



The Coronavirus Aid, Relief, and Economic Security (CARES) Act: Delay of Repayments Service

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The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed on March 27, 2020. The CARES Act includes an optional change related to the delay of loan repayments, as described in Section 2202 of the CARES Act, available for 401(a), 401(k), 403(b) and governmental 457(b) plans (individually, a "Plan").

The CARES Act permits plan sponsors to:

- Allow qualifying participants to delay loan repayments that would otherwise be due between March 27, 2020 and December 31, 2020 ("deferral").

By directing Fidelity Workplace Services LLC or an affiliate ("Fidelity") to provide this service, the Plan Sponsor and Fidelity intend and agree that this document constitutes a modification of the Plan Administration Manual or an amendment to the applicable agreement between Fidelity Investments Institutional Operations Company, LLC. and/or Fidelity Workplace Services LLC and/or Fidelity Management Trust Company and the Plan Sponsor/Client and/or Plan Administrator for recordkeeping and related services to the Plan. Please contact your Service Team for a separate written amendment or updated Plan Administration Manual reflecting these changes. This document may contain service and/or compensation information intended by Fidelity to satisfy the requirements of Department of Labor regulation Section 2550.408b-2(c)(1) and which require review by the responsible plan fiduciary.

Plan sponsors are responsible for ensuring that their plan documents are timely amended for this provision. Clients using the Fidelity 401(k) or 403(b) Volume Submitter Plan Document will receive additional information from Fidelity. Clients using individually designed plan documents should discuss amendment requirements with their benefits counsel. The deadline for retroactive plan amendments is the last day of the first plan year beginning on or after January 1, 2022 (generally December 31, 2022) or, for governmental plans, two years later.

If the Plan is a 401(a) plan, a 401(k) plan or a governmental 457(b) plan and Fidelity Management Trust Company is the trustee, the Trust Agreement for the Plan is deemed amended to permit these services unless prohibited by the Plan. If the Plan is a 403(b) plan and Fidelity Management Trust Company is the custodian of a group custodial account, the Group Custodial Account Agreement for the Plan is deemed amended to permit these services unless prohibited by the Plan. If the Plan is a 403(b) plan funded with Fidelity Investments® Code



Section 403(b)(7) Individual Custodial Accounts (ICA), Plan Participants will be notified that the ICA Agreement has been amended by Fidelity Management Trust Company to permit such services.

Note that the following plans are not eligible for the services described below: Defined benefit plans, money purchase pension plans, Puerto Rico-qualified plans, the Puerto Rico portion of dual-qualified plans, and nonqualified deferred compensation plans (including 409A plans, 457(b) plans sponsored by tax-exempt entities, 457(f) plans and 415(m) plans).

Description of Deferral of Repayments for Existing Loans for Qualifying Individuals from 401(a) Defined Contribution Plans, 401(k) Plans, 403(b) Plans and Governmental 457(b) Plans

1. **Qualifying Participants:** To be eligible for deferral, one or more of the following must apply to the participant:
 - i. The participant is diagnosed with the virus SARS-Co-V-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention,
 - ii. The participant's spouse or dependent is diagnosed with such virus or disease by such a test, or
 - iii. The participant experienced adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reducing hours of a business owned or operated by the individual due to such virus or disease, or other factors as determined by the Secretary of the Treasury.

As permitted by the CARES Act, the plan administrator may rely on a participant's certification that the participant satisfies one or more of the above conditions. Each participant will self-certify as to his or her eligibility. Fidelity will not request or collect any additional information.

2. **Deferral Election:** Participants may call Fidelity to request deferral. After confirming that the Plan permits delay, the Workplace Service Group Representative will ask the participant to certify his or her eligibility. NetBenefits® may be enhanced for participants to request loan deferrals.



3. Deferment Period: All loan repayments due from the date the participant requests deferment through December 31, 2020 will be deferred.
4. Payroll Deduction Loan Repayments: Fidelity will provide a report in Plan Sponsor Webstation® of participants who have contacted Fidelity to request deferment. The Plan Sponsor will be responsible for stopping their payroll deduction loan repayments during the Deferment Period. Fidelity will provide the Plan Sponsor a change feedback file with the new payment amount after the expiration of the Deferment Period.
5. ACH Deduction Loan Repayments: Participants will be responsible for logging into NetBenefits® and stopping their ACH debit loan repayments during the Deferment Period. Fidelity will notify the participants directly of the loan repayment amounts after the Deferment Period and prior to their repayment start date.
6. Loan Repayment Frequency: Same as the original loan, when repayments begin.
7. Re-amortization and Accrued Interest: Interest will continue to accrue during the Deferment Period. In January 2021, Fidelity will re-amortize the loan, plus accrued interest during the Deferment Period, over the remaining term of the loan plus the length of the Deferment Period. The repayment amount of the re-amortized loan will reflect the remaining outstanding principal balance of the loan and the interest rate on the loan including the interest that accrued during the Deferment Period. At the end of the Deferment Period, Fidelity will also provide the Plan Sponsor with an updated feedback file to reflect the new repayment amount.

The CARES Act Loan services described above may be modified if legislative, regulatory or other relevant guidance is issued or for service enhancements.

Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

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