

CARES Act Withdrawals

CARES Act Allows Retirement Hardship Withdrawals

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted into law on Friday, March 27, 2020. The CARES Act permits Mayacama Golf Club to allow qualified COVID-19 coronavirus related distributions available from the Mayacama Golf Club 401k and Profit-Sharing Plan.

A COVID-19 coronavirus related distribution is a loan that a Retirement Plan participant make take between January 1 and December 31, 2020, provided they meet one of the following qualifying conditions:

1. A person diagnosed with COVID-19 using a test approved by the Centers for Disease Control (CDC),
2. A person whose spouse or dependent is diagnosed with COVID-19 using a test approved by the CDC, or
3. A person who experiences adverse financial consequences as a result of:
 1. Being quarantined.
 2. Being furloughed, laid off, or having work hours reduced as a result of COVID-19.
 3. Being unable to work due to lack of childcare due to COVID-19.
 4. Closing or reducing hours of a business owned by such individual as a result of COVID-19.
 5. Other factors as determined by the Secretary of the Treasury.

The COVID-19 coronavirus hardship withdrawals are different from regular Retirement Plan hardship withdrawals. Under the CARES Act, the following rules apply to coronavirus withdrawals:

- Distributions allowed up to \$100,000 as available in your Retirement Plan account
- The ten percent (10%) early withdrawal penalty is waived
- Elect to pay the federal income tax due on the distribution over three (3) calendar years or repay the distribution within a 3-year period.

[Other Retirement Account Rules Changes](#)

In addition to the new COVID-19 coronavirus related distributions, minimum required distributions (MRDs) which would normally be required in 2020 are suspended to help retirement accounts try to recover from stock market losses. Also, existing loan repayments for affected participants may be delayed for one year. These changes will be in effect through calendar 2020.

[Fidelity Will Process Withdrawals by Phone or Online](#)

Fidelity will be ready to process coronavirus related distributions either by phone or online soon (date to be announced).

For phone transactions, a representative will confirm that you meet the eligibility requirements for a CARES Act Distribution and send the appropriate paperwork to you. You must then complete the paperwork and send it directly to Fidelity.

For [NetBenefits](#) online transactions, you must certify that you meet that the eligibility requirements, download and complete the paperwork (including obtaining spousal consent with your spouse's signature, if married, for a lump sum distribution), and send it directly to Fidelity. Your request for a Spousal Consent CARES Act Distribution transaction will remain valid and pending for thirty (30) days before it expires. Unmarried participants must consent to the lump sum distribution by phone or online.