MILLER COOPER & CO, LTD.

Q & A – CHANGES RELATED TO LOANS

Q1. I READ ABOUT AN INCREASE IN THE MAXIMUM AMOUNT THAT A PARTICIPANT CAN REQUEST FOR A LOAN. ARE WE REQUIRED TO OFFER THESE OPTIONS TO OUR PARTICIPANTS?

A1. No, you are not required to offer the increased limits.

Q2. IF WE CHOOSE TO ADOPT THE CARES ACT PROVISIONS, HOW MUCH CAN BE TAKEN?

A2. Loan limits increase as follows:

- Maximum of $100,000, rather than the current $50,000.
- Up to 100% of a participant's account may be withdrawn, rather than the current 50% limit.
- Increased limits available for loans initiated by September 22, 2020.

Q3. IF OUR PLAN DOES NOT CURRENTLY OFFER LOANS, ARE WE NOW REQUIRED TO DO SO?

A3. No, even if you want to offer the new CRD distribution provision, you are not required to offer loans in your plan.

Q4. DO WE HAVE TO FIGURE OUT IF A PARTICIPANT MEETS THE CRITERIA FOR CORONAVIRUS RELATED DISTRIBUTIONS (CRDS)?

A4. No, the law allows employees to "self-certify", which means you can rely on a certified statement from the employee that they meet the criteria for CRDs.

Q5. IF WE HAVE LAID OFF OR FURLOUGHED EMPLOYEES, WHAT DO WE DO WITH THEIR LOAN REPAYMENTS?

A5. The CARES Act allows for deferring loan payments at the request of the participant for up to 12 months. The request to extend a loan must be made prior to December 31, 2020. Your plan administrator can provide a form that participants can complete to delay their loan repayment.

Participants who extend their loan payments should be aware of two things:

- Loan interest will continue to accrue on the unpaid loan balance during the suspension period.
- The loan will be re-amortized when payments resume. It's important to remember that because of the accumulated interest, the new loan payment may be larger than the original loan payment.

Please contact your Miller Cooper representative if you have any questions.