

In order to evaluate the appropriateness of your 403(b) Hardship Distribution request, CCC requires this form to be completed and submitted to CCC along the following list of required documents:

- Your completed **Vendor Form** requesting a Hardship Distribution.
- **Copies of all documented expenses** relating to your Hardship Distribution. *(Please see the attached Hardship Distribution Information Supplement for details concerning the acceptable documentation required for your hardship circumstance.)*
- **Copies of your most recent Account Statements** from all vendors with which you have 403(b), 457(b), or any other type of retirement savings account sponsored by your employer.

**Submit all required documentation to
CCC via fax: 503-968-7802.**

If your vendor requires CCC / Employer approval with original (i.e., “wet”) signatures,
please mail documentation to:
Carruth Compliance Consulting, Inc.
11515 SW Durham Rd STE E-10
Tigard, OR 97224-3476

If you have any questions or concerns, please call CCC at 503-968-8961 or toll free at 877-222-3090.

Hardship Distribution Questionnaire

Please provide the following information:

Participant’s Name: _____
 Phone Number(s): _____ Email Address: _____
 Employer: _____
 SSN: _____ Date of Birth: _____

Please answer the questions below.

1. Yes or No Are their distributions available to you under the plan and all other plans maintained by your employer (403(b), 457(b), 401(k), defined benefits plans) to address the Hardship?
2. Yes or No Has your EMPLOYER made contributions to your 403(b) account? *(Note: EMPLOYER contributions are not eligible for Hardship Withdrawals, however, if you have an annuity contract issued prior to 2009 EMPLOYER contributions may be distributable.)*
3. Yes or No Will suspending your current elective deferrals to your 403(b) or 457(b) accounts alleviate your Hardship?

If you answered “Yes” to either question 1, 2 or 3 above, STOP. You are required to explore and exhaust these resources to alleviate the financial need before requesting a Hardship Distribution.

4. Yes or No Are you eligible to take a loan from any 403(b) account or any other retirement plans maintained by your employer?
 5. If you answered “Yes” to question 4, you must take a loan rather than a Hardship Distribution unless doing so is counterproductive to curing your Hardship. If this is the case, you must provide a statement below explaining how taking out a loan is counterproductive.
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General Information Regarding the Availability of Transactions

Hardship Distribution transactions may be restricted by your vendor's investment agreement and the transaction processing requirements may vary from vendor to vendor. For example, Fidelity Investments requires "wet signatures" by the Participant and by CCC on all transaction processing forms. When available, CCC posts any available notes regarding transaction processing on CCC's "General Information" page for the vendor, which is accessible on the CCC website as follows:

1. Click on the large blue "For Vendors" button at the top of any page on the CCC website (www.ncompliance.com);
2. Scroll down to the "All Vendors Connected with CCC" heading in the left-hand column; and
3. Click on the name of your vendor.

For further information regarding the availability of hardship distributions and other vendor-specific information, please consult your investment provider (vendor), financial services professional, or the language contained in your annuity contract or custodial account agreement.

Hardship Distributions are subject to their availability as an "optional feature" under the 403(b) Plan of the Employer associated with your account. CCC Client Plan Documents may be viewed by selecting the large blue "Employee Entrance" button at the top of the any page on the CCC website (www.ncompliance.com), selecting the appropriate Employer from the list of CCC clients, and then selecting the "403(b) Plan Document" link in the light blue box on the page. Alternatively, you may select the "403(b) Information" link and scroll down to the "Which Optional Features Does the District Allow in its 403(b) Plan?" heading in the left-hand column.

General Guidelines for 403(b) Hardship Distributions

By definition, a 403(b) Hardship Distribution is a distribution of funds requested to alleviate an immediate and heavy financial need. These distributions are subject to taxation and may be subject to early withdrawal penalties. Hardship Distributions can only be made from employee contributions; Hardship Distributions are not available from employer-contributed amounts. In the event a Hardship Distribution is approved, the employer is required to suspend elective deferrals to retirement plans of the employer for a period of 6 months following the distribution.

Circumstances for 403(b) Hardship Distributions

Medical Expenses

Medical expenses for the participant, spouse, children, or dependants may be a qualifying event for a hardship if the expenses are unpaid and are not reimbursable through any insurance plan. Documentation of these expenses should illustrate amounts due that are not covered by insurance, such as an EOB (Explanation of Benefits) from an insurance company or a statement from the healthcare provider with a clear presentation of amounts owed and the medical services, medications and/or devices provided. Documentation for Medical Expenses must include expenses considered deductible under IRS Code Section 213(d).

Acceptable Documentation

- If the participant is not the recipient of the medical care, documentation of the relationship with the participant. This may be provided via last tax return the participant filed or a birth certificate.
- Documentation of the amounts owed that are not covered by insurance and the medical service(s) provided in one or more of the following forms:
 - Medical bill dated in the past six months
 - Explanation of benefits from your insurance company dated in the past six months
 - Collection agency notice dated in the past six months
 - Pretreatment estimate from your doctor dated in the past six months
 - Pretreatment explanation of benefits from the insurance company dated in the past six months

Costs relating to the Purchase of a Principal Residence

Hardship Distributions for costs related to the purchase of a primary residence may not include mortgage payment(s). Only amounts due from the buyer are eligible for inclusion in the Hardship Distribution, these amounts must be clearly stated in the documentation provided. Please note it may be necessary to provide a combination of the documents below to supply all the required information.

