

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Response and Economic Security Act (CARES Act).

Among other provisions, the law provides financial relief for participants in qualified retirement plans, which include the University of Louisville's 403(b) and 457(b) Plans. Under the retirement provision, a coronavirus-related distribution or loan is available to an individual who meets one of the following criteria:

- 1) diagnosed with COVID-19
- 2) spouse or dependent is diagnosed with COVID-19
- 3) experiences adverse financial consequences as a result of being quarantined, being furloughed or laid off, having work hours reduced, being unable to work due to lack of child care as a result of COVID-19, or other factors as determined by the Treasury Secretary

Plan participants who need to take advantage of this relief will need to self-certify how they have been impacted by COVID-19.

Distributions

- 1) Participants can receive a special "COVID-19" related distribution up to \$100,000.
- 2) The distribution is exempt from the 10% early withdrawal penalty and the required 20% Federal withholding.
- 3) The distribution can be repaid over a three-year period and is not subject to regular plan contribution limits. Any unpaid distribution would be includable in taxable income over a three-year period.
- 4) Participants can request withdrawals/distributions from March 27, 2020 through December 31, 2020.

Loans

- 1) The CARES Act provides a temporary increase on plan loan limits up to the lesser of the participants present vested plan account balance or up to \$100,000, for loans approved March 27, 2020 through September 30, 2020; and,
- 2) Delays loan repayments for up to one year that are due during the period beginning January 1, 2020 through December 30, 2020. Loan repayments that are suspended will be re-amortized to reflect the delay in payments and accrued interest.

Required Minimum Distributions for Participants Age 72 and Above

The CARES Act provides a waiver suspension of required minimum distribution rules for calendar year 2020 for participants age 72 and older. If a required minimum distribution has already been processed in 2020, the funds may be deposited into an IRA.

Please contact our retirement providers directly for questions regarding a COVID-19 Distribution or Loan:

- **Fidelity Investments:** 1-800-343-0860
- **TIAA:** 1-800-842-2252