



Manchester Public Schools

Kennedy Education Center
45 North School Street
Manchester, CT 06042

www.mpspride.org

July 7, 2020

To 403(b) Plan Participants:

The Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020, helping ease some of the financial pressures facing Americans in the wake of COVID-19. If you have been impacted by COVID-19 and meet the eligibility requirements, the Act allows more access to retirement savings.

We appreciate this is a challenging situation and you may need access to your retirement savings, however it's important to weigh the immediate benefit of taking a loan or plan distribution with the long-term consequences of depleting your retirement savings.

You satisfy the Eligibility Requirements to receive benefit relief if you are an individual who experiences one (1) of the following:

- You are diagnosed, or whose spouse or dependent is diagnosed, with the virus SARS-CoV-2 or the coronavirus disease 2019 (collectively, "COVID-19") by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act)
- You experience adverse financial consequences as a result of the individual, the individual's spouse, or a member of the individual's household (that is, someone who shares the individual's principal residence):
 - being quarantined, being furloughed or laid off, or having work hours reduced due to COVID-19
 - being unable to work due to lack of childcare due to COVID-19
 - closing or reducing hours of a business that they own or operate due to COVID-19
 - having pay or self-employment income reduced due to COVID-19
 - has a job offer rescinded or start date for a job delayed due to COVID-19
 - meeting such other factors as may be issued in Treasury guidance.

If you meet one of the eligibility requirements described above, your expanded option(s) include(s):

Provision 1

Coronavirus-related distributions (CRD) from your retirement plan

- You can request a CRD of up to an aggregate amount of \$100,000 through December 31, 2020.
- The CRD is not subject to the 10% early withdrawal penalty tax or mandatory federal 20% withholding that otherwise apply to early distributions.
- You may elect to have the CRD included in your gross income ratably over three years or the total distribution included as income for 2020. Voya will report your distribution for the 2020 tax year. You should work with your Tax Advisor in regard to your taxes.

- *Please note* that \$100,000 CRD maximum applies on an individual basis for all of your retirement plans and IRAs. If you take a CRD from another Plan or IRA, you are responsible for tracking your limits to ensure that you do not exceed the maximum.

Provision 2

Coronavirus-related increase in loan maximum

- Based on plan provisions you may take a new coronavirus-related loan from your retirement plan up to the lesser of \$100,000 or 100% of your vested account balance.
- Your existing plan loans (if any) will count against the number of loans available under the plan, as well as your maximum loan amount available.
- You may take this loan beginning March 27, 2020 through September 23, 2020.

Provision 3

Coronavirus-related delay loan repayments

- You may delay the repayment that is due on your new or existing loan for a period of one year for those loan repayments that are due from March 27, 2020 through December 31, 2020.
- When repayments recommence, the loan repayment amount will be adjusted to reflect the loan repayment delay and include accrued interest during the delay period.

IMPORTANT: In order to receive the coronavirus-related relief you will be required to certify that you satisfy one of the Eligibility Requirements listed above at the time of the request. For more information or to elect one of these options, please contact your current plan provider.

As a reminder, distribution approval and loan approval can be obtained by logging into planwithease.com. For assistance with planwithease.com please email CustomerService@planwithease.com or by phone (855)464-6928.

OTHER RELIEF for all plan participants regardless of whether or not you meet the Eligibility Requirements:

Required minimum distributions (RMDs)

- There are no required RMD's for 2020.
- You will receive an additional communication if RMDs are applicable to you.

Please note that the Plan and planwithease.com cannot provide you with tax advice. Prior to taking an action, you should speak with your tax advisor.

Sincerely,

Karen L. Clancy

Karen L. Clancy
Director of Finance & Management