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As you may know, Congress passed legislation in late March allowing **401(k) plans** to implement relief for individuals affected by the coronavirus pandemic. The relief is available to individuals ("Eligible Individuals") who are either diagnosed with the virus or whose spouse or dependent is diagnosed with the virus, as well as individuals who experience adverse financial consequences as a result of quarantine, furlough, layoff, work reduction or related childcare needs or other categories to be established by the IRS.

The Trustees have approved the following relief to Eligible Individuals:

- Eligible Individuals can take up to \$100,000 in "corona-related distributions" (CRDs) during 2020. The 10% federal early withdrawal penalty does not apply to CRDs and federal income taxes for the CRD can be spread over three years. Eligible Individuals taking a CRD will be able to pay back the distribution to the Plan at any point over the following three years. Eligible Individuals will be required to certify their eligibility for the CRD. Prudential is implementing an application process through which participants can complete the certification via a recorded phone call.
- The limit on plan loans has been increased and loan repayment deadlines have been extended. Ordinarily, plan loans cannot exceed the lesser of \$50,000 or 50% of the participant's vested balance. For Eligible Individuals requesting loans from March 27 through December 31, 2020, the limit is increased to the lesser of \$100,000 or 100% of the participant's vested balance. In addition, any loan repayments between March 27 and December 31, 2020 can be delayed by one year. Interest will continue to accrue on any such delayed payments.
- To make the legislation's loan relief available to individuals who already have an outstanding loan and who are affected by the virus, Plan rules have been modified to allow an additional loan for Eligible Individuals who already had an outstanding loan prior to March 27, for the period of March 27 through December 31, 2020.

For all participants, the legislation waived required minimum distributions ("RMDs") that would normally be made in 2020. The Internal Revenue Code ordinarily requires eligible participants to commence distributions no later than the later of April 1 of the year in which the participant attains age 70 1/2 (recently amended to age 72) or the year in which the participant retires. The relief legislation waives application of these rules to avoid forcing the participant to incur losses from the recent stock market plunge. Prudential has suspended all required minimum distributions, effective with payments due in April. Affected individuals may contact Prudential to request resumption of their RMD payments.

**For more information or to request a coronavirus-related distribution/loan, call the Prudential Participant Service Center at 1-877-778-2100.**