



Theodore G. Reeder, III, C.P.A., P.C.

147 West Washington Street  
Hagerstown, MD 21740

## TIGER'S EYE BENEFITS CONSULTING

Phone: (301) 733-4669  
Fax: (301) 733-5863

### COVID-19 Message

March 24, 2020

I want to send my best wishes for strength, calm, wisdom and good health during these very difficult times. I also want to convey that **Tiger's Eye Benefits Consulting** is **open and operating** as usual. **We are an Essential service business and will remain open and continue to provide** services to our Plan Sponsor clients, and Qualified Retirement (Benefit) Plans. We are here to help as we normally do.

Below is a short list of questions that we have addressed quite a bit in recent days. I wanted to share this information with you, and please share, as you are able, with your employees and Retirement Plan participants. As noted above, we are operating as usual and will do our very best to service inquiries from you and your Plan Participants. Our investment and recordkeeping vendors also continue to operate, and are able to assist with day-to-day Plan operations and questions.

As the Federal government's legislative initiatives are finalized, we will analyze any new law(s) and provide observations and recommendations as soon as possible.

Please stay safe during this crisis. I am confident that we will not only survive this, but also learn some valuable lessons about ourselves in the process. Certainly being more appreciative and aware of the many blessings that we do have, and which are so easy to take for granted. Stay strong!

## Coronavirus Impacts on Retirement Plans and Planning

### Some practical planning points for 401(k) Plan Sponsors and Employees.....

May employees stop their 401(k) withholding from future pays? **YES**. That ability is built into current law. Our recommendation – Get some written election from the employee. Even a hand written note for personnel records is better than a verbal request. The Summary Plan Description (SPD) documents prepared for our client's Plans also contain a Salary Deferral Election form for this purpose.

May employees make taxable withdrawals from their 401(k) accounts to cover cash needs? **NO. BUT**, Congress is working on legislation to address the CoVid-19 crisis, and proposals to date have included measures allowing for relaxed Plan withdrawal rules. But until legislation is finalized and signed by President Trump, current rules and potential limitations still apply. We will provide updates as soon as legislation is finalized on this topic.

Should employees withdraw funds from their 401(k) accounts if allowed? **???????** With investment market values having already fallen 30% or more within the last few weeks, from a pure timing perspective this may be a terrible time to liquidate investment positions to generate cash for a distribution. I recommend that participants contact their Plan's financial advisor and/or their personal financial advisor to speak about all the ramifications of taking a taxable benefit withdrawal before doing so. And certainly before making any decisions with haste.

*Our Eye is Always on Your Service!*



Theodore G. Reeder, III, C.P.A., P.C.

147 West Washington Street  
Hagerstown, MD 21740

---

## TIGER'S EYE BENEFITS CONSULTING

Phone: (301) 733-4669  
Fax: (301) 733-5863

May employees take new Plan loans even if they anticipate a work stoppage or temporary lay-off? **YES.** Pending legislative proposals contain provisions providing relief from loan default rules, including possible payment extensions in light of any employment interruption due to CoVid-19. At present, "normal" loan rules apply, and many of these rules vary by Plan, so check with your Employer and your own Plan information before pursuing any loan inquiry. And remember, too, that a loan "withdrawal" is still a withdrawal of money from your investment account(s). Which will occur (now) at a discounted investment value just as if you were making a taxable withdrawal. So timing, from an investment perspective, may be (much) less than ideal.

A key piece of advice – **Do Not Panic.** Decisions made in "panic mode", especially financial decisions seldom tend to turn out to be the best decisions you will ever make. Assess your current circumstances and resources available to you carefully. If you find that accessing 401(k) money is your best option, we are here to aid those processes as best we can.

Please do not hesitate to contact our offices, either by phone or email.

Ted Reeder, III, CPA, President

Tiger's Eye Benefits Consulting

147 West Washington Street

Hagerstown, MD 21740

(P) 301-733-4669

(F) 301-733-5863

(Email) [tedr@tigerseyebenefits.com](mailto:tedr@tigerseyebenefits.com)

(Web) [www.tigerseyebenefits.com](http://www.tigerseyebenefits.com)

Disclaimers:

The information contained in this electronic mail message is confidential. This message is intended only for the use of the individual named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you received this electronic mail in error, please notify us by reply immediately and delete this message.

Any tax advice in this written or electronic communication was not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding any penalties that may be imposed on the taxpayer by any governmental taxing authority or agency. Nothing in this message is construed to be investment advice as Tiger's Eye Benefits Consulting does not provide such advice in any capacity.

*Our Eye is Always on Your Service!*