

## CARES Act Election Form

*The CARES Act, signed into law on March 27, 2020, allows plan sponsors (if they so elect) to amend their plans to temporarily (i) give “Qualified Individuals”\* greater access to their retirement plan benefits during calendar year 2020 and (ii) allow plan participants to waive required minimum distributions (“RMDs”) otherwise required to be distributed during 2020.*

*Completion of this Form is required in order for you to elect which of these plan amendments, if any, you wish to adopt and to specify how you will operate your plan until formal plan amendments become available. Please check all that apply. If you do not indicate a change, the plan will continue to be administered under the current provisions of your plan document.*

### **Required Minimum Distribution (RMD)**

- RMD rules for required distributions for the 2020 calendar year are temporarily waived. However, plan participants may still receive such RMDs during 2020 if they so elect.
- RMDs for the 2020 calendar year will continue to be distributed according to the existing provisions of our plan document. However, plan participants may elect to rollover their 2020 RMD.

### **Coronavirus-Related Distribution (CRD)**

*If your plan is amended to provide for CRDs, plan participants who are Qualified Individuals will be permitted to receive an in-service distribution of up to the lesser of \$100,000 or 100% of such participant’s vested account (or such lesser amount as may be selected by the plan sponsor) during the 2020 calendar year. The maximum amount is limited to \$100,000 in the aggregate for all plans maintained by the plan sponsor, together with any CRDs from such participant’s IRA, if any. Mandatory 20% withholding and the 10% penalty tax for early withdrawals are both waived. However, 10% federal withholding and state withholding still apply unless the participant opts out. Unless the participant elects to be taxed on the distribution entirely in 2020, the distribution will be taxed ratably over three years starting in 2020. A participant may, however, recontribute the distribution to your plan or to another qualified plan or to an IRA within three years of receiving the distribution and the recontributed amounts will then be treated as though they were eligible rollover distributions.*

- The CRDs to plan participants who are Qualified Individuals will be allowed up to an aggregate of \$\_\_\_\_\_ [\$100,000 or a smaller limit as selected by the plan sponsor] or their vested account balance, whichever is less.
- Our plan will not be amended to provide for CRDs.

**Note:** The special tax provisions applicable to CRDs may apply to a normal benefit distribution (not the optional form described above) if a participant who is a Qualified Individual claims COVID-19 status and otherwise meets the requirements of a Qualified Individual. An amendment is not required to apply COVID-19 treatment to a normal benefit distribution to a Qualified Individual. Participants should consult their personal tax advisor to determine if they are eligible.

**Increased Loan Limits**

*This provision only applies to plans that already have participant loan provisions. Most ESOPs do not have participant loan provisions.*

- Increase the loan limit for plan participants who are Qualified Individuals up to the lesser of 100% of their vested account balance or \$100,000 for 180 days beginning March 27, 2020.
- Do not increase the loan limit set forth in our current plan document.

**Loan Payment Delay**

*This provision only applies to plans that already have participant loan provisions. Most ESOPs do not have participant loan provisions.*

- For a plan participant who is a Qualified Individual, loan payments due between March 27, 2020 and December 31, 2020 will be delayed for one year, with this time period disregarded from the loan's term. Subsequent payment due dates will be adjusted accordingly (with interest).
  - Participant loan payments will not be delayed.
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**\*A "Qualified Individual" under the CARES Act is an individual who:**

- *is diagnosed with virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention, or whose spouse or dependent is diagnosed with such virus or disease by such a test;*
- *experienced adverse financial consequences resulting from a reduction in work hours, layoff, quarantine, furlough, or who was unable to work due to lack of childcare or business closing, all on account of the virus or disease; or.*
- *experiences other factors determined by the Treasury Secretary.*

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Name of Adopting Employer	Printed Signer Name	Title
_____	_____	
Authorized Signer Signature	Date	