You’ve likely heard of the CARES Act — the U.S. Coronavirus Aid, Relief and Economic Security Act — which is the federal legislation that provides stimulus payments to individuals and loans to eligible businesses.

The CARES Act also removes some of the limits and restrictions that typically apply to certain employer benefit plans, allowing PNC to make temporary changes to specific PNC benefits and programs.¹

Enhancements to the Incentive Savings Plan (ISP) 401(k) are described in detail below, along with updates to the Dependent Care Reimbursement Account (DCRA). To learn more about enhancements to PNC’s medical coverage, refer to this recent News Online article.

Incentive Savings Plan (ISP) 401(k)

Eligibility

To elect the ISP 401(k) loan and/or distribution financial relief described below, you must meet one or more of the following CARES Act requirements to qualify for COVID-19 relief:

- You have been diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention (CDC).

- You have a spouse or dependent who is diagnosed with SARS-CoV-2 or COVID-19 by a CDC-approved test. (You must be able to claim the dependent on your federal tax return, based on Section 152 of the Internal Revenue Code.)

- You have experienced adverse financial consequences as a result of:
  - You, your spouse or a member of your household being quarantined, furloughed or laid off, or having work hours reduced due to such virus or disease;
  - You, your spouse, or a member of your household being unable to work due to lack of child care due to such virus or disease;

Proceed with caution!

Taking money out of your 401(k) before retirement can have a significant negative impact on your long-term financial security.

Before taking money out of your 401(k), you are strongly encouraged to speak with your personal financial advisor (if you have one), or contact Alight Financial Advisors (AFA).

AFA is a service that is included with your participation in the ISP 401(k) and is available to you at no additional cost. Call 877-YOUR-PNC (968-7762), and select the Investment Advice option in the menu to speak with an Investment Advisor between 9 a.m. and 9 p.m. ET weekdays.
o Closing or reducing hours of a business you, your spouse, or a member of your household own or operate due to such virus or disease;

o You, your spouse or a member of your household experiencing a reduction in pay or self-employment due to such virus or disease;

o You, your spouse, or a member of your household having a job offer rescinded or start date for a job delayed due to such virus or disease.

For these purposes, a "member of your household" means someone who shares your principal residence.

**Loans from the ISP 401(k)**

- You may elect to **suspend repayments of any ISP 401(k) loan until January 2021**.
  
  o **Once you elect to suspend payments, they must be suspended until January 2021.** You cannot elect to restart payments before that date, unless you pay off the entire loan amount in a single payment.
  
  o Once elected, the change will take one to two pay periods to take effect.
  
  o Your original loan end date **will be extended by 1 year**.
  
  o During the suspension period, the outstanding balance owed will continue to accrue interest.
  
  o **When payments resume in January 2021,** your loan will be reamortized. Your new loan payment amount will reflect the new loan end date (one year later than your original end date), and the interest accrued during the loan suspension. (Remember, the interest you pay on your ISP 401(k) loan is paid back into your own account, not to PNC.)
  
  o To request a suspension of your loan repayments, you must self-certify that you meet the eligibility requirements for COVID-19 financial relief listed above. Go to Pathfinder > Retirement & Investments and click the UPoint logo (in the top right corner), then select Has COVID-19 Impacted You Financially? (the large green square) for details and a link to the self-certification page.

- If your employment ends with PNC anytime between now and Dec. 31, 2020, the 60-day repayment period may be extended to one year from the date that you request the loan suspension. Click here [link to self-certify page] to self-certify that you meet the eligibility requirements for COVID-19 financial relief and to request the loan repayment suspension.

**Emergency relief distributions**

Eligible participants impacted by COVID-19 may take **up to $100,000 in "emergency relief distributions"** from their ISP 401(k) account.

- These distributions are **exempt from the 10% early withdrawal tax**, though regular income tax will apply.
• Taxation of these distributions may be spread out in equal parts over three years beginning in 2020, unless you choose to pay applicable taxes sooner.

