

WPWEALTH CARES ABOUT YOUR RETIREMENT



On March 27, 2020, President Trump signed into law The Coronavirus Aid, Relief and Economic Security (CARES) Act. Several key provisions specifically impact retirement plan participants and plan sponsors. WPWealth, along with our partners at DWC and PCS Retirement are dedicated to helping you get through this time. We are here for you and will help answer any questions you may have.

The following FAQs highlight some of the significant relief measures and may be used as a reference. While these provisions may be utilized immediately, the plan must be amended no later than the last day of the first plan year beginning on or after January 1, 2022. Please see below for a guide on Participant and Plan Sponsor facts as well as considerations for Cash Balance Plans.

HOW DOES THE CARES ACT AFFECT PARTICIPANTS?

Do I Qualify?

Have you experienced adverse financial consequences as a result of being quarantined such as a lay-off, furlough or a reduction in work hours?

Have you been diagnosed with the virus?

Are you unable to work due to lack of child care?

Has your spouse or dependant been diagnosed with the virus?

Have you had to close your business or reduce hours due to the virus?

Loan Provisions

Loan limits doubled to the lesser of \$100,000 or 100% of vested balance.

Loan payments may be delayed for the remainder of 2020.

Interest will continue to accrue but the term of the loan will be extended.

Coronavirus-Related Distribution (CRD)

10% Penalty waived.

Retroactive to cover any related distributions beginning January 1, 2020.

Any qualified withdrawal up to \$100,000 made in 2020.

Ability to repay distribution over 3 years.

Taxation may be spread over 3 years.

Team of professionals to help navigate plan sponsors and participants through this difficult time:

WPWealth

Whether you are looking at starting a plan for your new business or reviewing your existing qualified retirement plan for deficiencies, WPWealth is here to help. Our consultative approach to designing the right plan for your company's size and growth dynamic is far more personal than the standard approach. For further information, please contact your WPWealth advisor.

DWC Retirement

DWC – The 401(k) experts provide plan document, compliance, consulting and government reporting services for qualified retirement plans. For further information related to the CARES Act or any additional assistance, please go to www.dwc401k.com or contact Doug Hoefler at 651-204-2600, ext. 101 or doug.hoefler@dwc401k.com.

PCS Retirement

PCS combines state-of-the-art technology with an experienced and dedicated team of retirement plan professionals to deliver the most complete and highest quality retirement plans available. Our focus on the client's needs has built the strong foundation that keeps PCS growing today. For further information, please contact Jon Clark at 609-350-4453 or clarkj@pcscapital.com.



HOW DOES THE CARES ACT AFFECT PLAN SPONSORS?

Company Contributions

You may have the option to postpone the deposit of your company contributions each pay period. Your plan document will specify the timing of these deposits.

Your plan may be amended to eliminate the safe harbor contribution mid-year, however there are certain requirements you must adhere to.

Certain company contributions (matching, profit sharing) are discretionary. Please refer to your plan document for further details.

Loan Provisions

You have an option (plan amendment) to increase the loan limit to \$100,000 and 100% of vested balance.

All plan participants with outstanding loans (in good order) have the option to postpone payments through December 31, 2020.

Deemed distributions of participant loans that occur in the calendar year 2020 can be treated as coronavirus-related distributions.

Coronavirus-Related Distribution (CRD)

You are able to rely on an employee's self certification that he or she is an Affected Participant.

Notify your recordkeeper that you are offering CRDs so that they may update their system.

Repayments are treated as rollovers (no additional documentation necessary by the plan sponsor).

WHAT OPTIONS ARE AVAILABLE FOR MY CASH BALANCE PLAN?

Income is down and we are concerned about cashflow. What are my options for funding if I don't need the tax deduction?

Should I be concerned about how my plan is invested considering recent market volatility?

Do I have an option to change my contribution formula for 2020?

Contact your WPWealth Advisor.



Rebecca Sierp
rebecca.sierp@wpwealth.com



Matt Larson
matthew.larson@wpwealth.com



Bree Miller
bree.miller@wpwealth.com



Eleanor Ray
eleanor.ray@wpwealth.com