

403(b) Hardship Distribution Request

Participants Information – Please Read Carefully

The Berryessa SD's 403(b) Plan allows for hardship distributions only to the extent that a participant can demonstrate that the reason for the hardship distribution complies with the applicable requirements under the Internal Revenue Code. Such hardship must impose an immediate and heavy financial burden upon the participant. As a participant of the Berryessa SD 403(b) Plan you do not qualify for a hardship distribution until all other options have been exhausted, such as liquidation of assets, other distributions and/or loans, suspension of contribution to any retirement accounts.

If you have qualified for a hardship, you may only withdraw the amount necessary to meet the specific hardship. The maximum withdrawal amount is your account balance as of 12/31/88, if any, plus the sum of your salary deferrals since that time.

A hardship distribution is likely to be subject to state and federal taxes and a distribution prior to age 59 ½ may result in an additional 10% IRS early distribution penalty. Please consult your tax professional regarding the specific tax consequences that may apply by taking a hardship distribution

IRS rules require that all contribution to any 403(b) account be suspended for at least 6 months after your hardship withdrawal. If your hardship distribution is approved, your contribution will be automatically stopped. It will be your responsibility and at your option to resume making contribution after the 6 month period, by completing a new Salary Reduction Agreement (SRA) form.

Your investment provider may require additional forms to be completed in addition to this form. Please contact your investment provider to obtain their forms and determine what additional documents they may need.

Please specify the nature of the hardship for which you are requesting the hardship distribution. Attach all appropriate documentation providing evidence of the hardship including the specific amount of the financial hardship you are incurring. According to the IRS rules Berryessa SD cannot approve your hardship distribution request without complete documentation.

- Medical expenses for you, your spouse or dependents
- Burial expenses for participant's parent, spouse, children or dependents
- Purchase of your principal residence or payments necessary to prevent your eviction or foreclosure of a principal residence
- Tuition and related expenses for post-secondary education for you, spouse or dependents (for the next 12 months)

Investment provider from which hardship distribution will be withdrawn

Investment Provider: _____ Phone: _____

Account Number: _____ Amount Requested: \$ _____

Employee Name: _____ Social Security #: _____ - _____ - _____ DOB ____/____/____

Employee Signature: _____ **Date:** _____

For Berryessa SD Use Only

Maximum Hardship Amount: \$ _____

Berryessa SD Authorized Signature: _____ Date: _____

Name: _____ Title: _____

403(b) Hardship Documentation Guidelines

The Berryessa Union School District Plan and IRS define certain circumstances that can qualify for a hardship distribution from the Plan. You may qualify for a hardship distribution only if you have exhausted all other sources of assets including loans. Below are the only circumstances under which you may qualify for a hardship distribution under the District's 403(b) Plan. You **must** provide evidence of the hardship including the nature and the specific amount of the hardship. Documentation provided should be current, dated and as descriptive as possible.

ELIGIBLE HARDSHIP REASONS

Post Secondary Education

Allowable Expenses: Tuition, fees and room and board for up to the next 12 months of post-secondary education (such as a university, college, or technical school) for you, your spouse, or dependent. Note that post-secondary expenses for education already obtain does **not** qualify.

Documentation Required: Tuition bill or financial statement from the institution that details the actual or estimated costs, fees, and expenses. If room and board expenses are requested, a statement from the landlord, or residence hall. The dates of the semester or educational period should be identified.

Purchase of a Primary Residence

Allowable Expenses: Costs directly related to the purchase of your principal residence such as a down payment or closing costs. Mortgage payment are **not** eligible.

Documentation Required: A Statement from the mortgage company, bank, realtor or builder detailing the amounts of the down payment and/or closing costs. Commonly, this information is included in a "good faith estimate" provided by the lender. An estimated closing date should also be provided.

Prevent Eviction or Foreclosure

Allowable Expenses: Amounts needed to prevent eviction from your primary residence or amounts needed to prevent foreclosure on your primary residence

Documentation Required: Current written statement or notice from landlord, bank, or mortgage company detailing amounts due necessary to prevent the eviction or foreclosure.

Health Expenses

Allowable Expenses: Cost of medical or dental expenses for you, your spouse, or dependent that is not otherwise covered by insurance. Note that elective procedures, including most orthodontics, are **not** eligible.

Documentation Required: Recent bill or explanation of benefits (EOB) from your insurance provider indentifying the portion of the expenses that you are responsible for paying. If upfront payment is required to obtain medical care, a statement from the provider with an estimate of the costs to the patient and the date of the proposed care to be provided, as well as an explanation of proposed services.

Funeral Expenses

Allowable Expenses: Burial or funeral expenses for your parent, spouse, child or dependent

Documentation Required: Statement from the funeral direction or cemetery indentifying the services and costs together with the deceased name, date of death, and date of funeral or burial.