

Coronavirus-Related Distribution Application

Use this form to request a coronavirus-related distribution between January 1, 2020, and December 31, 2020.

What is a coronavirus-related distribution?

A coronavirus-related distribution is a distribution, up to the lesser of \$100,000 or your vested account balance (less any outstanding loans). If you have a MERS Defined Contribution Plan, 457 account, or IRA and wish to make a withdrawal between January 1, 2020, and December 31, 2020, you may apply if you meet the following criteria:

- **Defined Contribution:** If you are actively employed, you must be at least age 59½ (does not apply if terminated).
- **IRA or 457 Program:** There are no restrictions to age or employment status.

Who can apply for a coronavirus-related distribution?

You must meet the criteria above, and be a Qualified Individual by meeting one of the following criteria between January 1 and December 31, 2020:

1. I was diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (referred to collectively as COVID-19) by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act);
2. My spouse or my dependent was diagnosed with COVID-19 by test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act); or
3. I, my spouse, or member of my household have experienced adverse financial consequences because of a COVID-19 caused impact below:
 - a. Quarantined, furloughed, laid off, or had work hours reduced;
 - b. Unable to work due to lack of childcare;
 - c. An owned/operated business closed or reduced hours; or
 - d. Reduction in pay (or self-employment income) due to COVID-19 or had a job offer rescinded or start date for a job delayed.

What is the maximum amount and what are the tax obligations for a coronavirus-related distribution?

- The maximum amount of distribution is \$100,000 and must take into account all distributions from all of the plans maintained by the participant's employer.
- A coronavirus-related distribution is not subject to the 10% early distributions tax penalty for distributions under \$100,000 between January 1 and December 31, 2020, when eligibility is met under MERS plan, to a qualified individual and will not be treated as an eligible rollover distribution so the 20% mandatory withholding is not required.
- Regular 10% income tax withholding applicable to retirement plan distributions will apply, unless the participant elects out of withholding.

Can I repay the amount of the distribution as my circumstances change?

You may repay the amount of the coronavirus-related distribution and may spread the tax consequences over a three-year period from receipt of the distribution. This will be done when you file income taxes.

For example: If you choose to pay 100% of applicable taxes in 2020, there will be no action required for 2021. Repayments are treated as eligible rollover distributions and, unless you elect otherwise, a coronavirus-related distribution repayment will be included in your gross income divided equally over three tax years beginning with the year of distribution and applicable to the year you are making the repayment. Some amendments to tax returns may be necessary.

Do I need to have my employer sign off on this certification?

No, MERS will process completed distribution forms, which include a self-certification requirement.

Do I need to submit any medical documentation with this form?

No. By completing the information below and signing this form, you are certifying that you meet the definition of a "Qualified Individual" as defined by the Internal Revenue Service and outlined in the signature section below. You are strongly encouraged to maintain any documentation associated your self-certification that you are a Qualified Individual with your personal income tax records, should you be audited.



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Please print clearly • See attached special tax notice for details • Retain a copy for your records

1. Information about you

Last name*	First name*	Social Security number*	Phone number (with area code)*
Mailing address*			
City*		State*	Zip code*
Email address		Citizenship* <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> U.S. Resident <input type="checkbox"/> Non-resident alien (submit IRS Form W-8BEN)	
Marital status* <input type="checkbox"/> Single <input type="checkbox"/> Married	Have you been divorced at any time following your date of employment with this employer?* <input type="checkbox"/> No <input type="checkbox"/> Yes – If yes, you must submit a copy of your Judgment of Divorce to MERS before your distribution can be processed. Ex-spouse(s) name(s):		
Type of account you are requesting distribution from: <input type="checkbox"/> Defined Contribution <input type="checkbox"/> 457 <input type="checkbox"/> IRA			
Employer name*		Division number (6 digits)	

2. Distribution details

Amount of lump sum payment to you – limited to the lesser of your account balance (excluding outstanding loans) and \$100,000:
 \$ _____

Distribution check made payable to you will be mailed to your address in Section 1
Note: Checks and deposits are issued from *Alerus Financial*.

Direct deposit into your designated bank account

Checking account Savings account

Financial Institution name Phone

ABA routing number (9 digit) Account number

See **Medallion Signature Guarantee** information in Section 5 if you are requesting a direct deposit. If Medallion Signature is NOT included, a check will be mailed to you.

