IMPORTANT NOTE: In addition to the regular 401k loans available through the plan, there are now two additional CARES Act provisions to provide Coronavirus Related Loans (CRL) through 9/23/2020 or Coronavirus Related Distributions (CRD) through 12/31/2020. Below are explanations of:

1. A regular 401k Loan.
2. A Coronavirus Related Loan (CRL).

1. Regular 401k Loan

May I take a loan? If so, how and when must the loan be repaid?

Yes, the plan permits participant loans of not less than $1,000, subject to the following provisions:

- Loans are limited to active employees of BSD;
- Loans will be granted on a non-discriminatory basis, subject to a limit of 50% of your vested account balance or $50,000, whichever is less. The amount of the loan may also be reduced by a previous loan balance during the one-year period ending on the day before the date on which the new loan is made, as detailed in the plan document;
- The interest rate will be set at the prime rate and maintained by Lincoln Financial Group (LFG);
- Participants will be charged a one-time $75 loan processing fee. This amount will be deducted from the total amount of the loan check. A $25 maintenance fee will be charged for each year the loan is outstanding. The maintenance fee will be automatically deducted from investment funds on a pro-rated basis;
- General purpose loans will have a maximum repayment period up to five (5) years. Primary residence loans will have a maximum repayment period up to fifteen (15) years. Documentation to support a primary residence loan will be required; and
- Participants are allowed only one (1) outstanding loan at any time.

Regular loan applications may be completed online by visiting www.LFG.com or by using the “Benny” Voice Response system at 1-800-234-3500.
2. Coronavirus Related Loan

If your meet the requirements as an Affected Participant, then you are eligible for a Coronavirus-Related Loan (CRL).

An Affected Participant is an individual who is diagnosed with the SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention (CDC), or an individual whose spouse or dependent (as defined in IRC Section 152) is diagnosed with the disease. An individual is an Affected Participant if he or she experiences adverse financial consequences as a result of being quarantined, furloughed, laid off, or having work hours reduced due to such virus or disease, or in unable to work due to lack of child care due to such virus or disease. The Secretary of the Treasury may provide additional factors.

During the CRL time period, the plan permits CRLs of not less than $1,000, subject to the following provisions:

- Loans are limited to active employees of BSD;
- Loans will be granted on a non-discriminatory basis, subject to a limit of 100% of your vested account balance not to exceed $100,000;
- The interest rate will be set at the prime rate and maintained by Lincoln Financial Group (LFG);
- Lincoln Financial Group has waived the $75 processing fee. A $25 maintenance fee will be charged for each year the loan is outstanding. The maintenance fee will be automatically deducted from investment funds on a pro-rated basis;
- CRLs will have a maximum repayment period up to five (5) years. In addition, Affected Participants may elect to suspend their loan repayments for a one (1) year period. Note that if repayments are not made by payroll deduction, the Participant cannot have a previously defaulted/deemed loan;
- All Participants, even those with a current outstanding loan, are allowed one (1) CRL in addition to the current loan.

CRL applications may be completed online by visiting www.LFG.com or by using the “Benny” Voice Response system at 1-800-234-3500.
3. Coronavirus Related Distribution

If you meet the requirements as an Affected Participant, then you are eligible for a Coronavirus-Related Distribution (CRD).

An Affected Participant is an individual who is diagnosed with the SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention (CDC), or an individual whose spouse or dependent (as defined in IRC Section 152) is diagnosed with the disease. An individual is an Affected Participant if he or she experiences adverse financial consequences as a result of being quarantined, furloughed, laid off, or having work hours reduced due to such virus or disease, or in unable to work due to lack of child care due to such virus or disease. The Secretary of the Treasury may provide additional factors.

- The maximum amount that the plan (and any plan of a related employee) is permitted to distribute is $100,000;

- CRDs are not subject to a mandatory federal tax withholding rate. The participant may choose to include the full distribution amount as income for 2020 or he or she may elect to have the distribution taxed over three (3) years. A CRD may be recontributed to the plan (up to the amount distributed) within three (3) years and the amount recontributed is treated as a roll-in contribution;

- Participants can take multiple distributions as long as they don’t exceed $100,000.

CRD applications may be completed online by visiting www.LFG.com or by using the “Benny” Voice Response system at 1-800-234-3500.