

## **401(k) COVID-19 Hardship Withdrawal**

Recently, there have been a lot of questions about Local 13's 401(k) retirement plan and the ability to take hardship distributions due the COVID-19 crisis.

On March 17, 2020, the 401(k) Trustees approved a new hardship withdrawal in response to the COVID-19 epidemic. The following rules were implemented:

Employees who are involuntarily laid off or terminated from employment under the Plan in connection with the coronavirus (COVID-19) epidemic can:

- \* make withdraws once every 90 days
- \* withdraws can include up to 100% of Employee Contributions plus up to 50% of Employer Contributions
- \* each withdraw can be up to \$20,000 plus (at your option) applicable state and federal taxes
- \* there is a 20% federal tax withholding tax
- \* the 10% early withdrawal penalty has been waived pursuant to the CARES Act through (currently) 31 December 2020

Recognizing that Participants are experiencing or anticipating severe financial hardship, the 401(k) Trustees will be revisiting these rules at their 15 September 2020 meeting.

The 401(k) Plan Administrator is:

Zenith American Solutions  
2520 Pilot Knob Road  
Suite 325  
Mendota Heights, MN 55120

To ask questions about or to initiate a COVID-19 Hardship or any other type of Distribution from your 401(k), call the retirement team at Zenith:

651-256-1820, option 1 for 401(k)

To review your 401(k) MassMutual Account Balance, please visit:

<https://retirement.massmutual.com/rscorp-participant/>

To learn how to access your accounts online or to seek help logging in please visit:

<https://www.massmutual.com/lp/massmutual-account-login>

Here are some things to think about before taking a COVID-19 Hardship Distribution from your 401(k).

This is NOT advice nor is it meant to influence your very personal financial calculations and decisions. Its intention is only to help you be fully educated in the implications of certain actions. Each person's situation is different, so the answers to the following questions will vary.

- \* How will this affect your Unemployment Insurance?
- \* How will this affect your tax situation?
- \* Will the 10% early withdrawal penalty be re-instated on 1 January 2021?

Please consult the professionals (UI, Zenith, tax professionals, etc.) to seek appropriate answers to help you make your decisions.

Finally, know that your 401(k) account and the financial health of I.A.T.S.E. Local 13 are entirely separate things. If I.A.T.S.E. Local 13 were to ever reach a point of insolvency or bankruptcy, this will NOT affect the safety and security of your 401(k) account.

Thank you. Stay healthy.