

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed into law on March 27, 2020. It was designed to provide financial relief opportunities for people experiencing financial hardship because of the coronavirus (COVID-19) global crisis. BMO has incorporated CARES Act relief into the BMO Harris 401(k) Savings Plan (the “Plan”) to provide you with financial flexibility during this challenging time.

The CARES Act contains several types of relief for retirement plan participants affected by the virus:

- **Withdrawals:** temporary expanded access to retirement savings
- **Loan Repayments:** loan payment suspension and additional time is available to make loan repayments
- **Required Minimum Distribution (RMD):** no RMDs are required in 2020

### Eligibility Rules

To qualify for the CARES Act loan or withdrawal relief, you must be directly impacted by the coronavirus pandemic in **one** of the following ways:

- You have been diagnosed with SARS-CoV-2 or COVID-19 by a test approved by the Centers for Disease Control and Prevention;
- Your spouse or dependent has been diagnosed with an approved test, or;
- You are experiencing adverse financial consequences due to quarantine, furlough, layoff, reduced work hours, inability to work due to lack of childcare, or closure or reduced hours of a business you own or operate.

### Withdrawals

From January 1, 2020 through December 31, 2020, the CARES Act provides for increased access to funds saved in certain retirement accounts and IRAs, including your account in the BMO Harris 401(k) Savings Plan. If you meet one of the eligibility rules, you may withdraw up to a **total** of \$100,000 from one or more of your retirement savings accounts and/or IRAs.

To make this relief available to you, BMO has added a **CARES Act Withdrawal** option to the Plan. You are eligible to withdraw a maximum of \$100,000 using this option, but you cannot withdraw more than you have available in your own account. Generally, most vested funds saved in your Plan account are eligible for this withdrawal, excluding the 2% Company Core contribution source.

Amounts withdrawn using this option are eligible for special tax treatment as follows:

- At the time of your request, you will be asked whether or not you want 10% federal tax withholding applied to your withdrawal (rather than the usual, mandatory 20% federal tax withholding).
- You can choose to pay taxes on your withdrawal for this tax year, or spread the income over three years.
- When you pay taxes on your withdrawal, it will not be subject to the 10% penalty on early distributions.
- You will have the option to repay the amount as a rollover to a retirement plan that accepts it or an IRA within three years of taking the withdrawal.

### **Loan Repayment Suspension**

Challenges of the current situation may make it difficult for you to continue your loan repayments as originally scheduled. If you currently meet the eligibility rules described above and you have an outstanding loan from the Plan, or request a new loan during 2020, you may **request** to suspend loan repayments for up to one year. You can make this request at any time now through December 31, 2020.

Requesting a loan repayment suspension will modify the original terms of your loan in the following ways:

- Interest on your loan will continue to accrue while your repayments are suspended.
- The amount of your loan repayments will be adjusted to reflect the interest accrued during the delay.
- Your loan end date will also be adjusted to reflect the period of time your loan was suspended.
- Loan repayments will automatically resume at the end of your suspension period.

### **Loan Repayment Grace Period**

Even if you are not eligible to suspend your loan repayments, some relief is available to you if you miss repayments on an outstanding loan. The IRS has announced a grace period on the due date for loan repayments. Repayments that are due between April 1, 2020 and July 15, 2020 will be considered due on July 15, 2020. (The grace period impacts loan repayments that were originally due as well as extending the period of time before your loan may be defaulted.) No action is required to have this grace period applied to missed repayments on your outstanding loan.

### **Required Minimum Distributions (RMDs)**

Federal law requires retired individuals who turned age 70 ½ by December 31, 2019 to withdraw a certain amount of money from their retirement savings each year. This payment is called a required minimum distribution (RMD).

Under the CARES Act, no RMDs are required in 2020.

BMO will stop automatically processing RMD payments for the remainder of 2020. Eligible participants can still choose to request a withdrawal from their account, in lieu of a RMD, at any time during the year.

### **How to apply and/or get more information**

If you qualify under the Eligibility Rules and want to request a CARES Act withdrawal and/or a loan suspension, or have additional questions about the financial relief opportunities available to you, please access your Plan account online or call a customer service representative for more information:

- **ACCESSBenefits Online from Workday – (no password required)**
  1. Go to [Workday](#), click the *Pay* application
  2. Under *External Links*, click *401(k)* to connect to your **ACCESSBenefits** account
- **ACCESSBenefits Online – from any internet enabled device (User Name/Password required)**

You can access your account online from any internet enabled device (computer, phone or tablet). You need your User Name and Password to access your account this way. Go to [ACCESSBenefits Online \(https://www.lifeatworkportal.com/accessbenefits.html\)](https://www.lifeatworkportal.com/accessbenefits.html).
- **ACCESSBenefits Customer Service – 1-800-738-2323**

Monday through Friday, 9 a.m. to 9 p.m. Eastern Time, except holidays

This information in this notice should not be considered tax or financial advice. You are encouraged to review the provisions of the Plan and to consult with a financial advisor or tax advisor to consider all implications before taking any action. Taking a withdrawal from your retirement savings can impact your long-term savings strategy. You may want to consider other financial alternatives that meet your short-term needs while minimizing impact to your long-term financial savings goals.