



What the Coronavirus Aid, Relief, and Economic Security (CARES) Act Means to your Lincoln-sponsored 401(k) account

To help you navigate financial difficulties resulting from COVID-19, the federal government has passed the CARES Act, an economic stimulus package that includes provisions aimed at making it easier, for those who qualify, to access money in their retirement plan accounts.

Penalty-free, coronavirus-related distributions (CRDs)

If you are eligible, you can take up to \$50,000 from the vested balances in your Lincoln-sponsored 401(k) accounts prior to December 31, 2020. You may be able to take money from more than one retirement account, including IRAs, but the maximum you can withdraw from all your retirement accounts combined is \$100,000.

CRDs are taxed ratably over the 3-taxable-year period beginning with the 2020 tax year (unless you elect otherwise) and are exempt from the 10% tax penalty on early withdrawals and the 20% mandatory federal income tax withholding rules. In addition, you may recontribute your CRD to an eligible retirement plan or an IRA at any time during the three-year period beginning on the day after the date on which your distribution was received.

You can request a CRD more than once (up to the \$50,000 vested balance maximum in your Lincoln-sponsored 401(k) account).

Are you eligible?

To take advantage of the CARES Act distribution and loan provisions, you must self-certify that **one of the following** criteria is met:

- ✔ You were 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 (including a test authorized under the Federal Food, Drug and Cosmetic Act)
- ✔ Your spouse or dependent is diagnosed with such virus or disease by such a test
- ✔ Due to COVID-19, you, your spouse or a member of your household (defined as someone who lives with you at your primary residence) experienced adverse financial consequences as a result of
 - Being quarantined, being furloughed or laid off or having work hours reduced;
 - Being unable to work due to lack of childcare;
 - Being forced to close or reduce the hours of a business that you, your spouse or a member of your household owned or operated;
 - Pay or self-employment income being reduced; or
 - A job offer being rescinded or start date for a job being delayed.

Your Lincoln-sponsored 401(k) plan permits:

- ✔ Penalty-free distributions
- ✔ Delayed loan repayments

Delayed loan repayments

If you are eligible, any loan repayments due between May 15, 2020, and December 31, 2020, on new or existing loans can be delayed for one year, although interest will still accrue.

When the loan delay period is over, your loan(s) will be adjusted to increase the payment for the accrued interest.

Required Minimum Distribution (RMD) waiver

You can waive taking a RMD for calendar year 2020 (including a first-time RMD required for 2019 that was delayed until April 1, 2020) and avoid the effect recent market losses may have on a withdrawal from your account. In addition, if a RMD is paid (A) during the 2020 calendar year or (B) in 2021 for the 2020 calendar year if the required beginning date is April 1, 2021, you may be able to make a direct rollover of the distribution into your retirement plan. In order to treat the RMD as an eligible rollover, you must roll it over by the **later** of August 31, 2020 or the 60th day following the date of receipt. You do not need to meet the CARES Act self-certification to take advantage of this feature.

Lincoln is here to help



To request an eligible distribution, delay your loan payments, or waive your RMD, please call the Lincoln Customer Contact Center at **800-234-3500**, Monday through Friday, between 8:00 a.m. and 8:00 p.m. Eastern.

You can schedule a virtual one-on-one meeting with one of your Lincoln retirement consultants (LincolnFinancial.com/retirementinfocenter) through the *Click2Meet*® scheduling tool at LincolnFinancial.com/LincolnSchedule.

Also, don't forget that you have access to Ayco financial counseling. Ayco financial coaches can help you with cash flow, debt, investments, college funding, insurance, and more. To speak with an Ayco financial coach, call **844-999-AYCO (844-999-2926)**. Telephonic coaching is available toll-free, Monday through Thursday, 9:00 a.m. to 5:00 p.m. Eastern, with evening appointments available until 8:00 p.m., and Friday, 9:00 a.m. to 5:00 p.m. Eastern.

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LCN-3077944-050720

PDF 7/20 **Z02**

Order code: **LNC-CRFL1-FLI001**



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Important Note

Before taking an eligible loan or a CRD from your Lincoln-sponsored 401(k) account, be sure to first consider other options. By withdrawing money that's meant for retirement, you'll be impacting your retirement savings.