



Retirement Plan Provisions of CARES Act

The CARES Act, a bipartisan fiscal stimulus package in response to the COVID-19 pandemic, has been signed into law.

The stimulus package includes provisions regarding retirement plans, including expanded and penalty-free withdrawal rights, expanded loan rights, extended rights to repay loans and withdrawals, and a deferral of mandatory distributions. Relief contained within the Act includes:

Key Highlights of Retirement Plan Implications

Coronavirus-related Distributions*

- 10% early withdrawal penalty and 20% tax withholding waived
- \$100,000 limit across all plans and IRAs
- Option to have income taxed over three years with taxpayer ability to recontribute within three years regardless of that year's cap
- Participants self-certify that they're impacted

Coronavirus-related Loans*

- Loan limit increased to the lesser of \$100,000 or all of vested account balance
- Repayments due between the date of CARES enactment and year-end delayed one year
- Participants self-certify that they're impacted