

To: All HII Employees
From: Karen Velkey, HII Corporate Vice President, Benefits and Compensation
Date: April 16, 2020
Subject: HII 401(k) Plans and the CARES Act

Dear HII Employees:

As we continue to respond to the coronavirus (COVID-19) pandemic, I want to remind employees and their families of financial options available to them.

Last month U.S. lawmakers passed the Coronavirus Aid, Relief and Economic Security (CARES) Act that included certain changes to 401(k) withdrawals. Under the CARES Act, HII employees who participate in a HII 401(k) plan and are eligible to receive a plan withdrawal may be eligible to withdraw funds for COVID-19-related expenses without being subject to the usual 10% early withdrawal penalty. These penalty-free withdrawals are retroactively available from Jan. 1, 2020 to Dec. 31, 2020.

To be exempt from the 10% penalty, employees should designate the withdrawal as COVID-19-related on their 2020 taxes. COVID-19-related designations may be available to:

- Employees who have been diagnosed with COVID-19.
- Employees whose spouse or dependent has been diagnosed with COVID-19.
- Employees who have experienced adverse financial consequences as a result of the COVID-19 pandemic.

Employees who take an early withdrawal from their 401(k) may pay taxes on the withdrawal over three years, starting with their 2020 taxes.

Please keep in mind that this memo is for informational purposes only, and it should not be relied upon as legal or tax advice. Employees are encouraged to review their finances and retirement plans before making any withdrawals. If you wish to speak to an advisor about your 401(k) plan, resources are available:

- If you participate in the Huntington Ingalls Savings Plan (HISP) or the Financial Security and Savings Program (FSSP): You can speak to an Alight financial advisor from 9 a.m. to 9 p.m. Eastern time at 1-877-216-3222.
- If you participate in the 401(k) plan through Wells Fargo for Newport News represented employees: You can speak to a representative at 800-728-3123 from 7 a.m. to 11 p.m. Eastern time.

