

## **CARES Act Changes to the JCCC 403(b) Plan**

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) became law, and temporarily changed certain provisions, to coronavirus eligible participants, of the Johnson County Community College 403(b) Plan (the "Plan"), outlined as follows:

### **How the CARES Act can help you if you're eligible:**

- I. Until December 31, 2020, if you meet a coronavirus-related eligibility requirement, you can take a Coronavirus Related Distribution (CRD) from the Plan, of up to \$100,000. The CRD will not be subject to the mandatory 20% federal withholding requirement nor will it be subject to the 10% early withdrawal penalty if you are not 59½ or older. A CRD is subject to taxation, but you have the option to spread the taxes on the CRD over a three-year period. The CARES Act also allows you to reinvest withdrawn funds within three years regardless of that year's contribution limit, making it easier to replace the amount of your CRD in your retirement account.
- II. Until September 22, 2020, if you meet a coronavirus-related eligibility requirement, maximum loan limits from the Plan are increased to \$100,000 or all your vested account balance, whichever is less. If you choose to take a loan, you will be asked to self-certify that you meet the requirements for a coronavirus-related loan. The loan approval process and all other Plan loan requirements are still applicable (i.e. type of loan, maximum of three loans etc.).
- III. Until September 22, 2020, if you meet a coronavirus-related eligibility requirement, you may defer payments for one year on any existing Plan loan you have and extend the term of your loan by one year. After the one-year deferral, TIAA will reamortize the loan, plus accrued interest, and you will begin new payments.
- IV. Required Minimum Distribution (RMD) - To help provide relief for retirees, the CARES Act suspends annual RMDs for 2020. You can repay any RMD amount already received from the Plan in 2020 as a rollover contribution. If you want to continue taking your distributions, you will be able to do so.

### **Who is eligible?**

You are considered eligible of take distributions/loans from the Plan if any of the following conditions are met:

- You have been diagnosed with COVID-19 by a test approved from the Centers for Disease Control and Prevention
- You have a spouse or dependent who has been diagnosed with COVID-19
- You suffer financial consequences as a result of quarantine, employment furlough, lay-offs, reduced work hours or cannot work due to lack of childcare as a result of coronavirus
- You experience a financial loss to an individually owned or operated business that is caused by a closing or reduction of hours due to coronavirus
- Other factors as determined by the Secretary of Treasury or his delegates

## Next steps

If you meet a coronavirus-related eligibility requirement detailed above and would like to speak to a financial consultant, or would like to request loans or distributions, you can do so by logging in to your online account at [TIAA.org/jccc](https://www.tiaa.org/jccc) or calling TIAA at **855-400-4294**. You can also visit [TIAA.org](https://www.tiaa.org) for more information on the provisions of the CARES Act and other changes to consider. We recommend reviewing all your options prior to making a decision.