

How the new CARES Act may impact you and your money

As you know, the current pandemic has changed the way we are socializing, working and living every day.

But it's also causing unprecedented financial hardships and hurdles for millions of individuals, families, households and businesses across the country as they attempt to push forward. In fact, even while the coronavirus remains highly contagious, many Americans are more concerned about having to bear the economic burden of a potential recession than they are of actually getting sick.¹

Help is on the way, though.

In a legislative effort to provide support and protection to the increasing number of people who have been financially impacted by the COVID-19 crisis, Congress passed the Coronavirus Aid, Relief, and Economic Security Act — or the CARES Act for short. Aimed at assisting all those in need, from laid-off employees to small-business owners to retirement savers, the massive stimulus package includes a number of provisions to help many Americans.

You may be wondering, How does the CARES Act affect me and my deferred compensation account?

Let's take a look to clear up any confusion.

Becoming eligible for coronavirus-related provisions

COVID-19 has caused many different obstacles for Americans to overcome. From getting ill to losing a job to caring for family, you may be faced with several life-changing circumstances due to the virus.

If you need a helping hand, you could look to your deferred compensation plan as a last resort.

As of today, you may be eligible for a distribution, new loan or loan payment break from your deferred compensation plan if:

- You, your spouse or dependent is diagnosed with 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).
- You, your spouse or a member of your household (someone who shares your principal residence) has experienced adverse financial consequences due to COVID-19 as a result of being quarantined, laid off or furloughed; having work hours reduced; being unable to work due to lack of childcare; having a reduction in pay (or self-employment income); having a job offer rescinded or start date for a job delayed; or the closing or a reduction in the working hours of a business one of you owns or operates.

For additional factors that may not be listed here, please call Empower Retirement at 1-877-457-3535.

Delaying loan payments

If you have a new or existing loan, you may be able to postpone making your usual payments.

Applying for a new “increased” loan

Under the CARES Act, the maximum amounts have increased for new qualified loans for eligible participants taken on or before September 22, 2020.

Taking a withdrawal without a penalty

Even though you’re encouraged to stay the course and keep saving for your future, everyone’s situation is unique.

Regardless of your age, you may be able to initiate a coronavirus-related distribution from your deferred compensation account through December 30, 2020, without paying the standard 10% early withdrawal penalty. You also have the choice to pay back your withdrawal within a three-year period.

Please note: All of the above provisions are plan-specific and have to be adopted by your NH plan.

Understanding the updated RMD rules

For the remainder of 2020, you no longer have to take a required minimum distribution (RMD) from your retirement account. If you took a 2020 RMD, you can roll over the distribution tax-free by the later of 60 days following your receipt of the distribution or August 31, 2020. This includes RMDs withdrawn as part of a series of approximately equal payments.

Waiving new loan and withdrawal fees

To serve you and support your needs during this difficult time, Empower Retirement is not charging origination fees for any new plan loan or hardship withdrawal in response to the coronavirus outbreak.

Accessing information

Before taking money out of your deferred compensation account or requesting a loan from your plan, it’s always a good idea to speak with a financial professional so you can stay on track — and stay the course. To run the potential numbers for yourself, visit the Learning Center and try out the:

▶ **Withdrawals before retirement calculator**

▶ **Borrowing from your retirement plan calculator**

These tools, as well as other valuable online resources, are always available to help you reach your long-term goals.

As your savings situation evolves, you may have additional concerns in the days, weeks and months ahead. Please contact Empower, to learn more about your options, at 1-877-457-3535.

▶ **Log in to your account now at [NHDCP.com](https://www.nhdcp.com)**

Information in this document is current as of July 1, 2020, and is subject to change based on legislative updates. Empower will communicate relevant changes to you and your NH Plan as appropriate.



¹ “From Confidence to Concern: America’s Financial Outlook in the Face of a Pandemic,” Empower Institute, March 27, 2020.

The content of this document is our summarization of information from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This information is subject to change as a result of additional federal regulatory guidance.

Securities offered and/or distributed by GWFS Equities, Inc., Member FINRA/SIPC. GWFS is an affiliate of Empower Retirement, LLC; Great-West Funds, Inc.; and registered investment adviser, Advised Assets Group, LLC. Investing involves risk, including possible loss of principal. This material is for informational purposes only and is not intended to provide investment, legal or tax recommendations or advice.

©2020 Empower Retirement, LLC. All rights reserved. GEN-FLY-WF-496557-0720 (617480) RO1229596-0720