

# Hardship Withdrawal Request for Payment of Tuition and Related Education Fees

Payment of tuition and related educational fees, and room and board expenses, for the next twelve months of post-secondary education for the Participant or the Participant's spouse or dependent.

Form Updated 6/08/09

**A. You may receive a hardship for the following fees and expenses. Please itemize:**

1. \$ \_\_\_\_\_ Tuition
2. \$ \_\_\_\_\_ Related educational fees, including books
3. \$ \_\_\_\_\_ Room and board expenses
4. \$( \_\_\_\_\_ ) Less: Total financial aid.

\$ \_\_\_\_\_ **GRAND TOTAL QUALIFYING EXPENSES.**

**LIMITED TO THE LESSER OF:**

**(HRSA-ILA FILLS THIS IN FROM DATA SUPPLIED BY MASSMUTUAL)**

\$ \_\_\_\_\_ **TOTAL VOLUNTARY CONTRIBUTIONS TO THE ACCOUNT (SALARY DEFERRALS) BEFORE EARNINGS; OR**

\$ \_\_\_\_\_ **TOTAL VOLUNTARY ACCOUNT BALANCE**

**B. The fees and expenses must be incurred by one of the following accredited institutions: (Check One That Applies)**

\_\_\_\_\_ State-sponsored university

- \_\_\_\_\_ State-sponsored college
- \_\_\_\_\_ State-sponsored vocational school
- \_\_\_\_\_ State-sponsored technical school
- \_\_\_\_\_ Private university
- \_\_\_\_\_ Private college
- \_\_\_\_\_ Private vocational school
- \_\_\_\_\_ Private technical school
- \_\_\_\_\_ Institution must require a high school diploma or recognized equivalent for admission
- \_\_\_\_\_ Institution must award a bachelors, graduate or professional degree or minimum two-year academic credits toward a bachelors degree

**C. Tuition and Related Educational Expenses Shall NOT INCLUDE:**

- ◆ Non-academic related expenses
- ◆ Courses designed to sell products
- ◆ Programs that have been conducting classes for less than two years
- ◆ Student loan repayments

**D. If you request a hardship distribution for tuition and related educational fees, you must have documentation to support your request. HRSA-ILA requires that you produce this documentation. If you cannot produce the documentation to substantiate your hardship request, your application will be denied. The following documentation is acceptable:**

**(Check off documentation you are providing)**

**1. For initial enrollment**

- \_\_\_\_\_ A current tuition bill indicating:
- Name of the student
  - Courses in which the student is enrolled
  - Stating whether expenses for room and board are included in the hardship request.

\_\_\_\_\_ In lieu of a current tuition bill, a letter from the Office of the Registrar as proof of acceptance to the institution and listing tuition charges.

\_\_\_\_\_ A standard Financial Aid Form (FAF) disclosing total financial aid received.

**2. For initial and on-going enrollment:**

\_\_\_\_\_ A current tuition bill indicating:

- Name of the student
- Courses in which the student is enrolled
- Stating whether expenses for room and board are included in the hardship request.

\_\_\_\_\_The tuition bill may also be used to calculate anticipated financial need for the remainder of the academic year.

\_\_\_\_\_ A standard Financial Aid Form (FAF) disclosing total financial aid received.

**3. For summer sessions:**

\_\_\_\_\_ A current tuition bill indicating:

- Name of the student
- Courses in which the student is enrolled
- Stating whether expenses for room and board are included in the hardship request.

\_\_\_\_\_ A standard Financial Aid Form (FAF) disclosing total financial aid received.

**Submission of false or fraudulent information for the purpose of obtaining a benefit is a fraud, which under VA Code §18.2-178 is a crime punishable under applicable provisions of Virginia Law.**

\_\_\_\_\_  
Form Submitted by: (Participant Name - Please Print)

\_\_\_\_\_  
Port Number / SSN

\_\_\_\_\_  
Participant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Reviewed by:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved by: Plan Administrator

\_\_\_\_\_  
Date

Important: Use this form for or hardship withdrawals when the "safe harbor" determination of hardship is used by the Plan.

## HRSA-ILA Annuity & Savings Plan Participant Hardship Statement

Submit this form to HRSA-ILA.

Participant's Name \_\_\_\_\_  
first middle last  
Social Security Number \_\_\_\_\_ Port Number \_\_\_\_\_

### HARDSHIP REQUEST

1.  I request a withdrawal of \$\_\_\_\_\_.
- This hardship is requested for the following reason(s):
- Expenses for Medical Care** for myself, my spouse, or my dependent.
  - Purchase of My Primary Residence** excluding mortgage payments.
  - Tuition and Related Education Fees** including room and board expenses, for the next 12 months for post-secondary education for myself, my spouse, or my dependent.
  - Prevention of Eviction or Foreclosure** on my primary residence.
  - Expenses for the Repair of Damage** on my primary residence that would qualify for the casualty deduction under IRC §165.
  - Payment for Burial or Funeral Expenses** for my deceased parent, spouse, children or dependents.

