



New regulations regarding Retirement Plans are now available. Below is a summary of changes and new opportunities. I would highlight the ability to postpone 2020 RMDs entirely this year AND the ability to “re-deposit” withdrawals you may already have taken under the 60-day rollover rules. Also, there are more lenient ways to withdraw funds either through hardship (corona virus related) or through loans.

Plan Sponsors may optionally offer some or all of the following loan and distribution provisions:

Loans

New Coronavirus-related loans

- Up to \$100,000
- Available until September 22, 2020

Repayment suspension available for new and existing loans

- Repayments may be suspended for a period of up to 12 months
- Applies to any loan payment due between March 27, 2020 and December 31, 2020
- Interest accrues during suspension

Distributions

- **Coronavirus-related distributions up to \$100,000**

- **Available through December 31, 2020**

- **Exempt from 10% early withdrawal penalty**

- **Income tax can be paid over 3 years (or shorter if elected)**

- **Can be paid back within 3 years to the Plan, other Plan or IRA**

- **20% mandatory income tax withholding does not apply**

- **Preferred tax treatment available on distributions from January 1 through December 31, 2020**

“Qualified Individual”

Coronavirus-related distribution and loan options may be permitted to a “Qualified Individual” who meets any of the following:

- was diagnosed with a Coronavirus illness as confirmed by a CDC-approved test, or
- has a spouse or dependent diagnosed with the virus, or
- has suffered adverse financial consequences because of COVID-19 (e.g. furlough, reduction in hours, layoff, quarantine, unable to work due to loss of childcare, business closure).

Plan Sponsors may rely on a Participant’s self-certification.

If you have any questions about this, please feel free to contact us.

Waiver of Required Minimum Distributions

- Participants do not have to take age 70½ Required Minimum Distributions in 2020.
- Distributions already taken in 2020 may be rolled over within 60 days of the withdrawal (the 60-day limitation may be extended by future relief).
- The waiver does not apply to Defined Benefit and Cash Balance Plans - Participants will still be required to receive minimum distributions in 2020.