To all participants in the San Francisco Deferred Compensation Plan (SFDCP):

The Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020, helping ease some of the financial pressures facing Americans in the wake of COVID-19. If you have been impacted by COVID-19 and meet the Eligibility Requirements, the Act allows more access to retirement savings.

The City and County of San Francisco understands that this is a challenging situation and you may need access to your SFDCP retirement savings. It’s important, however, to weigh the immediate benefit of taking a loan or plan distribution. Withdrawing funds when the market has decreased could affect future rebound opportunities and have long-term consequences that may impact your retirement savings.

You satisfy the Eligibility Requirements to receive benefit relief if you are an individual who experiences one (1) of the following:

- You are diagnosed, or your spouse or dependent is diagnosed, with the virus SARS-CoV-2 or the coronavirus disease 2019 (collectively, “COVID-19”) by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act).
- You experience adverse financial consequences as a result of you, your spouse, or a member of your household (that is, someone who shares your principal residence):
  - being quarantined, being furloughed or laid off, or having work hours reduced due to COVID-19
  - being unable to work due to lack of childcare due to COVID-19
  - closing or reducing hours of a business that they own or operate due to COVID-19
  - having pay or self-employment income reduced due to COVID-19
  - having a job offer rescinded or start date for a job delayed due to COVID-19

If you meet one of the Eligibility Requirements described above, your expanded options include:

**Coronavirus-related distributions (CRD) from your San Francisco Deferred Compensation Plan**

- You can request a CRD of up to an aggregate amount of $100,000 through December 31, 2020.
- The CRD is not subject to the mandatory federal 20% tax withholding that otherwise apply to distributions.
- Your distribution will be reported for the 2020 tax year. You may then elect to report the total distribution as income for 2020 or have the CRD reported in your gross income over the course of the next three tax years. You should work with your Tax Advisor in regard to your taxes.
- The $100,000 CRD maximum applies on an individual basis for all of your retirement plans and IRAs. If you take a CRD from another Plan or IRA, you are responsible for tracking your limits to ensure that you do not exceed the $100,000 maximum.

**Coronavirus-related increase in loan maximum**

- You may take a new coronavirus-related loan from your San Francisco Deferred Compensation Plan up to the lesser of $100,000 or 100% of your vested account balance.
- Your existing plan loans (if any) will count against the number of loans available under the plan, as well as your maximum loan amount available.
- You may take this loan beginning March 27, 2020 through September 23, 2020.

(Continued on the next page)
Coronavirus-related delay in loan repayments

• You may delay your new or existing loan repayments that are due from March 27, 2020 through December 31, 2020.
• Loan repayments due and unpaid between March 27, 2020 and December 31, 2020 (the “suspension period”) will continue to accrue interest during the suspension period.
• In January 2021, your loan will be re-amortized, repayments will resume after the suspension period ends, and the term of the loan may be extended for a period up to one year following the original repayment date of the loan.
• You will receive a confirmation with the new re-amortized loan repayment amount.
• Loan repayments will then resume on the first scheduled periodic due date after December 31, 2020.

Other relief for all SFDCP participants regardless of whether or not you meet the Eligibility Requirements.

Required Minimum Distributions (RMDs)

• There are no required RMDs for 2020.
• You will receive an additional communication if RMDs are applicable to you.

IMPORTANT: In order to receive the coronavirus-related relief, you must certify on a recorded line that you satisfy one of the Eligibility Requirements at the time of the request. Coronavirus-related distributions are not available online. For more information or to elect one of these CRD options, please call 888-SFDCP-4U (733-2748) weekdays between 5:00 a.m. – 5:00 p.m. (excluding stock market holidays) to speak with a Customer Service Associate.

Need help with your retirement planning and savings strategy?

Schedule an appointment with your department dedicated SFDCP Counselor at sfdcp.org.

Please note that City and County of San Francisco and the SFDCP’s recordkeeper, Voya Financial®, cannot provide you with tax advice. Prior to taking an action, you should speak with your tax advisor.