**Please attach the applicable worksheet detailing the expense for which this hardship is requested. If the expense is for someone other than the Participant, list the recipient and his or her relationship to the Participant on the expense document.**

2.  I certify that the withdrawal amount requested is not more than my immediate and heavy financial need, plus applicable tax withholdings due to the reason checked in item 1, above.
3. I  Accept  Decline to have such additional amounts as are necessary to pay anticipated federal, state, (Recommended) or local income taxes or excise taxes due to this distribution.

Consult your tax advisor and the Special Tax Notice for additional details on tax consequences.

Refer to the Explanation of Hardship and Supporting Documentation for additional detail on sources that can be withdrawn.

**Consequence of Withdrawal:** I understand that my elective deferral and my after-tax contributions to this Plan are suspended for a 6-month period after the hardship withdrawal is made.

### SIGNATURE

I am married and a notarized Waiver of Qualified Pre-retirement Survivor Annuity form is attached.  
**Distribution payment will be delayed if all required items have not been completed.**

**Submission of false or fraudulent information for the purpose of obtaining a benefit is a fraud, which under VA Code §18.2-178 is a crime punishable under applicable provisions of Virginia Law.**

Participant Signature \_\_\_\_\_

Date \_\_\_\_\_

For use by participants still active in the Industry to request a hardship withdrawal. First complete the appropriate Hardship Statement and applicable worksheet. Submit to the Plan Administrator.

## HRSA-ILA Annuity & Savings Plan Hardship Withdrawal Request

- Refer to the Explanation of Hardship and Supporting Documentation for additional detail on sources that can be withdrawn.
- The amount of withdrawal is prorated across all investments.
- After the withdrawal, you are not permitted to make any further before-tax or after-tax employee contributions for a 6-month period.

Account Number: **51506**

Sponsor Name: **HRSA-ILA**

Plan Name: **HRSA-ILA Annuity & Savings Plan**

Participant's Name \_\_\_\_\_  
first middle last

Participant's Address \_\_\_\_\_  
street  
\_\_\_\_\_ city state zip

Social Security No. \_\_\_\_\_ Telephone # or  
E-mail Address \_\_\_\_\_

**The Plan requires spousal consent if you are married. If you are married, check here  and attach a completed and notarized Waiver of Qualified Pre-retirement Survivor Annuity form.**

### WITHDRAWAL OPTIONS (Check only one box)

**Gross Amount:** Withdraw \$\_\_\_\_\_ from my voluntary contributions. I understand that any income tax withholding will be deducted from this amount. If the amount available is less than requested, I want to withdraw the amount available:  Yes  No

**Net Amount:** Withdraw \$\_\_\_\_\_ from my voluntary contributions plus withdraw any income tax withholding. If the amount available is less than requested, I want to withdraw the amount available:  Yes  No

## INCOME TAX WITHHOLDING

**FEDERAL WITHHOLDING:** Some types of hardship withdrawals are subject to federal income tax withholdings. Unless you elect to have no federal income tax withheld, 10% of the amount of the hardship withdrawal will be withheld for federal income tax. Please read the *Special Tax Notice*. **Contact your tax advisor or the IRS if you have any questions concerning tax withholding.**

**Participant Payee:** I have read the Special Tax Notice. If withholding is elected below, 10% of the amount of the hardship withdrawal will be withheld.

I elect to have federal income tax:  withheld  not withheld

In addition to this federal income tax withholding, I want an additional amount withheld of \$\_\_\_\_\_.

**STATE WITHHOLDING:** State income tax is withheld as noted below. For additional information, contact your state's Department of Revenue.

- **No Withholding**
- **Required Withholding:** Residents of North Carolina and Virginia who have federal income tax withheld will have state income tax withheld from the taxable portion of a payment. You may elect an additional amount to be withheld in Box 1.
- **Required but may Elect Out:** Residents of North Carolina who have federal tax withheld, will have state income tax withheld unless Box 2 is checked. You may elect an additional amount to be withheld in Box 1.

1.  **Additional or Voluntary Withholding:** I want \$\_\_\_\_\_ (enter whole dollar amount) withheld from my payment for state income tax in addition to any required withholding.
2.  **No Withholding:** I do **not** want state income tax withheld from my payment.

