

CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT

On June 19, 2020 and June 23, 2020, the IRS expanded provisions of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) signed into law on March 27, 2020.

Under the CARES Act, 403(b) plan participants financially impacted by COVID-19 can:

- take early withdrawals up to \$100,000 without the usual 10% early withdrawal penalty and 20% mandatory tax withholding, effective April 1. These distributions are called “CARES Act Distributions”;
- delay 403(b) loan repayments due between March 27, 2020 and December 31, 2020 for one year;
- access increased loan amounts; and
- roll 403(b) funds taken at 70 ½ under the Minimum Required Distribution (MRD) back into their retirement account, effective June 23, 2020.

ABOUT CARES ACT DISTRIBUTIONS

Under the CARES Act, 403(b) plan participants can take in-service distributions with no 10% early distribution penalty or 20% withholding for coronavirus-related distributions if:

- a) Diagnosed with COVID-19 on a test approved by the CDC;
- b) The participant’s spouse or dependent is diagnosed with COVID-19 on a test approved by the CDC, or who experiences adverse financial consequences as a result of:
 - i. Being quarantined;
 - ii. Being furloughed, laid off or having work hours reduced as a result of COVID-19; or
 - iii. Being unable to work due to lack of childcare as a result of COVID-19.

Effective June 19, 2020, the CARES Act expanded the eligibility to include participants who experience the following situations:

- c) A job offer is rescinded or the start date for a job is delayed due to COVID-19.
- d) Pay or self-employment income is reduced due to COVID-19.
- e) A business owned or operated by the employee is closing or the business hours are reduced due to COVID-19.

Why is the ORP excluded from the CARES Act Distribution options?

The ORP is excluded by IRS regulations because it includes Money Purchase Pension Plan (MPPP) funds. Under IRS regulations, Money Purchase Pension Plan (MPPP) funds are not allowed for distribution under the CARES Act. As a result, Mason opted the ORP out of the distribution options.

How do I request a CARES Act Distribution?

You must contact the retirement plan vendor by phone or on the website to confirm eligibility and request a CARES Act Distribution. You will be asked to self-certify that you meet the coronavirus-related distribution requirements listed above.

- If your account is with Fidelity, log into [NetBenefits](#) or call 1-800-343-0860
- If your account is with TIAA, log into [TIAA](#) or call 1-800-842-2252

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Are CARES Act Distributions tax free?

Income taxes will still be owed on the amount withdrawn under CARES Act Distributions. Participants may repay any taxes due over a three year period, treat the CARES Act Distribution as a loan and pay back the distribution over three years. Participants should consider taking a loan from the 403(b) first due as loans are tax-free.

Is there a deadline for a CARES Act distribution?

Yes, CARES Act Distributions must be processed and distributed by December 31, 2020.

How do I roll funds taken under the Minimum Required Distribution back into my account?

Contact the retirement plan vendor by phone or on the website to confirm eligibility and elect to roll funds back into your account, if eligible.

INCREASED LOAN AMOUNTS AND REPAYMENTS

Under the CARES Act, plan participants impacted by COVID-19 may be eligible for increased loan amounts or to delay repaying 403(b) plan loans if:

- a) Diagnosed with COVID-19 on a CDC approved test;
- b) The participant's spouse or dependent is diagnosed with COVID-19 on a CDC approved test.
 - a. Being quarantined;
 - b. Being furloughed, laid off or having work hours reduced as a result of COVID-19;
 - c. Being unable to work due to lack of childcare as a result of COVID-19.

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How do I delay my loan repayment?

If you have a current loan repayment due between March 27, 2020 and December 31, 2020, and meet the Coronavirus-related eligibility, you may delay repaying the loan for up to one year by contacting the retirement plan vendor, either Fidelity or TIAA, directly.

What are the increased loan amounts available?

If you meet Coronavirus-related eligibility, the CARES Act doubles the maximum loan limits to \$100,000 or 100% of your vested 403(b) account balance.

How do I request a CARES Act Loan?

Contact the retirement plan vendor by phone or on the website to confirm eligibility and request a CARES Act Distribution. 403(b) participants will be asked to self-certify that they meet the requirements for a coronavirus-related loan. The approval process will remain the same as it does for non-coronavirus-related loans.