



# If you've been impacted by COVID-19, relief may be available.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. For a limited period of time, it allows people affected by the COVID-19 virus to access money in their retirement plan accounts through special provisions.

CARES Act relief may be available if:

- You, your spouse, or another dependent has been diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention, or
- You have suffered financial consequences as a result of COVID-19 (such as quarantine, job loss, furlough, reduction in hours, inability to work due to lack of child care, or loss of your business).

Even in these unprecedented times, tapping into your retirement savings early is a big decision and should only be considered as a last resort to help you bridge the gap. If your current financial situation warrants you accessing the money in your retirement plan account, here is a summary of the key provisions that may help you. **They will be available to you beginning April 15, 2020.**

## What relief can the CARES Act offer me?

### New Coronavirus-Related Distributions are available with no early withdrawal penalty and tax/repayment flexibility.

#### What does this mean for me?

Between now and December 30, 2020, you may withdraw the available vested balance in your retirement plan account, up to \$100,000, through a **Coronavirus-Related Distribution**. The total amount of all Coronavirus-Related Distributions for 2020 cannot exceed \$100,000, taking into account any Coronavirus-Related Distributions from all eligible accounts.

If you take a Coronavirus-Related Distribution of pre-tax money in your retirement plan account, you will owe taxes on the money withdrawn. However, the CARES Act allows you to pay those taxes over a three-year period. It also waives the early withdrawal penalty for those younger than age 59½.

What's more, you can pay yourself back. Unlike other types of distributions, you may repay a Coronavirus-Related Distribution over a three-year period. Repayments can be made back into the qualified retirement plan (or any other plan or IRA that can accept rollovers).

Fees will be waived for all distributions taken from April 15 through December 30, 2020, if applicable for your retirement plan account(s).

#### What do I need to do?

Consider consulting a tax advisor for help with determining how a Coronavirus-Related Distribution will affect your taxable income and to help develop a tax payment strategy.<sup>1</sup>

To request a Coronavirus-Related Distribution, please download the paperwork available at [workplace.schwab.com](https://workplace.schwab.com) or call Schwab Retirement Plan Services at **1-800-724-7526**.

### Higher maximum loan amounts.

#### What does this mean for me?

Between now and September 23, 2020, you may request a loan up to the lesser of 100% of your available vested retirement plan account balance or \$100,000. This is an increase from the normal limit of 50% of your account balance and a maximum loan amount of \$50,000.

Fees will be waived for all loans taken from April 15 through December 31, if applicable for your retirement plan account(s).

#### What do I need to do?

If you choose to request a loan and you qualify for loan relief provided by the CARES Act, please call Schwab Retirement Plan Services at **1-800-724-7526** to speak with a Participant Services Representative.

## Delayed loan repayment schedules available.

### What does this mean for me?

If you currently have an outstanding loan from your retirement plan account, scheduled repayments that are due between March 27 and December 31, 2020 can be delayed for up to one year. Interest on the loan balance will continue to accrue during this period, and your retirement plan can extend the term of the loan for the suspension period. Scheduled loan repayments for new loans that are due between March 27 and December 31, 2020, can also be delayed for up to one year.

Should you choose to delay any of your scheduled payments, after one year your loan balance will be reamortized and payments will automatically resume.

Fees will be waived for all loans from April 15 through December 31, if applicable for your retirement plan account(s).

### What do I need to do?

If you choose to delay any of your scheduled payments and you qualify for loan relief provided by the CARES Act, please call Schwab Retirement Plan Services at **1-800-724-7526** to speak with a Participant Services Representative.

## Required Minimum Distributions are waived for 2020.

If you were at least age 70½ on December 31, 2019, and expect to take an annual Required Minimum Distribution (RMD) from your retirement plan account, the requirement is waived for calendar year 2020. This includes any 2019 RMDs that were required to be paid by April 1, 2020. This provision does not require you to be affected by COVID-19 in any way.

### What does this mean for me?

The one-year suspension of any RMD paid in 2020 may help retirees, because the minimum withdrawals for 2020 would be based on account balances as of December 31, 2019, when the stock market was near record levels, potentially causing a disproportionately large taxable distribution.

### What do I need to do?

You do not need to do anything to waive the 2020 RMD. If you would like to discuss your RMD, contact Schwab Retirement Plan Services at **1-800 724-7526** for assistance.

## Schwab Retirement Plan Services is here for you.

We know you have questions and concerns, so don't hesitate to call **1-800-724-7526**. Participant Services Representatives are available Monday through Friday, from 7 a.m. to 11 p.m. ET.

If you need help with budgeting or have other personal finance concerns, log in to your account at **workplace.schwab.com** and access the **Learning Center**. There you'll find tools and calculators, including a Monthly Budget Planner, as well as helpful articles, videos, and webcasts.

<sup>1</sup> This information is not intended to be a substitute for specific individualized tax, legal, or investment planning advice. Where specific advice is necessary or appropriate, you should consult with a qualified tax advisor, CPA, financial planner or investment manager.

Schwab Retirement Plan Services, Inc. provides recordkeeping and related services with respect to retirement plans and has provided this communication to you as part of the recordkeeping services it provides to the Plan.