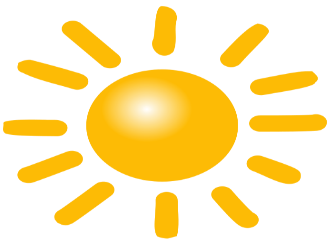
May, 2020



ADVICE AT A HIGHER LEVEL

NEWS AND UPDATES FOR RETIREMENT PLAN SPONSORS

"A Brighter Tomorrow." It is evident that we have been in challenging times. The Coronavirus has impacted many of us and changed how we live our normal lives. It has created a lot of uncertainty and left many of us wondering how long this will last. But as history has shown, we will get through this and brighter days are ahead.

You might have heard of the new CARES Act, passed by Congress on March 27th. This new legislation is to help provide economic relief to those affected by COVID-19. In the following pages, you can learn more on how this impacts your retirement plan and the importance of "Staying the Course" through these uncertain times.

As we look ahead to brighter days, we are excited to announce that our retirement team has grown. Please "Meet the Team" and help us welcome Kendra Gulley and Ryan Christensen to Cable Hill Partners. We look forward to you meeting them in the upcoming months.

STAY SAFE AND STAY TOGETHER

For more information about this newsletter or our advisory services, contact: retirementteam@cablehill.com

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INSIDE THIS ISSUE

CARES Act Legislation Summary[1]

On March 27, 2020, the Coronavirus, Aid, Relief, and Economic Security (CARES) Act (the "Act") was signed into law. A portion of the Act is intended to loosen access to retirement plan funds for individuals impacted by the COVID-19 pandemic. The following is a summary of the retirement-related provisions of the Act:

Coronavirus-related distribution (CRD)

- Waiver of 10% penalty on early withdrawals for amounts up to $100,000 from a retirement plan or IRA taken between January 1, 2020 and December 31, 2020 (so it can be retroactively applied to distributions taken prior to enactment of the Act)
- CRDs are only available to a *qualified individual* (see "qualified individual" below)
- Individuals are allowed pay the tax on a CRD ratably over a three year period; and
- Individuals are allowed to repay the CRD back to the plan, tax-free, over the three years from the date of the withdrawal (not limited by plan limits). May be repaid back into the plan allowing the withdrawal, another qualified plan or an IRA that accepts rollovers.
- Plan sponsor has discretion whether to offer this design in their qualified plan.

Plan loans

- For participant loans taken from plans between enactment of the Act and September 23, 2020, loan limits are increased for *qualified individuals* (see "qualified individual" below) to the lesser of:
    - $100,000; or
    - 100% of their vested account balance.
- *Qualified individuals* (see "qualified individual" below) with *existing outstanding loans* with a repayment due from the date of enactment of the Act through December 31, 2020 may delay loan repayments for up to one year. The plan can choose to extend the term of the loan for up to a year as well. Doing so would allow participants to avoid a

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financial hardship when they do resume repayment by keeping their repayment amount the same as prior to the suspension of the repayment. These loans will continue to accrue interest during the period of the suspension of repayments.

- Plan sponsor has discretion whether to offer these design elements in their qualified plan participate, reach out to your plan advisor.

Qualified individual

- Eligibility for the CRD and the adjustment to the loan limits is conditioned upon an individual meeting one of the following criteria:
    - Is diagnosed with COVID-19;
    - Whose spouse, or dependent (as defined by the Internal Revenue Code) is diagnosed with COVID-19;
    - Who experiences adverse financial consequences due to furlough, quarantine, layoff, reduction in hours, inability to work due to lack of child care due to COVID-19, or closing of business/ reduction of hours by individual due to COVID-19; or
    - Factors determined by the Secretary of the Treasury
- Importantly, the Act does not require the plan sponsor to verify whether an individual qualifies for the COVID-19 adjusted loan limits or the CRD. The plan sponsor may rely upon a *participant's certification* for eligibility.

