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Sent: Tuesday, August 18, 2020 1:05 PM

To: Mark Perry <mperry@floridaocean.org>; Susan Scheyder <sscheyder@floridaocean.org>

Cc: 'Susan Chafin' <schafin@ebcinconline.com>

Subject: Florida Oceanographic Society, Inc., 401(k) Profit Sharing Plan - Expanded Hardship Amendment

Importance: High

Hi Mark & Susan;

The Bipartisan Budget Act of 2018 changed Hardship Distribution Rules under qualified retirement plans. On September 23, 2019 the IRS has issued final regulations that now allows us to amend your plan.

Here are the expanded changes that will be incorporated into your plan:

- Eliminate the need to take a plan loan 1st before requesting a Hardship distribution.
- 6 month suspension of elective deferral contribution deposits eliminated.
- Earnings on Salary Deferrals, QNEC & QMAC contributions can now be eligible for withdrawal.
- A Federal Disaster Area declared by FEMA that affects your principal residence or principal place of employment is added to bone fide hardship reasons.

Attached are the following documents:

- **Adopting Hardship Resolution:** Please sign the attached resolution adopting the new Hardship rules and email me a copy for my files.
- **Basic Plan Document:** The language that is common in all qualified retirement plans is contained in this document. Please keep this document in a safe place. It is our responsibility to keep this document up to date whenever there are any future changes to Pension Law.
- **IRS Opinion Letter:** This is your Plan's IRS Opinion Letter. The IRS has reviewed the Plan Document identified above and the Adoption Agreement (see below) and have approved how these documents were drafted. In other words, the contents of these two documents meets the retirement provisions as found under the Internal Revenue Code and its regulations relating to your type of Plan.
- **Adoption Agreement:** As mentioned above the IRS has approved the language contained in this document. Assuming that the options in the Adoption Agreement have been completed properly, we can rely on the IRS Opinion Letter and therefore we do not have to submit your plan to the IRS for its own approval letter.
- **Trust Agreement:** This document defines the investment authority that you as trustees have under Pension Law. It will also defined the type of investments that are allowed under the plan.
- **Summary Of Material Modifications:** This two page document must be given to all eligible employee who have previously received a copy of your Plan's current Summary Plan Description (SPD).
- **Summary Plan Description (SPD):** Here is your new SPD which now incorporates the new expanded Hardship rules. For newly eligible employees, this is now the copy that is to be provided.
- **Signature Pages:** Please secure the appropriate signature and either fax or email them back to me. There are several signature pages under this attachment that will require signatures of all of the partners.

If you have any questions concerning the new Hardship Rules, either call or email me.



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