

# Coronavirus Aid, Relief and Economic Security (CARES) Act Distributions

Ideally, your money would stay in your retirement account until you retire. Realistically, there may come a time when you need to access your retirement funds early to pay for extraordinary emergency expenses.

## CARES Act distribution

In the wake of the novel coronavirus, COVID-19 pandemic, the president signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act that allows 'qualified individuals' the ability to take a new penalty-free retirement account distribution.

The maximum distribution amount you are allowed to take is \$100,000 regardless of whether you participate in one retirement plan or multiple plans. If your plan allows, this distribution is available until December 31, 2020.

## Distribution considerations

Here are some things to consider before taking a withdrawal from your retirement account.

- Your retirement plan account is meant to provide retirement income. It should be a last resort source of cash for expenses.
- You will need to pay taxes on the amount withdrawn and not paid back.
- You may miss out on the growth opportunity of the money you withdraw. The amount you withdraw affects what is available to invest for retirement.

## Distribution requirements

To be eligible for the CARES Act COVID-19 distribution from your retirement plan, your plan must offer this provision, and you must meet any one of the following:

- Diagnosed with COVID-19
- Have a spouse or dependent(s) diagnosed with COVID-19
- Experience adverse financial impact due to quarantine, furlough, layoff, reduced work hours or inability to work for childcare-related issues due to COVID-19
- Faced with other COVID-19-related factors as determined by the Secretary of the Treasury

You must certify that you are a 'qualified individual' and eligible for a COVID-19 distribution.

If you are a 457(b) tax-exempt plan participant, you are required to show that the emergency expenses could not otherwise be covered by insurance, liquidation of assets or cessation of deferrals under the plan.

## Distribution repayments and income taxes

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If you are eligible and take a distribution, you may repay these distributions within three years beginning the date of the distribution.

You will be able to get a refund of any income tax paid on the amount of the distribution you repay.

You will be required to pay income taxes on any portion that is not repaid. You do have a three-year time span beginning the date of the distribution to complete the tax payment.

## Distribution steps

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If you are eligible for this distribution, please consider exploring all other options to ensure this is appropriate for your situation. If you decide to take a distribution, please complete the following steps:

- Log in to [www.oaretirement.com](http://www.oaretirement.com) and navigate to the Forms page
- Download the COVID-19 Distribution Request form
- Fill out the form and follow the cover letter and form instructions
- Your distribution will be processed, and a direct deposit payment or check will be sent to the address on file

If you have any questions regarding the steps above, please reach out to the Participant Service Center at 1-800-858-3829.

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Fees, limits, terms, and requirements for loans vary from plan to plan. Plan participants should carefully consider the risks, tax implications, and retirement investing consequences before taking a loan from an employer-sponsored retirement plan. Contact the plan sponsor (employer) with any questions.