

Return to your Lincoln representative by Friday, April 17, 2020.

Retirement Plan Administration Checklist for CARES Act Provisions

Note: If applicable, please consult with your Third-Party Administrator (TPA)/plan document provider prior to making CARES Act elections.

Employer _____ (Employer)

Plan Name _____ (Plan) Plan ID _____

Coronavirus-Related Distributions from the Plan

Explanation

The CARES Act permits a 401(a), 401(k), 403(a), 403(b) or 457(b) governmental plan to provide Coronavirus-Related Distributions (CRDs) to certain participants (**Affected Participants**). CRDs are not subject to the 20% mandatory federal tax withholding rate. However, the distribution is subject to the federal withholding rate of 10%, unless the participant affirmatively opts out. The participant may choose to include the full distribution amount as income for 2020 or he or she may elect to have the distribution taxed over three years. A CRD may be recontributed to the plan (up to the amount distributed) within three years and the amount recontributed is treated as a roll-in contribution.

An **Affected Participant** is an individual who is diagnosed with the SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention (CDC). This includes an individual whose spouse or dependent (as defined in IRC Section 152) is diagnosed with the disease. An individual is an **Affected Participant** if he or she experiences adverse financial consequences as a result of being quarantined, furloughed, laid off, or having work hours reduced due to such virus or disease or is unable to work due to lack of child care due to such virus or disease. An **Affected Participant** also includes an individual who is unable to work or is working reduced hours due to the closing or reduced hours of a business that he or she owns. The Secretary of the Treasury may provide additional factors.

A CRD is a withdrawal that is made:

1. on or after January 1, 2020, and before December 31, 2020, and
2. to an individual who has self-certified that he or she is an **Affected Participant**.

The maximum amount that the Plan (and any plan of a related employer) is permitted to distribute as a CRD is \$100,000.

Administration

For purposes of administering CRDs, the Employer hereby makes the following election to permit **Affected Participants** to elect CRDs during the CARES Act period as follows (select one):

_____ **Do not modify the Plan's existing distribution provisions.**

This means that **Affected Participants** must meet an existing distribution event in order to receive a distribution. An individual who is an **Affected Participant** can opt out of withholding and may recontribute any or all of the distribution as permitted under the CARES Act.

- Note this is the default unless the Employer makes an election below.
- Note this is the default provision with respect to money purchase pension plans and pension sources held in profit sharing plans (including 401(k) plans).

_____ **Instead of the default language above, the Employer elects to expand the Plan's distribution provisions for CRDs to allow an Affected Participant to access his or her account.** The contribution sources available under this election are the sources currently available for in-service withdrawals for individuals who attain age 59½.

Note: If applicable, please contact your Third-Party Administrator (TPA)/plan document provider if you have questions on the current contribution sources available under your plan.

Coronavirus-Related Loans from the Plan

Explanation

The CARES Act permits retirement plans to expand the current loan limits for **Affected Participants**. These rules increase the maximum loan amount to 100% of the **Affected Participant's** vested account balance, not to exceed \$100,000. In addition, **Affected Participants** may elect to suspend their loan repayments for a one-year period. An **Affected Participant** has the same meaning as above. If your plan allows for loans, please review the options below.

Administration

For purposes of administering Coronavirus-Related Loans, **Affected Participants** may elect expanded loan provisions as directed below:

- _____ For the period ending September 23, 2020, the **Employer hereby elects** to expand the loan limits as permitted in the CARES Act.
- _____ During the period ending September 23, 2020, the **Employer hereby elects** to amend the current loan policy to allow for one additional loan. Note that if repayments are not made by payroll deduction, the Participant cannot have a previously defaulted/deemed loan.
- _____ For loan payments due between March 27, 2020, through December 31, 2020, the **Employer hereby elects** to allow an **Affected Participant** to elect to suspend such loan payments for a period of one year. If elected, all subsequent payment dates will be adjusted.

Note: The necessary documentation for loans will continue to be required.

Spousal Consent: (select one)

- _____ The Plan's **existing spousal consent rules will continue** to be required.
- _____ Suspension of Spousal Consent: for Plans or contribution sources that the Employer has elected to make subject to spousal consent, the **Employer hereby elects** to waive the Plan's requirement to obtain spousal consent on **any withdrawal or loan** made during the CARES Act period. (At the end of the period, spousal consent will be required unless the employer removes these requirements permanently).

If future legislation or guidance extends any of the dates originally specified in the CARES Act, then the dates contained in this document will automatically be extended to reflect such changes.

Name of employer

Name of authorized representative

Title

Signature

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