



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
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May 12, 2020

To: Designated Service Providers of the Alternate Benefit Program (ABP), and Additional Contributions Tax-Sheltered Program (ACTS)

From: Michael Kusmierczyk, Manager – DB & DC Plans Reporting Unit
New Jersey Division of Pensions & Benefits

Subject: **Coronavirus Aid, Relief and Economic Security Act - CARES Act**

This is to provide a status update regarding the State of New Jersey, Division of Pensions & Benefits' directive regarding the CARES Act.

With regard to the optional provisions contained in the CARES Act, the Division does not wish to pursue implementing the temporary in-service distribution option at this time. However, the Division may wish to reconsider the in-service distribution option prior to the end of the year.

Also, the State has NOT made a final determination to increase the loan limits allowed under the CARES Act. I am unable to provide an estimated timeframe as to when a final decision will be made by the Division.

All vendors should implement the provisions in the CARES Act that are deemed mandatory including the following:

1. The vendors can suspend the "required minimum distributions" (RMD) for calendar year 2020.
2. Loans payments can be delayed for up to one year for outstanding loans as of March 27, 2020, through at least July 15, 2020, as well as all new loans taken between March 27, 2020, and December 31, 2020. We are awaiting further guidance from the Internal Revenue Service regarding the details of the amortization and repayment obligations.
3. The 10% early distribution penalty should not be applied to coronavirus-related distributions. The waiver applies regardless of the fact that we are not choosing to add the in-service distribution option to our plans at the present time.

Please consult with your legal and tax experts to properly implement these options if you have not already done so.