• If you choose, you may repay the distribution over three years (as one payment or multiple installments). Repayment amounts will be treated as a rollover into the plan.

• To request an emergency relief distribution, you must self-certify that you meet the eligibility requirements for COVID-19 financial relief listed above. Go to Pathfinder > Retirement & Investments and click the UPoint logo (in the top right corner), then select Has COVID-19 Impacted You Financially? (the large green square) for details and a link to the self-certification page. After you self-certify, stay in UPoint and go to Savings & Retirement > ISP 401(k) > Withdrawals and Rollovers > Withdraw or Rollover Money to request an emergency relief distribution.

Minimum distributions

The CARES Act has waived required minimum distributions for the 2020 calendar year. (This refers to the rule that requires participants to start receiving distributions no later than April 1 of the year after the year in which they retire or reach age 72, whichever is later.) As a result, these payments will not be made automatically for the remainder of the year. If you were required to receive a minimum distribution this year and still want to receive it, go to Pathfinder > Retirement & Investments and click the UPoint logo (in the top right corner) then go to Savings & Retirement > ISP 401(k) > Withdrawals and Rollovers.

Dependent Care Reimbursement Account (DCRA)

• If your dependent care costs have changed due to school and care facility closures or other reasons, this meets the IRS definition of a qualified change in status, which means you may be able to change your DCRA contributions, if desired.

• Remember, the DCRA is a "use it or lose it" account. Any money in your account at the end of the plan year will be forfeited, per IRS rules, so plan carefully. To start, stop or change your DCRA elections, go to:
  o Pathfinder > Benefits > UPoint (logo in top right corner)
  o Life Events > Other Life Changes > Spouse/Dependent Loss or Gain of Eligibility
  o Enter the Effective Date (the date your dependent care costs changed)
  o Scroll to Dependent Care Reimbursement Account
  o Enter your new annual contribution amount

• The deadline for submitting eligible DCRA claims incurred in 2019 was extended to April 30, 2020, to allow employees additional time to gather and submit the necessary documentation. (Employees who were participating in the DCRA for 2019 received an email informing them of the revised deadline.)
Medical coverage

Refer to this recent News Online article for details about the following medical coverage enhancements and other medical and prescription drug resources.

- If you are enrolled in PNC’s medical coverage, **COVID-19 testing, treatment and supplies are covered at no out-of-pocket cost** for you and all covered family members, even if you haven’t yet met your deductible or out-of-pocket maximum. No-cost coverage includes antibody testing, as long as the test is FDA approved and prescribed by a healthcare provider [Effective Feb. 4, 2020]

- If you are enrolled in PNC’s medical coverage, you and any covered family members can access **all in-network telehealth at no out-of-pocket cost**. This includes virtual visits through Teladoc, PNC’s Well-being Centers and other in-network providers (including specialists), many of which are offering telehealth visits for the first time. [Effective March 27, 2020]

- You can use your **Health Savings Account (HSA)** 2 to pay for over-the-counter medical products (such as aspirin and allergy medication) and menstrual products without a prescription.

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1 None of the information on this page should be interpreted as a binding commitment on PNC’s part with respect to participation in any PNC benefit plans/programs. PNC’s official plan documents and employment policies govern the terms and conditions of each benefit plan or policy and will control in the event of a discrepancy between this information and the official plan documents. You can access the **Summary Plan Descriptions (SPDs) here**. PNC reserves the right to change or terminate its benefit plans and policies at any time.

2 While employee pretax HSA payroll contributions are made possible under the terms of the PNC Group Benefit Plan, the HSA itself is not part of the PNC Group Benefit Plan, is not covered by the Employee Retirement Income Security Act of 1974, as amended (ERISA), and is offered by PNC Bank, National Association, independent of the PNC-sponsored employee benefit programs. Although PNC intends to continue its contribution to the HSA, it reserves the right to change, modify, amend or terminate this at any time and for any reason.