

## Carruth Compliance Consulting 403(b) Hardship Distribution Questionnaire

### Please provide the following information:

Participant's Name: \_\_\_\_\_ Phone Number(s): \_\_\_\_\_  
Email Address: \_\_\_\_\_ SSN: \_\_\_\_\_  
Employer: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

### Please answer the questions below.

1. Please list all of employer retirement plans vendors and plan types (403(b) or 457(b)) that you participate in, including the 403(b) account from which you wish to take a Hardship Distribution. (Please note: you must submit an account statement for each vendor below).
  - a. Vendor Name \_\_\_\_\_ Plan Type \_\_\_\_\_
  - b. Vendor Name \_\_\_\_\_ Plan Type \_\_\_\_\_
  - c. Vendor Name \_\_\_\_\_ Plan Type \_\_\_\_\_
2.  Yes or  No Are there distributions available\* to you under the 403(b) plan and all other plans maintained by your employer (457(b), 401(k), and/or defined benefits plans) to address the Hardship?
3.  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.*)
4.  Yes or  No Do you have cash or other liquid assets available that may alleviate your Hardship?

***If you answered, "Yes" to question 2, 3 or 4 above, STOP. You are required to explore and exhaust these resources to alleviate the financial need before requesting a Hardship Distribution. \*Note: If you are eligible for any distribution for any reason (including attainment of Age 59.5 or Severance from Employment), you cannot take a Hardship Distribution.***

5. Hardship Distributions are subject to availability only under the very specific circumstances listed below. Please reference the Hardship Distribution Information Supplement and note you as the participant must make sure your reason for hardship is consistent with the requirements described the supplement and you must keep supporting documentation on file for the costs and reason for this Hardship Distribution. Please check applicable reason(s) for this Hardship Request:

- Certain medical expenses
- Costs relating to the purchase of a principal residence
- Tuition and related post-secondary 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 "event"

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### Required Document Checklist

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:

- A completed copy of your Vendor Hardship Form
- A copy of your most recent Vendor Account Statement

## Participant Certification for 403(b) Hardship Distribution

- *I certify that the information I have provided is true and accurate.*
- *I certify the amount requested does not exceed what is needed to alleviate a hardship as indicated on this form.*
- *I certify that this request complies with the permitted reason(s) described on this form and the attached supplement.*
- *I have read and understand the Hardship Distribution Information Supplement.*
- *I understand that my eligibility and the amounts available for a Hardship Distributions is subject to verification by CCC.*
- *I understand that a Hardship Distribution may only be taken from the elective deferrals in my 403(b) account and earnings on my elective deferral. Amounts available for this distribution may be reduced by prior Hardship Distributions and/or Loans on the account.*
- *I understand that Hardship Distributions are subject availability under my investment contract and my employer's Plan.*
- *I understand that a Hardship Distribution is a taxable distribution and may be subject to early withdrawal penalties.*
- *I understand that it is my responsibility to preserve copies of all documentation related to this request and the related expenses for a Hardship Distribution and I will supply such information to the Plan Administrator, my Employer, or the IRS upon request.*

X \_\_\_\_\_ X \_\_\_\_\_  
Participant Signature (Required) Date

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### Submit this form, your vendor form, and your vendor account statement to Carruth Compliance Consulting using one of the following methods:

- You may **fax** documents to CCC at **833-895-7836**
- You may **securely upload** the documents to <https://www.ncompliance.com/upload.aspx>
- If your vendor requires original documents (i.e., documents must have “wet” signatures), please **mail** documentation to:

***Carruth Compliance Consulting, Inc.  
6975 SW Sandburg Rd., Suite 320  
Tigard, OR 97223***

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

## **Carruth Compliance Consulting 403(b) Hardship Distribution Information Supplement**

While employees may self-certify that they have had a qualifying circumstance for a Hardship Distribution, employees are responsible for keeping all documentation associated with the hardship distribution amounts and must make it available upon the request of their Employer, Plan Administrator or the IRS. The information below are some guidelines on the appropriate documentation for each qualifying event types for a Hardship.

### **Medical Expenses**

Medical expenses that are not covered by insurance for a participant, their spouse, their children, or their dependents may be a qualifying event for a hardship.

#### **Documentation retain in your record should include:**

- Patient's name
- Amounts due or estimated that are not or will not be covered by insurance
- States the medical services, medications and/or devices provided
- The documentation must be dated in the last six months prior to the submission of the hardship distribution request
- Documentation for Medical Expenses must include expenses considered deductible per IRS Publication 502

#### **Acceptable Documentation**

- If the participant is not the recipient of the medical care, documentation of the patient's relationship with the participant should be documented. Depending on the relationship, the documentation may be provided via most recent tax return the participant filed, a marriage certificate or a birth certificate.
- Medical bill(s)
- Explanation of benefits from your insurance company
- Collection agency notice
- Pretreatment estimate from your doctor
- Pretreatment explanation of benefits from the insurance company

### **Purchase of a Principal Residence**

Hardship Distributions for costs related to the future 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, and these must be for the purchase of a primary residence ONLY.

#### **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**

Hardship Distributions for the 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 must begin no more the 90 days prior to the submission date of hardship request.

#### **Acceptable Documentation**

- A. If the participant is not the student, documentation of the relationship (spouse, child or dependent) with the participant (such as a recent tax return the participant filed, a marriage certificate or a birth certificate).
- B. Evidence of the student's acceptance to the education institution or evidence of continued enrollment must be provided, examples of this documentation include:
  - An acceptance letter from the education institution (for a new student)
  - A grade report or evidence of registration from a prior semester (for a continuing student)
- C. Documentation of the specific expenses for up to the next 12 months of post-secondary education:
  - Unpaid tuition bill(s) (must contain the name of the institution and the student)
  - Unpaid bill(s) for lab fees
  - Unpaid bill(s) for on campus housing
  - Unpaid bill(s) meal plan bill
  - For future semesters, evidence of tuition cost per credit from the institution of planned attendance and a statement from the participant concerning the estimated credit hours the student will taking in future terms

### **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.

#### **Documentation of Eviction or Foreclosure Provided Must:**

- Clearly state that an eviction or foreclosure is to take place
- Clearly state the future date amounts must be paid by to prevent eviction or foreclosure (the eviction date or due date for payment cannot have already passed)
- Notices of Eviction or Foreclosure must clearly state the name of landlord or lender and include contact information
- Clearly state the address of the property where the eviction or foreclosure is to take place
- Clearly state the financially responsible party

#### **Acceptable Documentation for Eviction**

- Eviction notice from the landlord
- If the Participant is not the renter appearing on the documentation of the eviction, 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.

#### **Acceptable Documentation for Foreclosure**

- Foreclosure notice from the mortgage lender
- Court order concerning foreclosure
- Letter from an attorney concerning foreclosure
- If the Participant is not the mortgage holder appearing on the documentation of the foreclosure, 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.

### **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.

#### **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 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.

*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.

#### **Acceptable Documentation**

- Explanation of insurance benefits or other insurance policy documentation indicating amounts of repairs not covered by reimbursement under the insurance claim for the casualty loss (including the deductible). *Note: If the property is covered by insurance, a timely insurance claim must have been made for the loss to be considered as a casualty for purposes of a Hardship Distribution.*
- Official report of the loss explaining the nature of the damage and events leading to the damage (such as the report or claim from the insurance company)
- Bill(s) or estimate(s) for repairs of damage to the principal residence