 RMD amount. Participants have the option to complete an indirect rollover of any Calendar Year 2020 RMD payments within 60 days of payment.
- We will continue making installment payments if Participants elected them, including installments that may have been established to fulfill an RMD requirement.
- For Participants who delayed their Calendar Year 2019 RMD payment until April 1, 2020, those distributions from the plan occurred prior to the CARES Act being signed. We will communicate to these Participants that they can complete an indirect rollover into an eligible plan or IRA for 60 days from the distribution date.

We will follow up with the 2020 RMD procedure for your records.

If your plan does not already allow, you may consider amending your plan document* to allow the plan to accept indirect rollovers from active and terminated Participants. This would allow individuals that received Calendar Year 2020 RMD payments from your plan to roll those amounts back into the plan.

Please contact your T. Rowe Price representative if you would like to consider amending your plan document.

LOAN REPAYMENT SUSPENSION SERVICE

We can assist plan sponsors interested in CARES Act loan repayment suspensions for eligible individuals by implementing our loan repayment suspension service. Through this service, we will collect and track participant requests for suspension and provide this information to you on a weekly basis. In addition, the service will include re-amortization of impacted loans to include the suspended payments and accrued interest at the end of the suspension period. Please download the [loan procedures](#). If you wish to enable this service, please complete and sign the addendum for each applicable plan and return it to your client account manager.

Using the streamlined procedures will expedite implementation of this service. We are working toward a one-week turnaround time for implementations from when completed loan procedures are received, based on volumes received. **The cutoff for receiving signed procedures is April 16 to be included in the first wave of implementation.**

INCREASED LOAN LIMIT SERVICE

We are finalizing loan procedures for increasing the maximum amount an eligible participant can borrow through September 23, 2020. The service will launch the week of May 11.

The standard, streamlined procedures will include the following:

- Eligible participants will be allowed to take loans up to the lesser of \$100,000 (reduced by the highest outstanding loan balance during the prior 12 months)

or 50% of the participant's vested account balance.

- New loans will follow the existing loan rules for the plan (e.g., interest rate rules, repayment frequency rules).
- Current plan limitations on the number of existing loans will apply. (Altering existing plan limitations, such as the number of loans a plan offers, may extend the lead time for implementing the CARES Act increased loan limit service.)

We anticipate completion of the standard procedures in the week of April 20 and will follow up with next steps for opting into this service. As with other CARES Act provisions, using the streamlined procedures will expedite implementation of the service.

CORONAVIRUS-RELATED DISTRIBUTION PROVISION

As communicated on March 31, if you have not already added but wish to add the coronavirus-related distribution for your plan(s), please download the [coronavirus-related distribution procedures](#), complete and sign the procedures for each applicable plan, and return to your client account manager.

REMINDER ON TIMING OF PLAN AMENDMENTS

Keep in mind that plan documents do not need to be amended for CARES Act provisions until on or before the last day of first plan year beginning on or after January 1, 2022 (i.e., for Calendar Year plan years, by December 31, 2022). Governmental plans have an additional two years.

If you have any questions, please contact your T. Rowe Price representative.

IMPORTANT INFORMATION

*Allowing active participants and terminated participants to complete an indirect rollover of assets into the plan is not specifically related to a CARES Act provision. Therefore, plan amendments need to be completed in the 2020 plan year.

RETIRE WITH CONFIDENCE®



T. Rowe Price Retirement Plan Services, Inc.
P.O. Box 89000
Baltimore, Maryland 21289-2410

T. Rowe Price Investment Services, Inc.

CCON0044498 OMNI_PS_ADV
202004-1143777