

CORONAVIRUS-RELATED DISTRIBUTIONS (CRDs)

City of Sunny Isles Beach

If you have been adversely affected by the coronavirus (COVID-19) pandemic, you may qualify for an in-service withdrawal from your retirement plan called a Coronavirus-Related Distribution (CRD).

What is a CRD?

The new Coronavirus Aid, Relief, and Economic Security (CARES) Act allows qualified employees to withdraw up to \$100,000 total from their retirement plans.*

As a participant, you are eligible to take advantage of the new provision if:

- ▶ You have been diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention; or
- ▶ Your spouse or dependent is diagnosed with COVID-19 by such a test; or
- ▶ You have experienced adverse financial consequences as a result of being quarantined, furloughed, or laid off; having work hours reduced; being unable to work due to lack of child care due to COVID-19; or closing or reducing hours of a business owned or operated by the individual due to COVID-19; and
- ▶ You will acknowledge when completing the withdrawal form that you meet one of the above qualifying criteria.

Additional Details

- ▶ The maximum withdrawal amount is \$100,000 across all retirement plans and IRAs combined held by the participant.
- ▶ CRDs are exempt from the 10% penalty tax that typically applies to early withdrawals from qualified plans.
- ▶ The income tax liability can be spread over three years.
- ▶ A mandatory 20% federal withholding tax does not apply.

You also have the ability to repay the amount withdrawn back to a plan or an IRA over the next three years, in which case the distribution would not be subject to income tax. Note that the repayments will not count towards the contribution limits in effect for the year.

** Maximum withdrawal amount of \$100,000 is total amount across all retirement plans. Reach out to your employer to verify the plans offering CRDs as well as the maximum withdrawal amount for your plan(s).*

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To take advantage of this provision, log in to Account Access at www.icmarc.org/login or contact us at (800) 669-7400.

You can also visit our Coronavirus (COVID-19) Resource Center at www.icmarc.org/resourcecenter for updates.

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