3. Federal income tax withholding

Federal Law requires MERS to withhold 10%. If you wish to opt out, check this box:

Tax Reform Act of 1996 established a requirement that withholding and/or estimated tax payments must approximate 90% of your tax liability to escape penalty. If there is not enough federal income tax withheld from your retirement allowance, you may be required to file quarterly estimated income tax payments or pay a penalty imposed by the Internal Revenue Service.

If your circumstances change, you may file a new withholding authorization. For additional information, please refer to IRS Form W-4P, Withholding Certificate for Pension or Annuity Payments at [irs.gov](https://www.irs.gov).

* Required field

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Last name* (please print clearly)

Social Security number*

4. State income tax withholding

MERS will withhold the mandatory Michigan income tax rate from your distribution, unless one of the following applies:

- Check here if all payments are exempt because you (or your spouse if joint filers) were born before 1946, and you do not want any amount withheld.
- Check here if you qualify for any other exemption shown on the MI W-4P and want your withholding calculated using those exemptions. **Complete Form MI W-4P and submit along with this form.**
- Check here if you wish to opt out of tax withholding. **Complete Form MI-W4P, checking the box on line 1, and submit along with this form. Note:** If you (and your spouse if joint filers) opt to have no Michigan tax withheld, it may result in a balance due on your MI-1040 as well as penalty and/or interest.
- Check here if you are not subject to Michigan Income Tax because your primary legal state of residence is _____. MERS will withhold the amount required by that state.

You may obtain more information on Michigan tax withholding, including Form MI W-4P and Instructions at www.michigan.gov/taxes.

5. Medallion Signature Guarantee

 **Medallion Signature Guarantee** is required for any transaction:

- over \$100,000
- requiring a wire transfer or direct deposit
- being sent to a destination outside the U.S.
- being sent to an address other than the address of record on the account.

A signature guarantee is designed to protect you and MERS from fraud. You can get it from most financial institutions where you have an account. Please contact your financial institution for specific requirements.

Use the box to the right to apply your financial institution's Medallion Signature Guarantee stamp. **Please submit original form.**

Do NOT sign the certification below until directed to by your financial institution.

MEDALLION SIGNATURE GUARANTEE STAMP



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Last name* (please print clearly)

Social Security number*

6. Qualified Individual certification

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides "Qualified Individuals" with special options regarding retirement plan distributions between January 1, 2020, and December 31, 2020. Use this form to certify that you are a Qualified Individual as defined by the CARES Act. The CARES Act defines a Qualified Individual as someone who, on or after January 1, 2020, and before December 31, 2020, meets one of the following criteria:

1. I was diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (referred to collectively as COVID-19) by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act);
2. My spouse or my dependent was diagnosed with COVID-19 by test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act); or
3. I have experienced adverse financial consequences because:
 - a. (i) I, my spouse, or a member of my household was quarantined, furloughed or laid off, or had work hours reduced due to COVID-19;
 - b. (ii) I, my spouse, or a member of my household was unable to work due to lack of childcare due to COVID-19;
 - c. (iii) A business owned or operated by me, my spouse, or a member of my household closed or reduced hours due to COVID-19; or
 - d. (iv) I, my spouse, or a member of my household had a reduction in pay (or self-employment income) due to COVID-19 or had a job offer rescinded or start date for a job delayed due to COVID-19.

My signature acknowledges that I understand and agree to all pages of this *Coronavirus-Related Distribution Application*, and my self-certification that I meet the definition of a Qualified Individual as defined above. I affirm that all information I have provided is correct to the best of my knowledge. I understand that funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information. I understand that I am liable for any income tax and/or penalties assessed by the IRS for any election I have chosen (and tax consequences for any outstanding loans, if applicable). I understand that once my payment has been processed, it cannot be changed.

Qualified Individual signature*

Date (mm/dd/yyyy)*

Qualified Individual name* (please print clearly)

Social Security number*

* Required field

You can submit this form online!



If you already have a myMERS account, you can upload this form online. Look for the **File Upload** feature in the top navigation to easily and securely submit completed forms.

You may also mail completed form to MERS' recordkeeper at:

Alerus Retirement Solutions
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