

# CORONAVIRUS DISEASE 2019 (COVID-19)

## CARES Act: Retirement Plan Loan Provisions



**Audience:** Colleagues

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**Version:** Version #1

### CARES Act: Retirement Plan Loan Provisions

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed on March 27, 2020. The CARES Act allows Plan Sponsors to amend their plans to permit **qualified** individuals to borrow against their vested account balance and allows for the delay of loan repayments. Trinity Health has adopted the provisions of the CARES Act for its tax-favored plans (i.e., 403(b) and 401(k) plans). The loan changes include:

- **Plan Loans:** Increases the maximum loan limit for **qualified** participants who have been impacted by COVID-19, for loans taken within 180 days of the date of enactment (Sept. 23, 2020).
- **Due Date:** Extends the due date of any **qualified** participant's loan repayment that would otherwise be due during 2020.

You are considered a **qualified** participant if you experience adverse financial consequences that include, but are not limited, to being quarantined, furloughed, laid off or having work hours reduced, and/or being unable to work due to a lack of childcare.

#### Loan Availability

The CARES Act permits a plan to increase the maximum loan limit for **qualified** participants to the lesser of 100 percent of the participant's vested account balance or \$100,000 until Sept. 23, 2020 (180 days from date of enactment). The maximum loan limit of one outstanding loan within each Trinity Health Retirement Savings Plan will apply.

#### Existing Loan Payment Deferment

The CARES Act permits loan repayments for **qualified** participants to be delayed. The delay applies to loan repayments due between the date of enactment (March 27, 2020) and the end of the calendar year (Dec. 31, 2020). Fidelity will notify Trinity Health of your qualification to defer your loan payments and your loan payments will be suspended as soon as administratively practicable thereafter.

To learn more and/or self-certify as a **qualified** participant, please contact Fidelity Retirement Benefits at 800-343-0860. You will not be able to self-certify on the Fidelity website. For information on your loan options under the CARES Act, please call the Fidelity Retirement Benefits line at 800-343-0860 to speak with someone who can answer your questions and help to process your request.

#### Penalty-Free Distributions

As previously announced, **qualified** individuals may request penalty-free distributions of up to \$100,000 for qualifying coronavirus-related reasons under the CARES Act. Read more about [withdrawal provisions](#). Please call Fidelity at 800-343-0860 for information on CARES Act-related withdrawals.