



### **What is the CARES Act?**

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is a \$2 trillion emergency economic aid package to help Americans withstand the COVID-19 pandemic, including measures to help bolster individuals' financial well-being.

### **How does the CARES Act impact qualified annuity contracts?**

The CARES Act:

- Waives the Required Minimum Distribution (RMD) requirement for 2020.
- Temporarily adds an extra year to the five-year rule for death benefit elections for Individual Retirement Accounts (IRA) or qualified plan contracts.
- Allows individuals to make penalty-free hardship withdrawals from their individual retirement accounts. The legislation also waives the 10% early withdrawal penalty tax for "coronavirus-related distributions" up to \$100,000 from an IRA or 401(k) plan.

### **Required Minimum Distribution:**

#### **I would like to defer my RMD for 2020, how can I do this?**

If you have an established automatic RMD program with Talcott Resolution, [you may defer your RMD for 2020 by calling our Contact Center, any representative can assist you](#). If you haven't submitted any paperwork for a one-time RMD withdrawal, you do not need to do anything.

If you have questions on how the CARES Act may impact you or need assistance in deciding whether you should defer your 2020 RMD, please contact your investment professional or tax advisor.

#### **Can I still take my RMD for 2020?**

Yes, you may still take your RMD for 2020. If you choose to do so and have an automatic RMD program established, you do not need to take any action. If you typically request a one-time RMD withdrawal, please submit the appropriate paperwork.

If you have questions on how the CARES Act may impact you or need assistance in deciding whether you should defer your 2020 RMD, please contact your investment professional or tax advisor.

**I have an established automatic RMD program, can this continue for 2020?**

If you are enrolled in an automatic RMD program and you would like to continue to receive your RMD payment in 2020, no action is required. We will continue to make those payments to you.

If you have questions on how the CARES Act may impact you or need assistance in deciding whether you should defer your 2020 RMD, please contact your investment professional or tax advisor.

**Will I be penalized by the IRS if I do not take a RMD in 2020?**

The CARES Act waives the RMD requirement for 2020, therefore you will not be subject to the otherwise applicable 50% penalty if a RMD is not taken.

If you have questions on how the CARES Act may impact you, please contact your investment professional or tax advisor.

**Will I be subject to surrender charges if I take what would have been my RMD amount for 2020?**

If you are taking your RMD distribution through the automatic RMD program, or if you submit your request for a RMD using the RMD form, surrender charges will be waived up to the calculated amount of the RMD..

**How can I determine if I should continue to take my RMD in 2020 or defer this distribution to 2021?**

If you have questions on how the CARES Act may impact you or need assistance in deciding whether you should defer your 2020 RMD, please contact your investment professional or tax advisor.

**Extension of Five-Year Deferral Death Benefit Option:**

**I am a beneficiary who has elected the five-year deferral death benefit option on an IRA or qualified contract, how does the CARES Act impact me?**

The CARES Act adds a year to the five-year rule if you have elected this option as a death benefit on an IRA or qualified contract. If you have elected this option, and your deferral ends between January 1, 2020 and December 31, 2024, you now have six years from the date of passing to receive the death benefit proceeds. We are in the process of sending a confirmation to beneficiaries who are impacted by this change.

**I have elected the five-year deferral death benefit option on an IRA or qualified contract, does this mean I cannot withdraw my funds before the required distribution date?**

No, you may continue to withdraw your proceeds at a timeframe that works for you. The CARES Act simply allows another year to be added onto this option, allowing for a distribution period of six years instead of five.

If you have questions on how the CARES Act may impact you or the death benefit option you elected, please contact your investment professional or tax advisor.

**Coronavirus-related Distributions:**

**I am under the age of 59 ½, can I take a withdrawal and avoid the 10% early withdrawal penalty?**

The CARES Act waives the 10% early withdrawal penalty for coronavirus-related distributions. We recommend working with your tax advisor for information on how to report coronavirus-related distributions for income tax purposes.

**Will applicable surrender charges be waived on coronavirus-related distributions?**

No, surrender charges and other applicable fees will not be waived as a result of a coronavirus-related distribution that is in excess of the annual free withdrawal amount associated with your specific contract.

**How do I request a coronavirus-related distribution from my annuity contract?**

Full or partial withdrawals may be requested at any time by using the applicable surrender forms. [Please contact us if you need assistance in obtaining the appropriate form.](#)

Talcott Resolution does not need to be notified that your withdrawal is for coronavirus-related purposes. We recommend that you work with your investment professional or tax advisor for questions related to distributions under the CARES Act or how to report coronavirus-related distributions for income tax purposes.

**Can I repay my coronavirus-related distribution back over a period of three years?**

The CARES Act allows coronavirus-related distributions to be repaid over three years. Talcott Resolution will follow IRS guidance on how these repayments can be made

If you have questions on taking a coronavirus-related distribution, and how you might be able to repay the distribution over three years, please contact your investment professional or tax advisor.