The CARES Act (Act), passed in March 2020, allows Wespath to amend the United Methodist Personal Investment Plan (UMPIP) and the Horizon 401(k) Plan (Horizon) so certain participants can access their retirement savings and take Coronavirus-Related Distributions (CRDs). A CRD from either of these two plans is available beginning May 1. This distribution option, which is available to “qualified individuals” as defined by the Act, is available until December 31, 2020 and is eligible for special tax treatment.

Am I Eligible for a CRD from UMPIP or Horizon?

In order to be eligible to receive a CRD from the UMPIP or Horizon plans, you must:

1. Be an active participant, a participant on a leave of absence, or a retired and then rehired clergyperson
2. Be a “qualified individual,” as defined by the CARES Act; and
3. Have an eligible account balance in a UMPIP or Horizon plan*

A qualified individual is an individual:
1. Who is diagnosed with COVID-19 using a CDC-approved test; OR
2. Whose spouse or dependent is diagnosed with COVID-19 using a CDC-approved test; OR
3. Who experiences adverse financial consequences as a result of one of the following, due to COVID-19:
   • Quarantine, furlough, layoff or reduced work hours;
   • Inability to work due to lack of child care;
   • Inability to work due to closing or reducing hours of a business the individual owns or operates;
   • Reduction in pay, job offer rescinded, or start date for a job delayed;
   • A spouse or household member experiences one of the situations above; OR
   • Other factors as determined by the Secretary of the Treasury

What amount can I receive from UMPIP or Horizon as a CRD?

The total amount of CRDs available from a UMPIP or Horizon plan in 2020 may not exceed the lesser of $100,000 or the total amount of the account that is eligible for the CRD. Available limits by plan are:

- For UMPIP, you may access your participant contribution and rollover account balances subject to the $100,000 limit
- For Horizon, you may access both plan sponsor and participant account balances, subject to the $100,000 limit

What are the tax implications if I take a CRD?

- CRDs are not subject to the 10% penalty tax that applies to early distributions;
- Income taxes due on CRDs may be spread over three years;
- CRDs may, if you elect, be repaid to plans within three years;
- Income tax withholding at a default rate of 10% will apply, as opposed to mandatory 20% withholding; and
- You may elect “no withholding”

Are there other retirement plan distributions that I receive in 2020 that can be treated as CRDs for tax purposes?

If you are a qualified individual under the Act and receive a distribution from a retirement plan (other than a Puerto Rico plan) in 2020 without using the new CRD option described above (for example, because you were already eligible to receive a distribution due to retirement or termination of employment), you may choose to designate up to $100,000 in 2020 retirement plan distributions as CRDs, and have those distributions qualify for the special tax treatment. Please consult your accountant or tax attorney for further information.

How do I request a CRD from UMPIP or Horizon?

Contact Wespath at 1-800-851-2201 to request an application. In order to qualify for the CRD, you must be able to self-certify on the application that you are a qualified individual. Wespath representatives are available business days from 8:00 a.m. to 6:00 p.m., Central time.

For additional information, including FAQs, please visit our COVID-19 webpage at wespath.org/about-wespath/Coronavirus.

*Participants in Puerto Rico plans are not eligible for the CRD