



FAQs for the CARES Act

Here you'll find some answers to questions that you may have concerning the law that Congress recently passed. Please be aware that this information is current as of May 2020 and subject to change.

What is the CARES Act?

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, is aimed at providing relief for individuals and businesses negatively impacted by the coronavirus (COVID-19) outbreak.

It provides several provisions related to retirement accounts that can help you ease a potential financial burden during these difficult times.

Does the SMART Plan offer these provisions?

The SMART Plan has elected to offer the Coronavirus-related CARES Act distribution provision to participants as further described in this document. For further information, please call Empower Retirement, the recordkeeper for your SMART Plan, at **877-457-1900** or log in to your account at www.mass-smart.com.

Who can I talk to if I have questions about my situation?

You can call the SMART Plan office at **877-457-1900**, or you can set up a virtual meeting with a SMART Plan Advisor. [Click here](#) for information about your local Retirement Plan Advisor or to schedule a meeting.

Who is eligible for a CARES withdrawal?

You must meet one of the following qualifying conditions:

- You are diagnosed with COVID-19 using a test approved by the Centers for Disease Control and Prevention (CDC).
- Your spouse or dependent is diagnosed with COVID-19 using a test approved by the CDC.
- You, but unfortunately not your spouse, are experiencing adverse financial consequences as a result of:
 - Being quarantined.
 - Being furloughed, laid off or having to work reduced hours as a result of COVID-19.
 - Being unable to work due to lack of childcare due to COVID-19.
 - Closing or scaling back your business due to COVID-19.



WITHDRAWALS

What is a CARES Act withdrawal?

A CARES Act withdrawal is a special distribution option that a retirement plan participant can take through December 30, 2020. The early withdrawal penalty is not applied on withdrawals up to \$100,000 aggregated across all of your employer plan accounts and IRAs, even those outside of the SMART Plan. As a reminder, you don't need to take out the full \$100,000. You will be solely responsible for making sure you do not exceed the allowed limit across all of your accounts.

Where do I go to figure out the impact of taking a withdrawal from my retirement savings?

Empower has a calculator you can use to estimate potential impacts of taking a withdrawal. Use the [Withdrawals before retirement](#) calculator in Empower's Learning Center.

Do I have to take the maximum amount allowed?

No, you do not. Consider taking only what you absolutely need, and remember that taking money out of your SMART Plan account could impact your future.

How is a CARES Act withdrawal taxed?

The withdrawal money is treated as taxable income and can be spread proportionally over three years. However, there are special considerations.

- The 10% IRS early withdrawal penalty does not apply.
- 10% income tax will be withheld from the withdrawal, but you can opt out of withholding.

For questions concerning your tax filing or your individual tax situation, please consult your qualified tax professional.

If I take a withdrawal, can I pay it back? If so, how?

Yes. The distribution can be repaid within three years of the date of withdrawal to your SMART Plan account or any plan or IRA that accepts rollovers.

How do I apply for a CARES Act withdrawal?

To apply for a CARES Act withdrawal, please contact the SMART Plan office at **877-457-1900**, to request a Coronavirus-Related Withdrawal form.

What fees apply?

Express delivery fees (ACH, FedEx, USPS Express), and fund redemption fees may apply.