

Participant Communication for Victims of Hurricane Irma

The Internal Revenue Service (IRS) provided some relief for the victims of Hurricane Irma and their families to enable them to obtain loans and/or hardship withdrawals from their employer's plan. Here's a brief summary of the relief and how to access available money in an employer's plan.

Who Can Access the Money? Affected employees whose principal residence or place of employment on September 4, 2017 was located in one of the Federal Emergency Management Agency (FEMA) designated disaster areas (<https://www.fema.gov/disaster/4337>). Affected employees in 401(k), 403(b) and 457(b) governmental plans that offer loans and/or hardship withdrawals (unforeseen emergencies for 457(b) plans) can obtain money from their employer's plan because of Hurricane Irma. In addition, grandparents, parents, children, dependent or a spouse of an affected employee whose principal residence or place of employment on September 4, 2017 was located in one of the FEMA designated disaster can also obtain money from their employer's plan to assist him or her.

What Money is Available? Affected employees who are plan participants may be able to obtain hardship withdrawals from their employer's plan for food and shelter in addition to the normal reasons, such as a casualty loss caused by a hurricane. Plan rules will apply and determine what money is available and if there is a limit on the number of loans and/or hardship withdrawals. However, the taxable portion of any hardship withdrawal will be subject to income tax and a 10% early withdrawal penalty if the individual is under age 59 ½ unless he or she meets one of the statutory exceptions. Normally participants have to suspend their deferral contributions to their plan for six months after receipt of a hardship withdrawal but the IRS allows an employer to waive that requirement in this situation.

Why the Relief? The IRS is trying to help the affected employees given the circumstances and provide some relief. They are relaxing the normal procedural and administrative rules for supplying documentation to initiate a plan loan and/or hardship withdrawal so they can access their money quickly. However, affected employees may be required to provide required documentation at a later time.

When Must Available Money be Withdrawn? Affected employees who are plan participants must obtain their available loan and/or hardship withdrawal from their employer's plan by January 31, 2018, unless the IRS extends this date.

How to Access the Money? Affected employees can access available money in their employer's 401(k), 403(b) and 457(b) plan if it allows loans and/or hardship withdrawals.

Where to Obtain Further Details? Please refer to your employer's Summary Plan Description for further information about the plan rules for loans and/or hardship withdrawals. You can also contact the plan administrator, your Benefits Office or Fidelity Investments.

Fidelity Investments Institutional Operations Company, Inc., 245 Summer St, Boston, MA 02210.

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