charles SCHWAB

Qualified disaster recovery relief may be available if you've been impacted by a federally declared natural disaster.

The SECURE 2.0 Act of 2022 ("SECURE 2.0") was signed into law on December 29, 2022. It allows those affected by a federally declared natural disaster to access money in their retirement plan account(s) through special provisions.

You may be eligible for disaster recovery relief if:

- A major disaster was federally declared after December 27, 2020, and
- The disaster's "incident period" (as determined by the Federal Emergency Management Agency ("FEMA")) began on or after January 26, 2021, and
- Your primary place of residence during the time of the disaster is located within the disaster area, and
- You have sustained an economic loss as a result of the disaster.

Using your retirement savings early is a big decision and should only be considered as a last resort. If you have an urgent financial gap, and you qualify for SECURE 2.0 qualified disaster recovery relief, the following provisions may help you.

(This information supplements your Summary Plan Description. You should save this document with your other important documents.)

A qualified disaster recovery distribution with tax/repayment flexibility and no early withdrawal penalty.

If eligible, you can withdraw the available vested balance in your retirement plan account, up to $22,000, for each qualified disaster through a qualified disaster recovery distribution ("QDRD"). To qualify for a QDRD, you must be:

- An eligible retirement plan participant, or
- A beneficiary of a deceased retirement plan participant, or
- An alternate payee under a qualified domestic relations order.

The total amount of all QDRDs for each qualified disaster cannot exceed $22,000, taking into account any QDRDs from all eligible accounts. **The QDRD must be processed before the date that is 180 days after the later of: (1) the first day of the incident period; or (2) the date the disaster is federally declared; or (3) December 29, 2022.**

You may owe taxes on the distribution.

While mandatory withholding is not required at the time of distribution, you may be subject to applicable income taxes. However, you may pay those taxes over a three-year period.

You can pay yourself back.

Unlike certain other types of distributions, you can repay a QDRD over a three-year period. When you repay your QDRD, it is considered a rollover contribution, and by putting this money back into your retirement account(s) it could help you stay on track to help meet your retirement savings goals. This is why it's important for you to understand your repayment options. You can choose to:

- **Pay yourself back, in part or in full.** Any amount you repay can be put back into the qualified retirement plan (or any other plan) if the plan permits rollover contributions, and you're eligible to make rollover contributions. You can also put the repayment(s) into an IRA that can accept rollovers. When paying yourself back:
  - You can repay any amount, up to the full amount of the distribution.
  - You can make multiple repayments over time; you don't have to repay it all at once. Just make sure your repayments are made within three years of the funds being issued to you and that they don't exceed the amount of the distribution.
- **Keep the entire amount.** You don't have to pay back a QDRD, and the distribution is not subject to the early withdrawal penalty for those younger than age 59½ at the time of withdrawal. However, not paying yourself back could reduce your overall retirement income later in life.

Consider consulting a qualified tax advisor for help with determining how a QDRD may affect your taxable income and to help develop a tax or repayment strategy, if you choose.

How do I request a QDRD?

Don't delay. To request a qualified disaster recovery distribution, please call Schwab Retirement Plan Services at the number below to speak with a Participant Services Representative prior to the end of the applicable 180-day period, to help make sure the distribution is processed by the deadline.

Ability to repay hardship withdrawals for the purchase or construction of a principal home.

If eligible, you can repay a hardship withdrawal received for the purchase or construction of a principal home that was not used on account of a qualified disaster with respect to the area. To qualify, the hardship withdrawal must have been received during the period which is 180 days before the first day of the qualified disaster's incident period and ends on the date which is 30 days after the last day of such incident period.

When you repay your hardship withdrawal back, it is considered a rollover contribution. You can repay any amount, up to the full amount of the distribution. You can make multiple repayments over time; you don't have to repay it all at once. Your repayment(s) must be processed by the date that is 180 days after the later of: (1) the first day of the incident period, or (2) the date the disaster is federally declared; or (3) December 29, 2022.

How do I request to make a repayment of a hardship withdrawal?

Don't delay. To request to make a repayment of a hardship withdrawal, please call Schwab Retirement Plan Services at the number below to speak with a Participant Services Representative prior to the end of the applicable 180-day period, to help make sure the repayment is processed by the deadline.

Schwab Retirement Plan Services is here for you.

If you have any questions about your eligibility for any of these options or need further assistance, don't hesitate to call **1-800-724-7526**. Participant Services Representatives are available Monday through Friday, from 8 a.m. to 10 p.m. ET.

Para más information en español, llame a Servicios al Participante al **1-877-905-2553**, de lunes a viernes, de 8 a.m. a 10 p.m., hora del este.

This information is not intended to be a substitute for specific individualized tax, legal, or investment planning advice. Where specific advice is necessary or appropriate, you should consult with a qualified tax advisor, CPA, financial planner or investment manager.

Schwab Retirement Plan Services, Inc. is not able to guarantee the exact timing of a distribution or new loan due to possible unexpected circumstances, so please take the deadline into consideration when requesting a distribution or loan.

Schwab Retirement Plan Services, Inc. provides recordkeeping and related services with respect to retirement plans and has provided this communication to you as part of the recordkeeping services it provides to the Plan.

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