To KEDA member 401(k)/402(b) Plan Sponsors:

President Trump signed the Coronavirus Aid, Relief and Economic Security (CARES) Act Friday, March 27th, 2020. This ACT is a major piece of legislation from Congress to help support the US economy, during the Corona Virus pandemic. It will have a major impact on how participants of 401(k)/403 (b) plans may access their money. These changes will make it significantly easier for plan participants to tap their retirement savings to help meet their short-term financial needs, again as a result of the crisis. **Linked below are two PDFs regarding the CARES Act to provide you with more information.**

As Plan Sponsors, it is important to realize that this Act is in the very early stages of enactment. There will be much more information put forward over the next few weeks and months. In addition, significant adjustments will be necessary from a record-keeping standpoint before these changes can be implemented. Please know that ultimately you, as the Plan Sponsor, will determine how many of these changes you wish to make available to your plan participants.

We, as retirement plan financial advisors, are concerned about the unintended consequences that will be created for many employees who must weigh the short-term benefits of accessing their retirement savings at the expense of their longer-term financial stability. To this point, many of your employees may not appreciate the repercussions of their decision, like selling while the market is recovering from a correction and making the short-term call to access their money now.

Our mission is two-fold. One, to help plan participants weigh the pros and cons of accessing their retirement money and how the impact of early withdrawal could affect their lives. Two, to help you better understand your options, as plan sponsor, as they become available under the CARES act. We will reach out as more information becomes available. **You can also click on the “We’re Here, Let’s Talk!” link below my signature to schedule a time to talk about the CARES act or any other concerns you may have.**
We understand that you have so much on your plate right now, which is why we are very sensitive to your time commitments. We would love to hear from you when appropriate. In the meantime, please feel free to access the two resources linked below.

Sincerely,

David S. Beck, AIF®
Vice President, Retirement Services
One Strategic Capital, Inc.

Address 249 Winslow Way E, Suite 100
Bainbridge Island, WA 98110
Office (206) 397-4890
Fax (206) 397-4894
Email David@OSCFP.com
Website www.OSCFP.com

We’re Here, Let’s Talk!

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