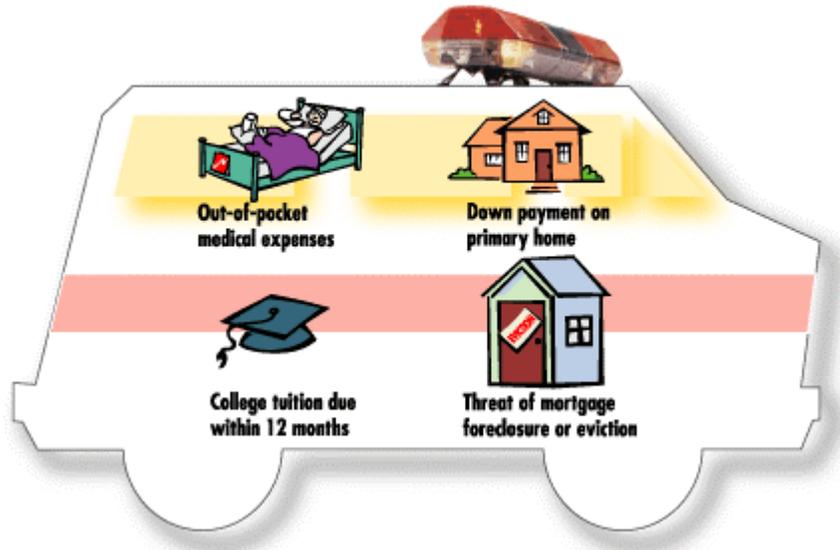


## What is a Hardship Withdrawal ?



A hardship withdrawal is when you withdraw money from your 401(k) account and you can't put it back. Different plans may allow you to take withdrawals for different reasons. The most common withdrawal type for active participants is the hardship withdrawal. According to IRS regulations, to qualify for this type of withdrawal, your hardship must represent an immediate and heavy financial need and there must not be any other resources reasonably available to you to handle that financial need. The IRS recognizes four reasons for a hardship:

- Payment of certain unreimbursable medical expenses incurred by the participant, the participant's spouse, or any dependents
- Cost relating directly to the purchase of a participant's primary residence (excluding mortgage payments)
- Payments of tuition, related educational fees, and room and board expenses, for the next year of post-secondary education for a participant, the participant's spouse, or any dependents
- Payments necessary to prevent eviction or foreclosure on the mortgage of a participant's principal residence

Please note that under the "Safe Harbors" provisions, taking a hardship withdrawal will result in a **six-month** suspension during which you will not be able to make contributions to your plan account.

You will need to show your employer proof of how you intend to use the money, and proof that the amount you requested isn't more than enough to satisfy your need. As a result of the EGTRRA (Economic Growth and Tax Relief Reconciliation Act) of 2001, hardship withdrawals are not eligible to be rolled over, and are not subject to federal income tax withholding. You may still owe income taxes and a possible 10 percent early withdrawal penalty if you are under 59½ when you file your annual income tax return. State and local taxes may also apply. Please note: You should consult your financial/tax adviser with specific questions about your personal situation if you are considering a withdrawal from your plan.