



June 2020

Dear Investor:

Keeping you informed is an important goal of T. Rowe Price. That's why we want to ensure you're aware of some of the recent legislative and other changes that may affect your T. Rowe Price retirement account(s).

I. Coronavirus Aid, Relief, and Economic Security ("CARES") Act

a. Waiver of RMD Requirements in 2020

The CARES Act, which was enacted on March 27, 2020, provides relief to investors by waiving the required minimum distribution (RMD) obligation from retirement accounts in 2020. This waiver applies to 2020 calendar year RMDs and, for investors that attained age 70½ in 2019 and did not take their first RMD by December 31, 2019, the waiver applies to the 2019 RMD that would normally have been due by April 1, 2020. The legislation enables investors subject to RMDs in 2020 to avoid liquidating investments or transferring assets from retirement accounts that may have decreased in value due to market volatility. The CARES Act includes provisions affecting individual retirement accounts (IRAs) and defined contribution plans, such as 401(k) plans, 403(b) plans and governmental 457(b) plans.

The waiver also applies to RMDs required by beneficiaries of inherited workplace retirement plan accounts. For beneficiaries that inherited a workplace retirement account that are subject to the 5-year distribution rule, the year 2020 is disregarded. Those beneficiaries will now have a total of 6 years to complete their distributions.

T. Rowe Price will continue to process RMDs in accordance with current procedures until we are instructed otherwise. As T. Rowe Price cannot make determinations concerning your plan provisions, participants who request a suspension of the 2020 RMD will be directed to contact the plan administrator to determine if the option is available under their plan and to obtain written authorization (which must be provided to T. Rowe Price) for the 2020 RMD suspension.

b. Eligible Rollover Distributions

Under the CARES Act, distributions made during 2020 that would have been RMDs may now be eligible rollover distributions (if they otherwise meet the rollover requirements). Participants taking such eligible rollover distributions may roll the amounts over to an eligible employer plan or an IRA within 60 days of the distribution. (Please note the IRS recently issued relief that provides that if a 60-day rollover is due on or after April 1, 2020, and before July 15, 2020, the rollover can be completed on or before July 15, 2020 and be considered timely.)

c. Penalty-free Withdrawals in 2020 (Coronavirus Related Distributions)

The CARES Act allows workplace retirement plans to offer a penalty-free withdrawal option of up to \$100,000 for those impacted by the coronavirus. These types of distributions are considered coronavirus related distributions ("CRDs").

Impacted individuals under the CARES Act include:

1. those diagnosed with SARS-CoV-2 or COVID-19, by a test approved by the CDC,
2. those whose spouse or dependents have been diagnosed, or
3. those who have experienced "adverse financial consequences" from quarantine, furlough, layoffs, reduced work hours, inability to work due to lack of childcare, or closing of or reduced hours of a business owned or operated by the individual on account of the coronavirus.

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Unique rules may apply to money purchase pension plans (MPPs). For example, plan sponsors currently need to determine whether participants must also satisfy another qualification for a distribution event in order to take a CRD.

Plan sponsors will need to determine if they will be including CRDs as a withdrawal option under their plan. If so, participants can self-certify, to plan sponsors, their eligibility for the distributions. Plan sponsors should notify T. Rowe Price if coronavirus related distributions are offered.

CRDs from workplace retirement plans are not subject to 20% mandatory withholding or 402(f) notice requirements. CRDs, which must be taken on or before December 30, 2020, can be recontributed, in whole or in part, to any eligible workplace retirement plan or IRA to which an individual has a right to make rollover contributions at any time within three years of the distribution, and these recontributions will be treated as direct trustee-to-trustee transfers made within 60 days of the original distribution. The federal income tax treatment of the withdrawal does not change, and an individual receiving a CRD can include the amounts in their gross income for income tax purposes ratably over a three-year period, unless they elect to include it all in 2020.

Plan sponsors will need to determine if they will be including CRDs as a withdrawal option under their plan. If so, participants can self-certify, to plan sponsors, their eligibility for the CRD. Plan sponsors should notify T. Rowe Price if CRDs are offered. Requests for CRDs must be received by T. Rowe Price in good order before December 18, 2020 to ensure processing on or before December 30, 2020.

II. Federal Tax Filing Extended

The Treasury Department and the Internal Revenue Service announced that the deadline for filing and paying 2019 federal income taxes (without interest or penalties) has been extended to July 15, 2020. Please note, each state establishes its own deadline for paying and filing state income taxes, so please refer to your tax or legal professional with any questions regarding your state's filing requirements.

The IRS has also extended certain other deadlines. Please refer to the IRS website for more details or speak with your tax professional for questions specific to you.

III. SECURE Act


The Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act), which was signed into law in December 2019, included a package of changes to the laws governing retirement plans and Individual Retirement Accounts (IRAs). Enclosed please find a copy of our "Important Notice regarding the SECURE Act," which describes some of the changes in the law the SECURE Act made to workplace retirement plans.

For more information about the CARES Act and other relief related to the coronavirus, please read our T. Rowe Price Insights® article, entitled "[Coronavirus Relief: What You Need to Know.](#)" For more information about the SECURE Act please read our T. Rowe Price Insights® article, entitled "[The SECURE Act: What Investors Need to Know.](#)" Both articles can be found at troweprice.com/insights.

The Treasury Department, IRS and other regulators are continuing to consider additional guidance on various issues in light of the Coronavirus. Accordingly, we encourage you to consult your tax and/or legal professional regarding any questions you have about the impacts these changes may have to your particular situation.

Thank you for investing with T. Rowe Price. If you have any questions, please call us at **1-800-492-7670**.

Sincerely,



Susan Nakai
Vice President

Enclosure

T. Rowe Price Trust Company
troweprice.com
T 800-492-7670

4515 Painters Mill Road
Owings Mills, MD 21117-4903

P.O. Box 17350
Baltimore, MD 21297-1350

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