Required minimum distributions

- The Act waives RMD payments for 2020.
    - Includes RMD attributable to 2019 which was not paid by January 1, 2020;
    - Includes RMD if already made in 2020; but
    - Does *not* include RMD distributions that were made in 2019.
- For RMDs that were already made in 2020 the participant may defer taxes and roll it back to the plan from which it was made or roll it to another qualified plan or IRA which accepts rollovers. Additional guidance regarding any potential impact to the 60 day rollover period is

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expected from the IRS.

Defined benefit plans

- The Act allows these plans to delay any contributions due in calendar year 2020 (including all quarterly contributions) until January 1, 2021. The new January 1, 2021 due date applies for all quarterly contributions (they would no longer be separately due).
- Leveraging the delayed due date would subject the employer to interest on the delayed contributions from the original due date(s) at the effective rate for the plan year that includes the date of payment.
- Plan sponsors should expect leveraging delay should lead to higher contributions in 2021.

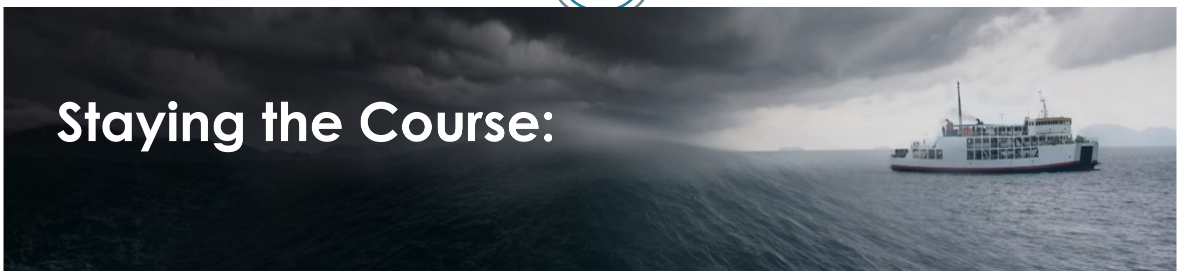
Reporting and Notices

- The Act empowers the Department of Labor to extend certain deadlines for notices – more information expected in the coming weeks.

Plans can adopt the new rules immediately.

The plan will eventually need to be amended on or before the last day of the first plan year beginning on or after January 1, 2022, or later if prescribed by the Secretary of the Treasury.

For any questions related to the CARES Act, your plan, or how it impacts your employees and participants, please do not hesitate to contact us.



Coronavirus and Past Market Epidemics[2]

As of February 28, 2020, global stock markets have entered “correction” territory, defined as a 10% decline from the index high. This is in large part due to the uncertainty surrounding the new coronavirus, first detected in Wuhan City, China, but now detected in 37 locations internationally, including the United States. There certainly will be an economic impact, as growth slows due to quarantines, less consumer traffic and lower factory output, but it is still to be determined its final result on global growth. Stock markets, however, do not like uncertainty. As uncertainty has grown around this new coronavirus, the resulting fear has led to a quick and notable downward movement in the market.

Epidemics in the past have also led to sharp pull-backs in the markets. Over the long-term, however, the stock market has weathered past epidemics. The below chart looks at the historical returns of the S&P 500 Index during multiple epidemics over the last 40 years. Over the 6 and 12 month periods following an epidemic, the S&P 500 performance has, on average, been positive.

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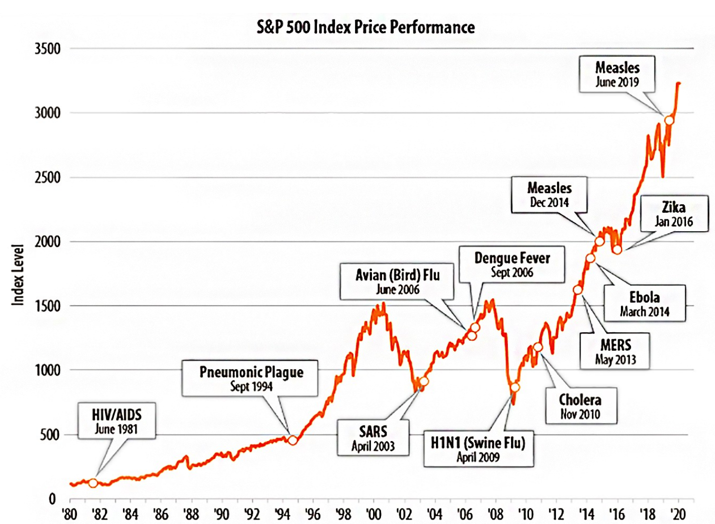

