
**More Information About the CARES Act from ABA Retirement Funds Program –
For Sponsors of Defined Benefit Plans (Including Cash Balance Plans)**

Dear Plan Administrator,

The \$2 trillion stimulus package, called the CARES Act, was signed by President Trump on March 27 and is now effective. The CARES Act provides certain funding relief for defined benefit plans, including cash balance plans (collectively referred to in this communication as “defined benefit plans”). Plan sponsors of defined benefit plans should consult with the plan’s actuaries regarding how this relief affects their funding obligations and benefit restrictions in 2020 and beyond. Below is a summary of the provisions of the CARES Act that relate to your defined benefit plan.

Relaxation of Defined Benefit Plan Funding Rules

Under the CARES Act, plan sponsors have until January 1, 2021 to make minimum funding contributions to defined benefit plans that otherwise would be due during 2020 (including quarterly installment payments). The amount of any delayed contribution will be increased by interest accrued between the original due date and the new payment date.

Relief for Benefit Restrictions, if Applicable

For purposes of determining whether any benefit restrictions under section 436 of the Internal Revenue Code (relating to plan funding-based benefit restrictions) apply to a defined benefit plan for the plan year that includes calendar year 2020, a plan sponsor may elect to treat its adjusted funding target attainment percentage (AFTAP) for the last plan year ending before January 1, 2020 as the plan’s AFTAP for the plan year that includes 2020. This relief might help a defined benefit plan avoid being subject to the funding-based restrictions that could require the plan to freeze benefits or restrict lump sum payments.

No Waiver of Required Minimum Distributions from Defined Benefit Plans

Although the CARES Act waives the 2020 required minimum distributions from defined contribution plans, no waiver is provided for required minimum distributions from defined benefit plans.

Plan Amendments

If plan amendments are required for these changes, the Program intends to timely amend the Program’s pre-approved plan for these changes. Sponsors of defined benefit plans that do not use the Program’s pre-approved plan should consult with their advisors regarding whether any plan amendments are required.

If you have any questions, please call our toll-free Plan Administrator Line at **800.752.6313** or email us at contactus@abaretirement.com. Also, be sure to visit our **‘COVID-19 and the Market Impact’** page at abaretirement.com/covid-19-market-impact/ on the Program website for regularly updated information.

Sincerely,

ABA Retirement Funds Program

For plan sponsor use only. Not for use with participants.

Please read the Program Annual Disclosure Document (April 2019) carefully before investing. The Annual Disclosure Document contains important information about the Program and investment options. For email inquiries, use: contactus@abaretirement.com.