

Neenah Joint School District 403(b) Plan

Important CARES Act

Date: 5/13/2020

The Coronavirus Aid, Relief and Economic Security (CARES) Act that was signed into law on March 27, 2020, allows retirement plans to adopt special loan and distribution features. Your retirement plan provides these features, and this letter is for your information. It is recommended that you consult with your tax advisor before taking a Coronavirus-related Distribution or an enhanced loan allowed under the CARES Act.

Coronavirus-related Distributions (CRDs)

The CARES Act allows individuals impacted by the coronavirus* to withdraw up to \$100,000 from IRAs, employer sponsored retirement plans, or a combination of the two, with certain tax exceptions. Distribution must be made in 2020 and can apply to distributions taken as early as January 1, 2020.

Tax benefits of CRDs:

- If you are under the age of 59½, you may access retirement funds without the normal 10% pre-retirement distribution penalty.
- CRDs are exempt from the mandatory Federal withholding of 20%.
- Beginning on the day after you receive a CRD, you have up to three years to recontribute any portion of that distribution into a retirement account. The recontributed amounts can be made in a single rollover or multiple rollovers during the three-year period.
- The income from CRDs may be split evenly over the 2020, 2021, and 2022 tax years.

To request a CRD, call Associated Bank's 24/7/365 Customer Care Team at 800-431-4649. There is no processing fee for CRDs taken before July 15, 2020.

Loan Enhancements

The CARES Act temporarily increased the maximum retirement plan loan amount from \$50,000 to \$100,000 for individuals impacted by the coronavirus*. You may take out up to \$100,000 or 100% of your vested account balance, whichever is less. Through the end of 2020, repayment of loans may be delayed for up to one year from the date of loan approval.

If you would like to take out a loan under these enhanced rules, please sign-in at 401k.AssociatedBank.com for a loan application form, or contact your plan sponsor. There is no processing fee for CARES Act loans that are taken before July 15, 2020.

Please contact Associated Bank's 24/7/365 Customer Care Team at 800-431-4649 if you have any questions.

*Under the CARES Act, you are considered impacted by the coronavirus if:

- You, your spouse or dependent was diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention (CDC).
- You experienced adverse financial consequences related to COVID-19 as a result of being quarantined; being furloughed, laid off, or having reduced work hours; or being unable to work due to lack of childcare.
- You are the owner/operator of a business that has had to close or reduce its hours of operation.
- Other factors as determined by the Secretary of the Treasury.

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