

What are the qualifying reasons for a hardship withdrawal?

In accordance with IRS regulations, a participant may apply for an in-service withdrawal based upon financial hardship. The safe harbor qualifying reasons are as follows:

- Purchase of a primary residence
- Educational expenses for the next 12 months of post-secondary education for the participant, participant's spouse, participant's child (children) or other dependent(s)
- To prevent eviction from, or foreclosure on, the participant's principal residence
- Medical expenses for oneself, one's spouse or one's dependents
- Funeral expenses for the participant's parents, spouse or dependents
- Expenses for the repair of damage to the participant's principal residence that would qualify for the casualty deduction.

Please be aware that the plan administrator is the final arbiter for certifying participant applications in all cases.

What amount is available for the hardship distribution?

The distribution cannot exceed the amount of the immediate and heavy financial burden. The amount of the immediate and heavy burden may include any amount necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution.

How soon can the participant expect to receive a check for hardship distribution?

By taking into account the time necessary for our affiliated investment companies to process the participant request, and the time necessary for the participant (or financial institution) to receive payment, we estimate the total time for this process to be 7 to 10 business days.

What are the tax consequences associated with the hardship distribution?

Depending on the age of the participant, there are different tax scenarios that may apply. If the participant has not attained age 59 ½ an IRS penalty of 10% will apply. Regardless of the amounts withheld at the time of a distribution, the full tax consequence will ultimately be decided upon the completion of the participant's personal tax return. Hardship withdrawal funds cannot be rolled over, and IRS withholding on funds withdrawn from Salary Deferral accounts is not mandatory at the time of distribution.