

Whitney Briggs

From: Mike Heitmann
Sent: Friday, June 5, 2020 2:42 PM
To: ZZComplete e-mail list
Subject: COVID-19 Update 6-5-20

Good afternoon, employee-owners:

Below is an update on our COVID-19 response. The first part is additional information and the second part provides answers to the questions that have been submitted.

ADDITIONAL INFORMATION:

- Happy Friday!

QUESTIONS SUBMITTED:

1. **The CARES Act allows for up to \$100,000 distributions from 401k's due to COVID-19. Currently, Garney's Plan with Vanguard does not allow for this type of distribution. Is this something we can look into changing?**

ANSWER: The CARES Act permits Coronavirus Related Distributions (CRDs) to individuals affected by COVID-19. **Effective next Wednesday, June 10, Garney is implementing this provision in our 401(k) plan.** Below, are the details of the allowable distributions:

An "affected individual" is defined as someone:

1. Who is diagnosed with COVID-19 by a CDC-approved test.
2. Whose spouse or dependent is diagnosed with COVID-19 by a CDC-approved test, or
3. Who experiences adverse financial consequences as a result of being quarantined; being furloughed, laid off, or having work hours reduced as a result of COVID-19; being unable to work due to lack of child care due to COVID-19; closing or reducing hours of a business owned or operated by the individual due to COVID-19.

The CRD provision permits the following:

1. Distributions up to \$100,000 from qualified plans and IRAs by affected individuals.
2. Distributions made on or after January 1, 2020 and before December 31, 2020 qualify.
3. There is no mandatory 20% federal tax withholding requirement and the 10% early withdrawal penalty is waived.
4. The taxes associated with the income attributable to CRDs can be paid pro-rata over a three-year period.
5. A participant taking a CRD may repay the amount of the distribution within three years.

You can only request this Coronavirus Related Distribution by calling Vanguard directly. If you need help or have questions, please contact Angela Kearney.

As always, please continue submitting your questions to covid19@garney.com.

The fog continues to clear up ahead. We still have many unknowns, but we are plowing forward confidently. Have you checked in with a fellow employee-owner lately? If not, please reach out to someone and check-in with them. How are you doing? What is on your mind? What is stressing you out? When was the last time you had chili for breakfast?

Stay safe and have a great weekend!

Mike Heitmann

Employee-Owner Since 1990

GARNEY CONSTRUCTION *Advancing Water*