

Answers to FAQs about the CARES Act

Can I access my retirement account now?

Yes, the CARES Act provides for Coronavirus Distributions (CVD). The Act waives the 10% early withdrawal penalty tax on early withdrawals up to \$100,000 from a retirement plan or IRA for individuals who self-report that:

- You and/or spouse and/or dependent have been diagnosed with COVID-19;
- You and/or spouse and/or dependent are experiencing adverse financial consequences as a result of being quarantined, furloughed, laid off, having work hours reduced, being unable to work due to lack of child care due to COVID-19, closing or reducing hours of a business owned or operated by the individual due to COVID-19; or

While the 20% federal withholding will not be taken from distributions, you will have the option to add withholding if you want. Distributions will be subject to taxation, and you will have the option to pay taxes due over a three-year period. The act also allows you to reinvest withdrawn funds within three years regardless of that year's contribution limit, making it easier to replace the amount of your distribution in your retirement account.

Can I take a loan from my retirement funds?

Yes. The Act doubles the current retirement plan loan limits to the lesser of \$100,000 or 100% of the participant's vested account balance in the plan. Individuals with an outstanding loan from their plan with a repayment due from the date of enactment of the CARES Act through Dec. 31, 2020, can delay their loan repayment(s) for up to one year.

Do I have to take my Required Minimum Distribution (RMD) this year?

No. The Act waives RMDs for calendar year 2020 for Defined Contribution plans, including 401(k), 403(b), 457(b) and IRA plans, allowing individuals to keep funds in their retirement plans. The legislation also includes special rules regarding the waiver period to, in essence, hold harmless those individuals (and plans) who took advantage of the RMD waiver for 2020.

How can I learn more about the CARES Act?

Our retirement plan partners, [Fidelity](#) and [TIAA](#), have helpful information about the CARES Act on their respective websites, including how you can access your retirement funds should you wish to do so. As always, if you have specific questions about your circumstances, we encourage you to call your financial and/or tax advisor.