SMITH COLLEGE DEFINED CONTRIBUTION RETIREMENT PLAN

CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT
PARTICIPANT NOTICE

As you were previously notified, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law on March 27, 2020. The Internal Revenue Service (the "IRS") has recently issued guidance regarding coronavirus related distributions, loan provisions and required minimum distributions for 2020.

The purpose of this notice is to update you on the additional guidance issued by the IRS which has an effect on certain provisions of the Smith College Defined Contribution Retirement Plan (the "Plan"). The provisions which have been clarified by the IRS are identified in **BOLD** below.

1. CORONAVIRUS RELATED DISTRIBUTIONS

Certain participants may withdraw, penalty free, up to the lesser of 100% of their vested account balance or $100,000. The coronavirus related distributions are available only between January 1, 2020 and December 31, 2020.

- To be eligible to make such a withdrawal, you, or your spouse or dependent **(which includes any member of your household who shares your principal residence)**, must have been diagnosed with COVID-19 **(by a test approved by the Centers of Disease Control and Prevention or the Federal, Food, Drug, and Cosmetic Act)**; or you, **your spouse or dependent** must have experienced adverse financial consequences due to COVID-19 as a result of **being quarantined**, lay-off, furlough, reduction in hours, the inability to work due to childcare, loss of business, **reduction in pay, job offer rescinded or start date for a job delayed, and other factors determined by the IRS**.
- **For qualifying participants, most withdrawals from the Plan, except for loan defaults, corrective distributions, etc., may now be considered coronavirus related distributions on their federal income tax return.**

Coronavirus related distributions are exempt from the 10% early distribution penalty, and mandatory federal withholding, but are subject to federal income taxation, which may be paid ratably over the three taxable year period beginning with 2020. Coronavirus related distributions are not eligible for rollover.

- If you take a coronavirus related distribution, you may repay the distribution to the Plan within the three-year period beginning on the day after the date of the distribution.
    - Repayments to the Plan within the three-year period will result in the distribution not being subject to federal income taxation.
    - **Although most withdrawals from the Plan may now be considered as coronavirus related distributions if you are a qualifying participant, the types of withdrawals that may be repaid to the Plan are limited. Before repaying any of your withdrawals to the Plan, you should consult with your tax advisor.**
- The Company may rely on your certification that you qualify for the coronavirus related distribution **unless the Company has knowledge to the contrary**.

2. INCREASED LOAN LIMITS AND LOAN SUSPENSIONS

The loan limit has been increased to the lesser of $100,000 or 100% of your vested account balance for certain loans.

- The increased Plan loan limit applies only to loans made between March 27, 2020 and September 23, 2020.
- Increased loan limits are only available if you meet the same conditions as for the coronavirus related distributions noted above.
- Scheduled Plan loan repayments due from March 27, 2020 through December 31, 2020 can be delayed for up to one year for *qualifying participants,* defined as participants who would be eligible for coronavirus related distributions as described above. Interest will continue to accrue during the payment suspension period. The Plan can extend the term of the loan for up to one year.
- **If your loan repayments have been suspended during any time from March 27, 2020 through December 31, 2020, your loan may be re-amortized following the suspension period and repaid in substantially equal payments over the remaining term of the loan (including the one year extension).**
- **The IRS has provided a "safe harbor" for payment suspension and the extended timeframe for repayments for qualifying participants whether or not the Plan has adopted the loan suspension provisions.**

3. REQUIRED MINIMUM DISTRIBUTIONS

The CARES Act temporarily waives required minimum distributions ("RMD") from the Plan for 2020.

The waiver of RMDs for 2020 applies to:

- Any participant who first turned 70½ on or before December 31, 2019, and delayed the first RMD to April 1, 2020; and
- Any RMD due for 2020.
- These RMDs may still be taken by you from the Plan, but will be considered eligible rollover distributions for 2020.
- **If you have received an RMD in 2020, that payment may be re-contributed to the Plan (or IRA) by the later of August 31, 2020 or 60 days after the RMD was received.**
- **There are special rules for individuals who must receive an RMD on April 1, 2021 since they were age 70½ or older as of December 31, 2019 but did not terminate employment until 2020.**

Please keep this notice with your Plan records, and contact the Plan Administrator if you have any questions about this information.