

DID YOU KNOW?



THE C.A.R.E.S. ACT (CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT) WAS SIGNED INTO LAW.

Coronavirus Related Distributions

The law waives the 10% tax penalty on withdrawals up to \$100,000 from a retirement plan for an individual who:

- Is diagnosed with COVID-19;
 - Whose spouse or dependent is diagnosed with COVID-19;
- Experiences adverse financial consequences as a result of:
- Being quarantined, furloughed, laid off, having hours reduced
 - Being unable to work due to lack of child care due to COVID-19,
 - Closing or reducing hours of a business owned or operated by an individual due to COVID-19.

Individuals will have the option to pay tax on the income from the distribution over a 3-year period, or repay that amount back to the plan – tax-free – over a 3-year period. Repayments are not subject to contribution limits.

Additional provisions

Plan Loans The law increases the amount a participant may borrow from his or her retirement account to the lesser of \$100,000 or 100% of the participant's vested balance. The Act also allows participants with outstanding loans to delay any loan payments due during the balance of 2020, for up to one year. To qualify, a participant must meet the same criteria as outlined under Coronavirus Related Distributions, above.

Required Minimum Distributions The law includes a temporary suspension of the required minimum distributions (RMDs) for 2020.

The Capital CS Group remains in the office to guide you and your family through these challenging times. For more information, you can contact our office at 844-390-2797.

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