

LOANS

A "Qualified Participant" is eligible for enhanced loan provisions

- Loans shall be permitted before September 23, 2020.
- Maximum loan percentage not limited to 50% and can be 100%.
- Maximum loan amount raised from \$50,000 to \$100,000.
- Maximum loan amount reduced by all outstanding loans and interest.
- Loans can only come from funds in 401(k) from employee contribution sources and not from Company Contribution sources.
- Outstanding loan payments during the period beginning on March 27, 2020 and ending on December 31, 2020 can be delayed for one year.

Other Amendments applicable to all Plan Participants

- The age for Required Minimum Distributions has been raised from 70.5 to age 72. This is applicable to anyone turning age 70.5 after January 1, 2020.
- Mandatory distributions (Required Minimum Distributions) from the Plan are not required for anyone in the year 2020 unless the participant elects to receive such distributions.

Note: *These enhanced distribution provisions are intended for members that are suffering severe financial hardship. Ordinarily, loans and early distributions from the Plan may be detrimental to long-term savings and retirement.*

For further information please contact Merrill Lynch at 1 (800) 483-7283

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The UAW has bargained with FCA to amend the UAW (401(k)) Savings Plan, in adopting certain provisions of the CARES Act. It has been agreed to allow to ease some restrictions of the loans and withdraws to Qualified Participating members impacted by the Coronavirus crisis.

401(k) SAVINGS PLAN AMENDMENTS

Certain Amendments applicable to “Qualified Participants” affected by the COVID-19 crisis.

For purposes of the Amendment a “Qualified Participant” means a member-

- (1) Who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention (the “CDC”).
- (2) Whose spouse or dependent (as defined in Section 152 of the Code) is diagnosed with such virus or disease by a test approved by the CDC, or
- (3) Who 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 (or the Secretary’s delegate).

The member will certify with Merrill Lynch for distribution application and eligibility.

DISTRIBUTIONS

A “Qualified Participant” is eligible for a distribution of up to \$100,000 from their 401(k).

- These distributions shall be permitted during the period commencing on January 1, 2020 and ending on December 31, 2020.
- Distribution can only come from funds in 401(k) from employee contribution sources and not from Company Contribution sources.
- Mandatory 20% withholding not required.
- Not subject to the 10% early withdrawal penalty.
- Can be paid back at any time during the three-year period after the distribution by making one or more contributions in an aggregate amount not to exceed the amount of the distribution.

Note: Members should consult with their tax specialist regarding the tax consequences of a distribution. While the distribution is not subject to the normal mandatory 20% withholding at the time of the distribution, members will still be responsible for ordinary income taxes. In consultation with their tax specialist, strategies for paying taxes will depend on the amount of the distribution, pay back amounts and how best to spread the tax over three years.