

In order to evaluate the appropriateness of your 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 for details.)
- 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 this signed form and 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: \_\_\_\_\_

Participant’s Phone Number(s): \_\_\_\_\_

Employer: \_\_\_\_\_

Email Address: \_\_\_\_\_

SSN: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Date of Submission to CCC: \_\_\_\_\_

**Please answer the questions below.**

1.  Yes or  No Are any distributions available to you under any of the plans maintained by your employer (403(b), 457(b), 401(k) or defined benefits plans) that may address the Hardship? (Examples: Age 59 1/2 In-Service Distributions or Severance from Service Distributions)
2.  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 or 2 above, STOP. You are required to explore and exhaust these resources to alleviate the financial need before requesting a Hardship Distribution.*

3.  Yes or  No Are you eligible to take a loan from any 403(b) account or any other retirement plans maintained by your employer?
4. If you answered, “Yes” to question 3, you must take a loan rather than a Hardship Distribution unless doing so is counterproductive and results in an additional financial Hardship. If this is the case, please explain how taking out a loan would present an additional Hardship.

\_\_\_\_\_  
\_\_\_\_\_

5. Hardship Distributions are available under very specific circumstances. Please check the reason(s) you are requesting a Hardship Distribution. (See the attached Hardship Distribution Information sheet for detailed information on each of these circumstances).

- Certain medical expenses
- Costs relating to the purchase of a principal residence
- Tuition and related educational fees and expenses
- Payments necessary to prevent eviction from, or foreclosure on, your principal residence
- Burial or funeral expenses
- Expenses for certain damages to your principal residence resulting from a casualty

*If your reason for requesting a Hardship Distribution does not appear in the list above, STOP. You are not eligible to take a Hardship Distribution.*

6. Please describe the reason for the withdrawal in your own words. (For home repairs, please include date(s) of the unforeseen event leading to the casualty loss.)

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7. Amount requested to alleviate the Hardship? (Please note: A Hardship Distribution may not exceed the amount of your specified need.)

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8. If this Hardship Distribution is approved, do you have any special instructions regarding where/whom to send the authorized document(s)?

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**Participant certification:**

- I certify that the information provided above is true and correct.

\_\_\_\_\_  
Participant Signature (Required)

\_\_\_\_\_  
Date

## 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](http://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](http://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.

#### Acceptable Documentation

- Medical bill dated in the past six months stating how much you owe
- A copy of your latest federal income tax return indicating the individual is your dependent, if the bill is not for you or your spouse
- 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). The amount requested must be documented and provided to CCC..

Acceptable Documentation

- A. Contract or Bill of Sale for home purchase containing the following information:
  - o Signed by the seller and the buyer
  - o Lists the address of the property
  - o Lists the selling price of the property
  - o Closing date, or, date of sale

OR

- 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. Amounts requested for educational expenses must be documented and provided to CCC. The documentation must represent the costs or projected costs for up to the next 12 months. Documentation may be provided in two ways, either in the form of an unpaid bill or where the school does not provide bills, in the form of an estimate based on documentation from the educational institution such as fee schedules, cafeteria meal plan fees, the cost of books, or housing costs. Estimated costs may be obtained from the educational institution via a course catalog or online via the school’s website. In the event the student is not living on campus, a copy of a lease agreement with the monthly rent responsibility of the student may be provided to illustrate the room cost.

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: A per credit fee of \$100.00 is available from a course catalog page but the student will be taking 30 credits over the next 12 months. For the Hardship Distribution to be made to cover this amount the participant should include a copy of that page of a course catalog 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

- o Tuition bill
- o Bill for lab fees
- o Bill for on campus housing
- o Meal plan bill
- o Estimate of book costs (may be a written estimate from you)
- o Lease agreement for off-campus housing or an estimate of off-campus housing and utilities
- o Cash register receipts from the school bookstore

**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 foreclose.

Acceptable Documentation

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

- o Eviction notice stating how much rent is due
- o Delinquency notice from landlord threatening eviction that states the amount of past-due rent
- o Foreclosure notice from mortgage company stating the amount past due in mortgage payments
- o Delinquency notice from your mortgage company that threatens foreclosure and states the amount of past-due in mortgage payments
- o Court order concerning foreclosure that states the amount due to stop foreclosure
- o Letter from an attorney that states the amount due to stop 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, volcanic eruptions. Some examples paraphrased from IRS Publication 547 (2008) that illustrate what would be considered a casualty loss and what would not:

The deterioration of a water heater that burst 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; and

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
- Official report of the loss
- Bills for repair of damage to the principal residence