



# CARES ACT INTENT TO AMEND

Plan Name: \_\_\_\_\_

Signed into law by President Trump on March 27, 2020, the Coronavirus, Aid, Relief and Economic Security (CARES) Act provides for **optional** coronavirus-related distributions and/or **optional** coronavirus-related loans for a qualified individual who is a participant in a 401(k), 401(a), 403(b) or governmental 457(b) plan.

**Qualified Individual (must meet one of the following criteria)**

- Participant, spouse or dependent diagnosed with SARS-CoV-2 or with coronavirus disease 2019 (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)
- Participant, participant’s spouse or member of participant’s household experienced adverse financial consequences as a result of the following:
  - Being quarantined, furloughed, laid off, or having work hours reduced
  - Being unable to work due to lack of childcare
  - Closing or reducing hours of a business that they own or operate
  - Reduction in pay or self-employment income
  - Having a job offer rescinded or start date for a job delayed
- Individuals meeting other factors as determined by the Secretary of the Treasury

*I authorize The Retirement Advantage, to accept this signed form as verification of our intent to amend the Plan for the following optional provision(s) as permitted by the CARES Act:*

**Coronavirus-Related Distributions**

- Available before December 31, 2020, from all accounts under the plan
- 10% premature distribution penalty tax does not apply
- Subject to 10% federal withholding, rather than 20%, unless otherwise elected by the participant
- Income taxes for the distribution can be spread over three years
- Maximum amount available for a participant to withdraw is \$100,000 from all plans maintained by the employer
- If repaid within the three-year period following the distribution, the repayment is treated as a 60-day rollover and is not subject to taxation as a current distribution
- Special rules apply to defined benefit and money purchase plans (participant must be at least age 59 ½ or terminated)
- The Plan Administrator may rely on a participant’s certification that he/she satisfies the conditions for receiving a coronavirus-related distribution

**Coronavirus-Related Loans**

- Plan must allow for loans (or be amended to add loans no later than the end of the current Plan Year)
- IRS loan limit for a new loan taken between now and September 22, 2020, has increased to 100% of the vested account balance up to \$100,000
- Loan payments due between March 27, 2020, and December 31, 2020, may be delayed for up to one year without violating the 5-year maximum loan term
  - Interest continues to accrue during the delayed payment period
- The Plan Administrator may rely on a participant’s certification that he/she satisfies the conditions for receiving a coronavirus-related loan

*I authorize The Retirement Advantage, to accept this signed form as verification of our intent to **OPT OUT** of permitting the following provision(s) as permitted by the CARES Act:*

**Coronavirus-Related Distributions**

**Coronavirus-Related Loans**

Date: \_\_\_\_\_

Plan Sponsor Name: \_\_\_\_\_

Plan Sponsor Signature: \_\_\_\_\_

Please complete and return to TRA at [clientservices@tra401k.com](mailto:clientservices@tra401k.com)