



Simsbury Public Schools

933 HOPMEADOW STREET SIMSBURY, CONNECTICUT 06070

Payroll and Benefits Department
Simsbury Board of Education

Important Information from the Business Office

To All Simsbury Public Schools 403(b) Participants:

The Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020, helping ease some of the financial pressures facing Americans in the wake of COVID-19. If you have been impacted by COVID-19 and meet the eligibility requirements, the Act allows more access to retirement savings.

We appreciate this is a challenging situation and you may need access to your retirement savings, however it's important to weigh the immediate benefit of taking a plan distribution with the long-term consequences of depleting your retirement savings.

Eligibility Requirements:

You satisfy the Eligibility Requirements to receive benefit relief if you are an individual who experiences one (1) of the following:

- You are diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;
- Your spouse or dependent is diagnosed with such virus or disease by such a test; or
- You experience adverse financial consequences as a result of:
 - being quarantined, furloughed or laid off or having work hours reduced due to such virus or disease,
 - being unable to work due to lack of child care due to such virus or disease, closing or reducing hours of a business owned or operated by the individual due to such virus or disease; or
 - meeting such other factors as may be issued in Treasury guidance.

If you meet one of the eligibility requirements described above, your expanded option(s) include(s):

Coronavirus-Related Distributions (CRD) from your retirement plan:

- You can request a CRD of up to an aggregate amount of \$100,000 through December 31, 2020.
- The CRD is not subject to the 10% early withdrawal penalty tax or mandatory federal 20% withholding that otherwise apply to early distributions.
- You may elect to have the CRD included in your gross income ratably over three years or the total distribution included as income for 2020. You should work with your Tax Advisor in regard to your taxes.
- Please note that \$100,000 CRD maximum applies on an individual basis for all of your retirement plans and IRAs. If you take a CRD from another Plan or IRA, you are responsible for tracking your limits to ensure that you do not exceed the maximum.

OTHER RELIEF – Required Minimum Distributions (RMDs)

For all plan participants regardless of whether or not you meet the Eligibility Requirements:

- There are no required RMD's for 2020.
- You will receive an additional communication from your 403(b) Plan provider if RMD's are applicable to you.

IMPORTANT: In order to receive the Coronavirus-Related relief, you will be required to certify that you satisfy one of the Eligibility Requirements listed above at the time of the request. For more information or to elect one of these options, please contact your 403(b) provider.

Please note that the Plan Administrator cannot provide you with tax advice. Prior to taking an action, you should speak with your tax advisor.