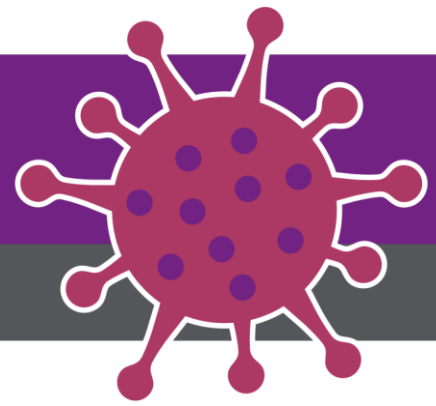


CORONAVIRUS DISEASE 2019 (COVID-19)

Penalty-Free Distributions from Retirement Savings



Audience: Colleagues

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Version: Version #1

COVID-19 Response Team Owner: Planning

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CARES Act Includes Penalty-Free Distributions from Retirement Savings Plans

The Coronavirus, Aid, Relief and Economic Security (CARES) Act recently signed into law earmarks more than \$2 trillion to individuals and businesses and provides other financial assistance as compensation for those affected by the Covid-19 pandemic. It includes several changes to retirement accounts/plans.

If you experience adverse financial consequences due to being quarantined, furloughed, laid off or having work hours reduced and/or being unable to work due to a lack of childcare, you may request penalty-free distributions of up to \$100,000 for qualifying coronavirus-related reasons under the CARES Act. CARES Act distributions are more favorable than hardship withdrawals—because:

- Tax on the income from the withdrawal may be paid over a three-year period;
- Participants may repay the amount withdrawn to an eligible retirement plan within three years;
- Repayments will not be subject to the retirement plan contribution limits; and
- All contribution sources (other than money purchase pension plan sources) will be available.

We are also reviewing other key changes in the CARES Act — including changes to participant loan provisions and repayment requirements.

For additional information on withdrawal and loan changes under the CARES Act, please log in to the Fidelity website at www.netbenefits.com. Go to the Quick Links drop down menu and select "Loans and Withdrawals" for more information. You can also call the Fidelity Retirement Benefits line at 800-343-0860 and ask to speak with someone who can provide information about penalty-free CARES distributions.