

FINANCIAL HARDSHIP DISTRIBUTION

The Hardship Distribution Application must be executed by you as the Participant and witnessed by your Employer.

If your plan permits, you must first obtain a loan before you can take a financial hardship distribution.

You must also submit documentation to show that a financial hardship exists. For example; a letter of intent to evict or foreclose, bills for college tuition, medical expenses, repairs to your primary residence or for funeral expenses.

If you receive a financial hardship distribution from your plan, you are prohibited from participating in the plan (*i.e., making salary deferrals or 401(k) contributions*) for the six (6) months following receipt of the hardship distribution.

FAQs

- What is the process?
 - Submit a Hardship Distribution Application to LIEBG.
 - LIEBG will review the application to verify your requested amount.
- Where do I get the Hardship Distribution Application?
 - Forms can be obtained from your benefits/human resources department or LIEBG.
- How long does it take?
 - Once a Payment Election Form is found to be in good order, you should receive a check within 5-10 days. Wire transfers may be received in 1-3 days (additional fees may apply).
- Can I direct deposit to my checking account?
 - Yes (a voided copy of your check is required)
- Do you need the originals?
 - No, a scanned or faxed copy is acceptable.
- Do I have to have my signature notarized?
 - No, your plan administrator must witness your signature.
- Who is the plan administrator?
 - A trustee of the plan or an authorized signer at your employer.
- What are the tax implications?
 - The amount paid to you is subject to normal income tax and a 10% excise tax if you are under age 59-1/2.

Return the completed form(s) to:

By Mail to:

Attn: Distribution Department
Long Island Employee Benefits Group
50 Stewart Avenue, Suite 2
Huntington, NY 11743
(631) 273-9220 ext. 128

By Fax to:

(631) 424-0608

By e-mail to:

ljenkins@liebg.com

HARDSHIP DISTRIBUTION APPLICATION

Name: _____ SS#: _____

Employer: Volunteers of America Chesapeake, Inc.

Plan Name: Volunteers of America Chesapeake, Inc. Employee TDA Plan

Address: _____

Telephone #: _____ E-Mail Address _____

Amount Requested: \$ _____

Please indicate the reason for the expenditure (**check one**):

- Medical expenses incurred by you, your spouse or dependents.
- Purchase of a principal residence for you, including mortgage payments.
- Payment of tuition for the next twelve (12) months of post-secondary education (beyond high school education) for the participant, spouse, children or dependents.
- Expenditures to prevent eviction from participant's principal residence or foreclosure of a mortgage of the principal residence.
- Expenses for the repair of damage to the participant's principal residence that would qualify for the casualty deduction under Section 165 of the Internal Revenue Code.
- Payments for burial or funeral expenses for the employee's deceased parent, spouse, children or dependents (as defined in Section 152, and without regard to Section 152(d)(1)(B))

I wish to have a check mailed to my home address

I wish to have the proceeds wired to my bank account (*complete the following and attach a voided check*)

Bank name and address: _____

ABA number: _____ Account number: _____

I understand and acknowledge that this distribution on account of hardship can be made only on account of an immediate and heavy financial need and is necessary to satisfy this financial need. ***I certify*** that the amount of the distribution is not in excess of the amount required to relieve my financial need and represent that my financial need cannot be relieved by any of the following: (1) Reimbursement or compensation by insurance or otherwise, (2) By reasonable liquidation of my assets, to the extent that such liquidation would not itself cause an immediate and heavy financial need, or (3) By cessation of elective contributions or employee contributions under the plan or any other plans by any other distributions or nontaxable loans from plans maintained by my employer or any other employer, or by borrowing from commercial sources on reasonable commercial terms. I understand that my resources are deemed to include the assets of my spouse and minor children that are reasonably available due me. ***I further certify*** that the following are true: (1) The distribution requested does not exceed the amount of the need referred in part, (2) I have obtained all distributions, hardship distributions aside, and all nontaxable loans currently available to all plans maintained by the employer, (3) I irrevocably elect not to make any salary reduction contribution or employee contribution to any plan of the employer for a period of six (6) months after receipt of this hardship distribution and (4) I irrevocably elect that the total of my salary reduction contributions during my taxable year following the current year will not exceed the amount by which my applicable limit under Section 402(g) of the Internal Revenue Code for my taxable year following the current exceeds my salary reduction contributions for the current year. The current is my taxable year in which this hardship distribution occurs.

In addition, I acknowledge that I am aware that this distribution is subject to income tax consequences in the year that the hardship distribution occurs. I am also aware that this amount cannot be repaid to the plan in order to restore my account balances to their prior amounts.

WITNESS:

Participant Signature

Date

Plan Administrator or Authorized Representative

Date

NOTE TO EMPLOYER: As a recipient of a hardship distribution from the Plan, the Participant is prohibited from participating in the plan (i.e., making employee contributions) for the next six (6) months following receipt of the hardship distribution.

You should notify your payroll department to cease employee contributions for the next six (6) months.