401(k) Withdrawal and Loan FAQs

1. What's happening?

To help workers whose incomes are affected by the COVID-19 pandemic, the government has loosened the rules for withdrawals and loans from 401(k) plans. This means if you have a Walmart 401(k) account and have been impacted, you can now:

- Withdraw up to $100,000 without paying the usual 10% penalty and get up to three years to pay federal income tax on the money instead of having 20% withheld right away.
- Borrow up to 100% of your account balance (up to $100,000) with no payments for up to a year.
- Suspend repayments on existing loans for one year.

2. How do I qualify for a withdrawal or loan? Can anyone take one?

You need to be directly affected by the COVID-19 epidemic. You're eligible if:

- You, your spouse or a dependent is diagnosed with COVID-19.
- You're laid off, furloughed, or your hours are reduced.
- You're unable to work because you can't get childcare due to the virus.

Some other situations also qualify, and there may be changes. We'll keep you informed if the Treasury Department makes significant updates.

3. What should I consider before taking a withdrawal?

Your 401(k) money is meant for your retirement, so it's important think about the effect on your ability to fund your retirement. This is especially true if you're close to retirement age when you'll need the money to retire. Also, you'll have to pay taxes on the money within three years.

4. What should I consider before taking a loan?

Keep in mind that you'll have to pay the money back. If you have significant debt already, this will add to your debt burden once the required payments begin. Also remember that you're borrowing from your own retirement savings, so if you're close to retirement a loan could affect your retirement security.

5. I already took out a general purpose loan. Does this mean I can take another one now?

No. Due to IRS and Plan rules, you can only have one general purpose loan outstanding at a time.

6. What if I don't qualify but I'd like to take a withdrawal or loan anyway?

All regular withdrawal and loans options are still available if you don't qualify for the CARES Act relief.

7. How do I request a withdrawal or loan?

- Request a withdrawal or a new loan the same way you access your 401(k) now: visit Merrill at **www.benefits.ml.com**, or use the Benefits Online app for **iOS** and **Android**.
- Until May 1st you can request a loan extension by calling Merrill at **888-968-4015**. Starting May 1st these will be available for processing online.

Please remember that this is a very busy time, so it may take more time than usual to speak to a representative.

8. Do I need to show some kind of proof?

Merrill will allow you to 'self-certify' but you could be asked to provide proof later.

9. How does the loan payment delay work?

You simply elect to delay payment. You won't have to make payments for a year. Interest will continue to add up during this time, and when the delay ends your payments will be recalculated to reflect this interest, so they'll be slightly higher.

10. If I take a withdrawal, do I still have to pay taxes?

Yes, the money you take out is still subject to federal income tax. However, instead of having 20% automatically withheld at the time of the withdrawal, you'll get the whole amount up front and have three years to pay taxes on it. Also, depending on where you live your withdrawal may not be subject to state or local income tax.

11. How long will they stay in effect?

Penalty-free withdrawals are available through **Dec. 31, 2020**. Higher loan amounts are available through **Sept. 23, 2020**.

12. If I take a loan or extend an existing one, will I still have to pay it back?

Yes, the changes only suspend payments or extend the term of your loan. You must still pay back 100% of what you've borrowed. Remember—it's your own money, so you're really just paying yourself.

13. Where can I get more information?

You'll find the latest details at **www.benefits.ml.com** or through the Benefits Online app for **iOS** and **Android**.