

CARES ACT 2020

A SUMMARY AND RESOURCES FOR CHURCHES



SUMMARY OF CARES ACT PROVISIONS PAYROLL TAX CREDIT

Note from the Christian Church Foundation, Disciples Church Extension Fund, and Pension Fund of the Christian Church: The material contained in this document is for informational purposes only and not to be construed as tax, financial, or legal advice. Before making decisions about financial matters, please consult your attorney, tax preparer or other financial advisor to find out how these programs will impact your individual or corporate situation.

For Pension Fund members only: If any differences exist between this summary and the plan documents, the plan documents will control.

Note from Church Alliance: This document briefly summarizes provisions in the Coronavirus Aid, Relief, and Economic Security Act (“the CARES Act”) that could possibly be of interest to church plans, ministries and plan members. This summary reflects those CARES Act provisions as they are currently understood on March 29, 2020, without any agency guidance. As guidance is issued that may be applicable, we plan to provide information to you on that guidance or to refer you to that guidance but may not be able to update the summary with that information.

Unless stated otherwise in this document, staff from DCEF, CCF, and PFCC cannot provide tax or legal advice, nor interpret these documents.

Retirement Plan Changes

Required Minimum Distribution Waiver

Effective January 1, 2020, the CARES Act waives required minimum distributions (“RMDs”) for defined contribution 403(b) plans (TDRA), governmental 457(b) plans, and IRAs for calendar year 2020. The waiver applies to RMDs required to be made in 2020 and to 2019 RMDs that are required to be made by April 1, 2020 (if not already made in 2019). For purposes of determining RMDs after 2020, an individual's required beginning date is determined without regard to this 2020 waiver.

In addition, the five-year distribution period that applies to certain beneficiaries will be determined without regard to calendar year 2020.

If an eligible rollover distribution paid in 2020 would have been an RMD for 2020 but for the waiver, the distribution is not subject to the direct rollover rules, 20% mandatory withholding requirement, or the 402(f) notice.

Pension Fund will issue instructions to all members regarding 2020 RMDs in the June 2020 letter.