Acceptable Documentation

- A. Bill of Sale, Good Faith Estimate and/or Home Purchase Agreement for home purchase containing the following information:
 - Signed by the seller and the buyer
 - Lists the address of the property
 - Lists the selling price of the property
 - Lists a future closing dated (no more than 6 month from the hardship request date for existing construction and 1 year for new construction homes)
- B. Letter from mortgage lender stating amounts that must be paid for mortgage approval.

Tuition and related Educational Fees and Expenses

Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the employee, or the employee's spouse, children, or dependents and the start date of the first semester of planned attendance no more the 90 days prior to the date of hardship request. Amounts requested for educational expenses must be documented and provided to CCC. Documentation should be provided in the form of an unpaid bill or invoice.

If documented costs do not represent the full amount for up to the next 12 months, please write a statement extending the cost for the full period. Example: an invoice that covers one semester indicates a per credit fee of \$100.00 but the student will be taking 30 credits over multiple semesters during the next 12 months. For the Hardship Distribution to be made to cover this amount the participant should include a copy of the existing invoice along with a written statement noting how many credits will be taken over the next 12 months and the extended cost, which in our example would be \$3,000.00.

Acceptable Documentation

- If the participant is not the student, documentation of the relationship (spouse, child or dependent) with the participant. This evidence may be provided via last tax return the participant filed or a birth certificate.
- Evidence of acceptance or continued enrollment in the educational institution
- Documentation of the specific expenses for up to the next 12 months of post-secondary education:
 - Unpaid tuition bill(s)*
 - Unpaid bill(s) for lab fees
 - Unpaid bill(s) for on campus housing
 - Unpaid bill(s) meal plan bill
 - Estimate of book costs (may be a written estimate from you)
 - Lease agreement for off-campus housing or an estimate of off-campus housing and utilities.

**There may be cases where a school does not provide an invoice for payment. In these cases projected costs, such as fee schedules, catalog information is acceptable as long as the source of the information is clearly the educational institution or organization providing the goods and/or services.*

Payments necessary to Prevent Eviction from, or Foreclosure on, a Principal Residence

Amounts requested for a hardship of this nature must be documented in the form of a notice or letter from the participant's landlord or mortgage lender stating specifically that the failure to pay a specified amount will result in eviction or foreclosure.

Acceptable Documentation

(Note: the eviction date or due date for payment cannot have already passed)

- If the Participant is not the renter, leaser or the mortgage holder appearing on the documentation of the eviction or hardship, evidence must be provided that the property is the primary residence of the Participant via a state issued ID containing the property address or a notarized letter stating the property is your primary residence.
- Eviction notice stating how much rent is due by a specified date to avoid eviction.
- Delinquency notice from landlord threatening eviction that states the amount of past-due rent by a specified date to avoid eviction.
- Foreclosure notice from the mortgage company stating the amount past due in mortgage payments by a specified date to avoid foreclosure.
- Delinquency notice from your mortgage company that threatens foreclosure and states the amount of past due in mortgage payments by a specified date to avoid foreclosure.
- Court order concerning foreclosure that states the amount due by a specified date to avoid foreclosure.
- Letter from an attorney that states the amount due by a specified date to avoid foreclosure.

Burial or Funeral Expenses

A Hardship Distribution may be approved for the payment of burial or funeral expenses for the employee's deceased parent, spouse, children, or other dependents. Participants are required to provide documentation of the amounts required via bills or estimates provided to CCC.

Acceptable Documentation

- Itemized invoice/statement on the funeral home's letterhead dated within one year of the deceased's date of death, detailing the services provided and the cost
- AND
- Official documentation that clearly shows your relationship to the deceased, such as a birth certificate, marriage license, or obituary

Certain Expenses for the Repair of Damage to the Employee's Principal Residence

Repairs to a principal residence must fall under the IRS's description of a casualty in order to be a qualifying event for a Hardship Distribution. The damage must be from an event that is sudden, unexpected, or unusual. Damages resulting from progressive deterioration of one's residence due to normal wear and tear, normal weather conditions, or termite and moth damage are not considered casualty losses. Casualty losses can result from a number of causes, including the following examples: car accidents, earthquakes, fires, floods, vandalism, and volcanic eruptions. Some examples paraphrased from IRS Publication 547 (2008) that illustrate what would be considered a casualty loss and what would not:

Example 1: The deterioration of a water heater that bursts is not considered a casualty loss, however the resulting damage to the home due to the water and rust would be considered a casualty loss.

Example 2: Gradual damage incurred due to fungus, disease or pests are not considered a casualty loss, however damage due to the sudden infestation of a pest that is unusual and unexpected may be considered a casualty loss.

Please note that if you receive insurance or other type of reimbursement, you must subtract the reimbursement amount from the Hardship Distribution request. CCC will consider the following factors when evaluating the appropriateness of a Hardship Distribution for home repair.

1. Does the event documented by the participant and related documentation provided to CCC meet the IRS definition of a casualty loss?
2. Are the documented repair costs provided to CCC consistent with the event described and the amount requested?
3. Do all of the documented expenses and/or repairs qualify as casualty losses?

Acceptable Documentation

- Explanation of insurance benefits indicating amounts not covered for repairs
- Official report of the loss
- Bills for repair of damage to the principal residence