
Envoy Plan Services, Inc.
Employer/Client Information Release

April 3, 2020

Coronavirus Aid, Relief, and Economic Security Act

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES) in an effort to provide relief to those affected by COVID-19 and its economic impact. This legislation includes significant changes that make it easier for participants to access funds from employer sponsored retirement plans such as 403(b) and 457(b) plans.

Envoy Plan Services, Inc. (Envoy) and TSA Consulting Group, Inc. (TSACG) have been monitoring the CARES Act throughout the legislative process and is prepared to make the appropriate system and document updates for our plan sponsor clients. The following is a brief summary of certain key changes for 403(b) and 457(b) plans:

- **Required Minimum Distributions** - Required Minimum Distributions (RMD) have been waived for 2020. This is a required change and has been implemented by TSACG/Envoy effective March 27, 2020.
- **Coronavirus Distributions** - Until December 31, 2020, eligible participants may take a distribution up to \$100,000 across all plans. Distributions are not subject to 10% withdrawal penalties. To be eligible, the participant or their spouse or dependent must be diagnosed with COVID-19, or the participant must have experienced an adverse financial consequence due to COVID-19 (ex: furlough, reduction in hours, unable to work due to childcare, loss of business, or other factors identified by the Secretary of the Treasury). This provision is optional, and not required.
- **Plan Loans** - Until September 23, 2020, loan limits are increased to the lesser of \$100,000 or 100% of the participant's vested account balance. Participants with a loan repayment due after March 27, 2020, may defer payments for up to one year. This provision is optional, and not required.

In the interest of supporting plan sponsors in this difficult time, ***our firm will update our systems to permit the above optional provisions immediately unless we receive direction from you to the contrary.*** We will provide amendments to your 403(b) and/or 457(b) plan documents upon receipt of guidance from the IRS. As a governmental employer, the IRS allows an extended timeframe for plan document amendments with a current deadline of December 31, 2024.

If you have any questions about the above information or its impact on your plan(s), please contact Envoy.