



# CARES ACT SUMMARY

Provision	Summary	Company Action
<b>Qualified Coronavirus Related Distributions (QCRDs)</b>	<p>Participants who meet the definition of Qualified Individual can take up to \$100,000 in coronavirus related distributions by 12/31/2020.</p> <p>Participants who take QCRDs have up to 3 years to repay all or part of their distributions and have the repayment treated as a pre-tax rollover. Repayments are not subject to retirement plan contribution limits.</p> <p>QCRDs are subject to ordinary Federal income tax but are not subject to mandatory 20% Federal income tax withholding AND are exempt from the 10% Federal penalty on withdrawals before age 59-1/2.</p>	<p>You do not need to take any action if you would like to allow unrestricted QCRDs.</p>
<b>Qualified Coronavirus Related Loans (QCRLs)</b>	<p>Plans can temporarily raise the loan limit (usually lesser of \$50,000 or 50% of the vested balance) for participants who meet the definition of Qualified Individual.</p> <p>Until September 23, 2020 participants can borrow up to the lesser of their entire vested balance or \$100,000 less the difference between their highest outstanding loan balance over the 12 months less their current outstanding loan balance.</p>	<p>If your plan does not currently allow for loans you must amend your plan before making QCRLs.</p> <p>You do not need to take any action if your plan already allows for loans. However, you may want to consider increasing the number of loans a participant may have outstanding at one time.</p> <p>Contact C&amp;N at <a href="mailto:401khelp@cnbankpa.com">401khelp@cnbankpa.com</a> if you require a plan amendment or an amendment to your Loan Policy to allow for more loans outstanding.</p>
<b>Coronavirus Related Loan Repayment Suspension</b>	<p>Participant who meet the definition of a Qualified Individual may suspend loan payments on new or existing loans for 1-year.</p>	<p>You do not need to take any action if you would like to allow Loan Repayment Suspension.</p>
<b>2020 Required Minimum Distribution (RMD) Waiver</b>	<p>All 2020 RMDs are waived, including initial payments to participants who turned age 70-1/2 in 2019 and didn't take an RMD in 2019.</p> <p>Participants may still take their 2020 RMD if they choose to.</p>	<p>Required under the Act</p>

