

New rules can give you the help you need during this time

The recently passed \$2 trillion stimulus package includes key provisions affecting retirement plans. Read on to see whether the changes can help you.

If you want to take action, contact Vanguard Participant Services at **800-523-1188**. Associates are available to take your calls Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time, but wait times may be longer because of high call volumes.

- **Required minimum distributions (RMDs) waived for 2020**

No one is required to take an RMD from a retirement plan or an IRA in 2020. This change affects anyone who turned age 70½ in 2019 or earlier and would have been required to take an RMD.

- If you've been receiving RMDs and were scheduled for one in 2020, you will still receive it unless you call Vanguard to suspend it. **Note:** If you receive payments throughout the year and choose to suspend your 2020 RMD, payments will be suspended for the rest of the year.
- If you already received an RMD in 2020, call Vanguard to discuss your options.
- If you haven't received your 2020 RMD yet and this is your first time receiving one, Vanguard will suspend this year's payment. Please call Vanguard if you need to discuss options to access your money.

- **Relief for those paying back loans**

If you have loans, you can call Vanguard if you want to suspend your loan payments for up to a year.

To be eligible, you must be affected by the coronavirus. This includes anyone who either contracted COVID-19, whose spouse or dependents contracted it, or who lost their job or income because of the quarantine.* Vanguard will work with your company's retirement plan to have your paycheck deductions stopped. You will have an extra year to pay back your loan once payments resume.

- **Coronavirus-related withdrawals available**

Special withdrawals will be permitted for those affected by the coronavirus. This includes anyone who contracted COVID-19, whose spouse or dependents contracted it, or who lost their job or income because of the quarantine.* Call Vanguard to request this withdrawal. (**Note:** You don't need to prove you've been impacted when requesting the withdrawal, but you may be required to offer proof later.)

If you are affected, you may be eligible to take out up to \$100,000 total from all retirement accounts, including retirement plans and IRAs. If you're younger than age 59½, the 10% federal penalty tax that usually applies would be waived. The taxes you'd owe would be spread over a three-year period. In addition, you may avoid taxes on that distribution if you're able to put the money back into your account within three years.

This type of withdrawal is not subject to a mandatory 20% withholding for taxes. Instead, 10% will be automatically withheld. If you want, you can waive this withholding entirely.

- **Plan loan limits doubled**

The law allows plans that offer loans to double the amount that can be borrowed to \$100,000 or 100% of the vested account balance, whichever is less. The loan origination fee that is usually charged will also be waived. This is available until September 23, 2020. To be eligible, you must be affected by the coronavirus. This includes anyone who either contracted COVID-19, whose spouse or dependents contracted it, or who lost their job or income because of the quarantine.* Call Vanguard to request a loan.

*A coronavirus-related distribution is a 2020 distribution to an individual (1) diagnosed with COVID-19 by a CDC-approved test, (2) whose spouse or dependent was diagnosed by a CDC-approved test, or (3) who experiences adverse financial consequences due to quarantine; layoff, furlough, or reduced hours; inability to work because of lack of child care; closure or reduced hours of a business owned by the individual due to the virus; or other reasons identified by Treasury. Plan administrators can rely on participant self-certification of eligibility for these distributions. At a later date, you may be required to offer proof that you were impacted.