

**TO: ALL 401K PARTICIPANTS**  
**FROM:** Fred Carmichael  
**SUBJECT: PLAN ADMENDMENT REGARDING COVID-19**  
**DATE:** April 27, 2020

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Lafayette Venetian Blind has amended our 401K plan to allow for changes in distributions and loans due to COVID-19. Our amendment is part of the recently passed CARES Act and will be in effect through December 31, 2020. A quick summary is noted below as we understand the law today. Should you have specific questions, please feel free to contact me.

You are eligible to take advantage of this amendment if you have experienced any of the following:

1. Diagnosed with the SARS-CoV-2 virus or COVID-19 disease in a test approved by the Centers for Disease Control and Prevention(CDC), or have a spouse or dependent who is similarly diagnosed; or
2. Because of the virus or disease, has experienced adverse financial consequences as a result of;
  - a. Being quarantined;
  - b. Being furloughed, laid off, or having work hours reduced;
  - c. Being unable to work for lack of child care;
  - d. Facing reduced hours or closure of a business owned or operated by the participant; or
  - e. Other factors determined by the Treasury Secretary.

If you have had one of the above noted events, you could qualify for;

1. Coronavirus-Related Distribution (CRD)
  - a. Must be requested before December 15, 2020, to allow for processing before year end
  - b. Cannot be more than \$100,000 in total from eligible retirement plans and IRAs combined
  - c. Is subject to 10% tax withholding, which could be waived, vs the standard 20%
  - d. Will not be subject to the 10% early distribution penalty
  - e. Can be repaid into an eligible retirement plan or an IRA as a rollover contribution, if repaid within 3 years of the distribution
2. Coronavirus Loan Relief
  - a. This provision is available until September 23, 2020 and allows individuals to take loans up to the lesser of \$100,000, or 100% of a participant's vested account balance. Currently, loans can be request up to \$50,000, or 50% of a participants vested account balance.

- b. Participants can also request on the loan noted in 2a, to delay payments on these loans and existing loans for up to 1 year for any payments scheduled to occur through December 31, 2020.
    - For any delayed loan repayments, payment terms of the original loan could be extended for up to 1 year. When payments resume, interest will accrue and the loan will be re-amortized to include the additional accrued interest and the extended time to repay.
  - c. Additionally, participants can request loans above 50% of their vested account balance.
  - d. For current and coronavirus loans, you still can have no more than 2 loans at one time.
3. Required Minimum Distribution (RMD) Relief
- a. All RMD's are waived for 2020 should you have been affected. These only relate to those individuals over the age of 72 ½.

Should you have any questions regarding the above, please feel free to contact me.

Thanks!!

Fred