



# HAWAII ELECTRICIANS ANNUITY FUND

1935 HAU STREET, ROOM 300 • HONOLULU, HAWAII 96819-5003 • PHONE (808) 841-6169 • FAX 847-4596

## CORONAVIRUS-RELATED DISTRIBUTIONS COVID-19 HARDSHIP APPLICATION INFO SHEET MADE BETWEEN JANUARY 1, 2020 AND DECEMBER 31, 2020 FREQUENTLY ASKED QUESTIONS

**NOTE: THESE FAQ ARE ONLY RELATED TO THE TAX-QUALIFICATIONS FOR A “CORONAVIRUS-RELATED DISTRIBUTION.” THE RULES TO QUALIFY FOR A “COVID-19 RELATED HARDSHIP DISTRIBUTION” ARE NOT DISCUSSED BELOW.**

### **I. What is a “coronavirus-related distribution”?**

A “coronavirus-related distribution” is a distribution made from a qualified retirement account, such as the Hawaii Electricians Annuity Fund, between January 1, 2020 and December 31, 2020 directly to a participant due to financial impacts caused by the virus SARS-CoV-2 or the disease COVID-19.

### **II. How do I know if my distribution qualifies as a “coronavirus-related distribution”?**

If you qualify for one of the COVID-19 Hardship Distribution categories on Page 7 of the Hawaii Electricians Annuity Fund Benefit Applications, then your distribution may be reported as a “coronavirus-related distribution.”

### **III. What is the effect of having a distribution classified as a “coronavirus-related distribution”?**

A distribution classified as a “coronavirus-related distribution” may:

- be exempt from 10% early distribution penalties that would normally apply; and
- have its tax effects spread over three years, rather than being included entirely in the 2020 tax year.

Please consult your tax professional if you have questions about the tax implications of declaring a distribution as a coronavirus-related distribution.

### **IV. What types of distributions qualify as “coronavirus-related” distributions?**

Distributions paid directly to an individual due to hardship, retirement on or after age 52, termination of participation, or disability. Amounts rolled over into another qualified plan or Individual Retirement Account (“IRA”) cannot be “coronavirus-related distributions.”

### **V. Can I classify my entire distribution or multiple distributions as “coronavirus-related distribution”?**

You may classify the lesser of: (1) 100% of your distribution; or (2) \$100,000 as a coronavirus-related distribution. If you have multiple distributions in the 2020 calendar year, then you may only classify a maximum of \$100,000 cumulative of all your distributions as coronavirus-related distributions. COVID-19 Hardship Distributions have separate distribution maximums, not to exceed a cumulative \$50,000 in 2020.

### **VI. How do I declare a distribution a “coronavirus-related distribution”?**

Complete the Certification at the bottom of Page 7 of the COVID-19 Hardship benefit application.

### **VII. More Questions?**

Please call (808) 841-6169 ext. 317 or 307, or for neighbor islands call toll free 1-800-622-3830 ext 317 or 307.