Epidemic	Date	S&P 500 6-Month % Change	S&P 500 12-Month % Change
HIV/AIDS	June 1981	-6.6%	-16.5%
Pneumonic Plague	Sept 1994	8.2%	26.3%
SARS	April 2003	14.6%	20.8%
Avian (Bird) Flu	June 2006	11.7%	18.4%
Dengue Fever	Sept 2006	6.4%	14.3%
H1N1 (Swine Flu)	April 2009	18.7%	36.0%
Cholera	Nov 2010	13.9%	5.6%
MERS	May 2013	10.7%	18.0%
Ebola	March 2014	5.3%	10.4%
Measles	Dec 2014	0.2%	-0.7%
Zika	Jan 2016	12.0%	17.5%
Measles	June 2019	9.8%	N/A*
Average Price Return		8.8%	13.6%

Observations

- 6-month change of the S&P 500 Index following the start of the epidemic was positive in 11 of the 12 cases, with an average price return of 8.8%.
- 12-month change of the S&P 500 Index following the start of the epidemic was positive in 9 of the 11 cases*, with an average price return of 13.6%.

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What is my risk tolerance?
When will I retire?

During times of uncertainty and market volatility, while it is prudent for plan participants to "stay the course", it is also prudent for them to review their investment strategies to ensure they are on the most appropriate path.

A new course of action is only warranted if it is more appropriate than the current path. Evaluating one's own situation—having the most appropriate asset allocation or glide path and high enough contribution rates—can lead to the most positive actions a participant may take in saving for retirement. Bailing out of the markets and a retirement plan is typically an imprudent action, often detrimental to reaching future long-term retirement goals. Data indicates that individuals attempting to time the market generally proves futile. Current market conditions rarely provide a clear direction as to the future performance of the markets.

[3]

The U.S. market in particular has been dynamic and resilient in moving on from crisis after crisis throughout history. The recent market volatility should remind plan participants to focus on what they should be doing on a regular basis: Be mindful of the situation, but diligent about your investment strategy. Participants need to act in their own best interests while the stock market reacts to the current coronavirus and the uncertainty it brings: another bout of expected short-term market volatility.

Meet Our New Team Members

Ryan Christensen

Retirement Plan
Lead Advisor

After earning his degree in Finance from Oregon State University, Ryan spent the next 20+ years helping businesses of all sizes successfully manage their retirement benefits – including 401(k)s, 403(b)s and pensions. As Retirement Plan Lead Advisor, Ryan services the complex needs of our plan sponsors and their employees.

Ryan and his wife Molly live in Lake Oswego with their three children, Lucy, Clare and Jack. Outside of the office, you can find Ryan actively involved in the Lake Oswego school and youth sports community as well as traveling and spending family time in the beautiful Pacific Northwest outdoors.

CABLE HILL PARTNERS

Kendra is an experienced professional with more than five years in the Retirement Plan Industry. She previously worked as a Regional Sales Director supporting advisors and plan sponsors throughout the Pacific Northwest. Kendra received her Bachelor of Science in Business Administration, Human Resources Management from Portland State University. Her natural talent and history of building relationships makes her a perfect fit as Cable Hill's Retirement Plan Relationship Manager.

Being a native Oregonian, Kendra loves the outdoors. On nice days, you will either find her out on a new adventure with her dog Ace or playing volleyball with friends.

Kendra Gulley

Retirement Plan
Relationship Manager

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1 https://www.napa-net.org/sites/napa-net.org/files/CAREs%20Act%20revised_032220.pdf
2 https://rpag.com/pmprichui/resourcecenter/StayingTheCourse-CornavirusUpdate
3 https://www.fidelity.com/viewpoints/investing-ideas/six-tips