New retirement plan rules can give you needed financial help now

The recently passed $2 trillion stimulus package includes key provisions affecting retirement plans. If you want to take action on the changes listed below, contact Vanguard Participant Services at 800-523-1188. Associates are available to take your calls from 7:30 a.m. to 8 p.m. (Central time) Monday-Friday, but wait times may be longer than normal because of high call volumes. Before taking a Coronavirus-related withdrawal or taking temporary loan payment relief, please consider the impact such a distribution will have on achieving your retirement goals.

- **Coronavirus-related withdrawals available in 2020**
  Special withdrawals during 2020 will be permitted for qualified individuals* affected by the coronavirus. This includes anyone who is diagnosed with COVID-19, whose spouse or dependent was so diagnosed, or who experiences adverse financial consequences in connection with COVID-19, as described under the heading “Qualified Individuals,” below. Call Vanguard to request this withdrawal. (Note: You will be required to certify that you qualify for a coronavirus withdrawal. While you don’t need to offer proof you’ve been impacted by COVID-19 when requesting the withdrawal, you may be required to offer proof later.)

  If you qualify, you may be eligible to take out up to $100,000 total from applicable retirement accounts. This type of withdrawal is not subject to a mandatory 20% withholding for taxes. Instead, 10% will be automatically withheld. You will have the option to waive this withholding entirely. (If you are younger than age 59½, the 10% federal penalty tax that usually applies will be waived.) The taxes you owe on the withdrawal will be spread over a three-year period. In addition, you may avoid taxes on that distribution if you are able to put the money back into your account within three years. The distribution fee for this coronavirus-related withdrawal will be waived to help assist you during this difficult time.

- **Relief for those paying back loans**
  o If you have a 401(k) or 403(b) loan and you are a qualified individual*, you can call Vanguard if you want to suspend your loan payments that are due March 27, 2020, through December 31, 2020, for up to one year. Please note: To be eligible, you must be affected by COVID-19. This includes anyone who either is diagnosed with COVID-19, whose spouse or dependent was so diagnosed, or who experiences adverse financial consequences in connection with COVID-19, as described under the heading “Qualified Individuals,” below.

  Vanguard will work with BJC’s retirement plans to have your paycheck deductions stopped. You will have an extra year to pay back your loan, once payments resume. Interest will continue to accrue during this period. (Note: You will be required to certify that you qualify for this loan relief. While you don’t need to offer proof...
Because COVID-19 resulted in a federal disaster declaration for all states, the law allows for any 401(k) or 403(b) loan payments to be temporarily delayed. This applies to loan payments beginning April 1, 2020. However, note that this delay only applies until July 14, 2020. Participants using this delay must pay missed loan payments as of July 15, 2020. For more information, contact Vanguard at 800-523-1188.

*Qualified Individuals*

The following individuals qualify for coronavirus-related withdrawals or loan relief (described above): (1) diagnosed with COVID-19 by a CDC-approved test, (2) whose spouse or dependent was diagnosed by a CDC-approved test, or (3) who experiences adverse financial consequences due to quarantine, such as layoff, furlough or reduced hours; inability to work because of lack of child care; closure or reduced hours of a business owned by the individual, due to the virus; or other reasons identified by the U.S. Treasury Department. Plan administrators can rely on participant self-certification of eligibility for these distributions. At a later date, the individual may be required to offer proof that they were impacted.

- **Required minimum distributions (RMDs) waived for 2020 for certain retirement plans and IRAs**

  No one is required to take an RMD from a 401(k) plan, 403(b) plan, governmental 457(b) plan or an IRA in 2020. This change affects anyone who turned age 70½ in 2019 or earlier and would have been required to take an RMD.

  - If you’ve been receiving RMDs from the BJC 401(k) Plan or the BJC 403(b) Plan and were scheduled for one in 2020, you will still receive it, unless you call Vanguard to suspend it. **Note:** If you receive payments throughout the year and choose to suspend your 2020 RMD, payments will be suspended for the rest of the year.
  - If you already received an RMD in 2020, call Vanguard to discuss your options.
  - If you haven’t received your 2020 RMD yet and this is your first time receiving one, Vanguard will suspend this year’s payment. Please call Vanguard if you need to discuss options to access your money.

**Note:** This waiver does not apply to the BJC Pension Plan, the BJC Elective Salary Deferral Plan (457(b) Plan) or the BJC HealthCare 457(b) Deferred Compensation Plan.