



Nevada
Deferred
Compensation

CARES Act Notice



To all participants in the Nevada Public Employees' Deferred Compensation Program (NDC):

The Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020, helping ease some of the financial pressures facing Americans in the wake of COVID-19. If you have been impacted by COVID-19 and meet the Eligibility Requirements, the Act allows more access to retirement savings.

The State of Nevada appreciates that this is a challenging situation and you may need access to your retirement savings in the NDC Plan. It's important, however, to weigh the immediate benefit of taking a plan distribution. Withdrawing funds when the market has decreased could have long-term consequences that may impact your retirement savings. Participants are encouraged to contact the NDC Administrative Office to discuss their individual circumstances.

You satisfy the Eligibility Requirements to receive benefit relief if you are an individual who experiences one (1) of the following:

- You are diagnosed, or your spouse or dependent is diagnosed, with the virus SARS-CoV-2 or the coronavirus disease 2019 (collectively, "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 experience adverse financial consequences as a result of you, your spouse, or a member of your household (that is, someone who shares your principal residence):
 - being quarantined, being furloughed or laid off, or having work hours reduced due to COVID-19
 - being unable to work due to lack of childcare due to COVID-19
 - closing or reducing hours of a business that they own or operate due to COVID-19
 - having pay or self-employment income reduced due to COVID-19
 - having a job offer rescinded or start date for a job delayed due to COVID-19

If you meet one of the eligibility requirements described above, your expanded options include:

Coronavirus-related distributions (CRD) from your NDC Plan

- You can request a CRD of up to an aggregate amount of \$100,000 through December 31, 2020.
- The CRD is not subject to the mandatory federal 20% tax withholding that otherwise apply to distributions.

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- You may elect to have the CRD included in your gross income ratably over three years or the total distribution included as income for 2020. Your distribution will be reported for the 2020 tax year. You should work with your Tax Advisor in regard to your taxes.
- The \$100,000 CRD maximum applies on an individual basis for all of your retirement plans and IRAs. If you take a CRD from another Plan or IRA, you are responsible for tracking your limits to ensure that you do not exceed the \$100,000 maximum.

If you meet one of the eligibility requirements described above, your expanded options include: *(continued)*

Coronavirus-related increase in loan maximum (loans are only available to State of Nevada employees; employees of a participating political sub-division or NSHE are not eligible.)

- You may take a new coronavirus-related loan from your NDC Plan up to the lesser of \$100,000 or 100% of your vested account balance.
- Your existing plan loans (if any) will count against the number of loans available under the plan, as well as your maximum loan amount available.
- You may take this loan beginning March 27, 2020 through September 23, 2020.

Coronavirus-related delay in loan repayments (loans are only available to State of Nevada employees; employees of a participating political sub-division or NSHE are not eligible.)

- You may delay the repayment that is due on your new or existing loan repayments that are due from March 27, 2020 through December 31, 2020.
- Loan repayments due and unpaid between March 27, 2020 and December 31, 2020 (the “suspension period”) will continue to accrue interest during the suspension period.
- In January 2021, your loan will be re-amortized, repayments will resume after the suspension period ends, and the term of the loan may be extended for a period up to one year following the original repayment date of the loan.
- You will receive a confirmation with the new re-amortized loan repayment amount.
- Loan repayments will then resume on the first scheduled periodic due date after December 31, 2020.

IMPORTANT: In order to receive the coronavirus-related relief, you will be required to certify that you satisfy one of the Eligibility Requirements at the time of the request. For more information on the CRD options prior to making an election, please call the NDC Administrative Office at **(775) 684-3397**.

Other relief for all NDC Plan participants regardless of whether or not you meet the Eligibility Requirements.

Required Minimum Distributions (RMDs)

- There are no required RMDs for 2020.
- You will receive an additional communication if RMDs are applicable to you.

Please note that Nevada Deferred Compensation and the NDC’s contracted recordkeeper, Voya Financial, cannot provide you with tax advice. Prior to taking an action, you should speak with your tax advisor.