## SIGNATURES

I understand that I have a right to a 30-day election period. I further acknowledge that I am waiving the 30-day election period by making an affirmative election on this distribution form.

**Distribution payment will be delayed if all required items have not been completed.**

**Submission of false or fraudulent information for the purpose of obtaining a benefit is a fraud, which under VA Code §18.2-178 is a crime punishable under applicable provisions of Virginia Law.**

\_\_\_\_\_  
Participant

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

\_\_\_\_\_  
Plan Administrator

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

# **SPECIAL TAX NOTICE - HARDSHIP DISTRIBUTIONS**

Updated 3/2/09

This Notice contains important information about federal income tax consequences of a hardship distribution from the HRSA-ILA Annuity & Savings Plan. Please read it carefully and discuss it with your tax advisor prior to making the election to receive a Hardship Distribution from the Plan.

## **HARDSHIP PAYMENT PAID TO YOU**

**NOT ELIGIBLE FOR ROLLOVER.** Hardship distributions from the HRSA-ILA Annuity & Savings Plan are not eligible for rollover to another qualified plan. This means you will not have the option to continue to defer federal income tax on your retirement savings in the Plan through the rollover method.

**VOLUNTARY INCOME TAX WITHHOLDING.** Mandatory withholding rules for most Annuity & Savings Plan distributions do not apply. **However, hardship withdrawals are taxable, and additional taxes will be due upon tax filing if an adequate amount is not withheld.** You may elect to have additional federal and state taxes withheld in order to meet the tax obligation due on such distribution. If you do nothing, 10% will be taken out of this portion of your payment for federal income tax withholding. To make an additional tax withholding or to waive tax withholding, ask the Plan Administrator for the election form and related information.

**ADDITIONAL 10% TAX IF YOU ARE UNDER AGE 59½.** If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. **Most hardship withdrawals, except for those made for medical or disability reasons, will be subject to the additional 10% tax in addition to federal and state income taxes.** The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, or if you are a qualified public safety employee as described in Code Section 72(t)(10)(A), payments that are paid to you from a governmental defined benefit plan after you separate from service with your employer during or after the year you reach age 50, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code Section 404(k), (5) payments that are paid directly to the government to satisfy a federal tax levy, (6) payments that are paid to an alternate payee under a qualified domestic relations order, (7) payments that do not exceed the amount of your deductible medical expenses, (8) qualified reservist distributions as described in Code Section 72(t)(2)(G) made to an individual who is a reservist or national guardsman and who was ordered or called to active duty after September 11, 2001 and before December 31, 2007 for a period in excess of 179 days or for an indefinite period, and (9) qualified hurricane distributions made to qualified individuals as described in Code Section 1400Q(a). See IRS Form 5329 for more information on the additional 10% tax.

## **HOW TO OBTAIN ADDITIONAL INFORMATION**

This Notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules are complex and contain many conditions and exceptions that are not included in this Notice. Therefore, you may want to consult with a professional tax advisor BEFORE you take a payment of your benefits from the Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, *Pension and Annuity Income*, and IRS Publication 590, *Individual Retirement Arrangements*. These publications are available from your local IRS office, on the IRS's Internet Web Site at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORMS.



## **1. What is a Qualified Preretirement Survivor Annuity (QPSA)?**

Your spouse has an account in the Plan. The money in the account that your spouse is entitled to receive is called the vested account. You are entitled to a death benefit payable from your spouse's vested account if your spouse dies before beginning to receive retirement benefits (or, if earlier, before the beginning of the period for which termination benefits are paid). You have the right to receive this monthly payment for your life beginning upon your spouse's death. The special death benefit is called a Qualified Preretirement Survivor Annuity (QPSA). The Plan will pay this death benefit in a one-sum cash payment, rather than an annuity, if the value of the death benefit is less than the Plan's minimum cash out amount (contact the Administrator for details). The Plan may exclude rollover contributions in determining account balance.

## **2. Can Your Spouse Choose Other Beneficiaries to Receive the Account?**

Your right to the QPSA benefit provided by federal law cannot be taken away unless you agree to give up that benefit. If you agree, your spouse can choose to have all or a part of the death benefits paid to someone else. The person your spouse chooses to receive the death benefits is usually called the "beneficiary." For example, if you agree, your spouse can have the death benefits paid to his or her children instead of you.

## **3. How Can Your Spouse's Choice of a Loan or Distribution Change the Way Benefits are Paid?**

If you consent to your spouse's request for a loan or distribution from the Plan, the QPSA benefit may be reduced. *Example: Robin, the participant, elects to receive a loan from the Plan in the amount of \$2,000. To obtain the loan, Marion, Robin's spouse, must consent to the loan. If she consented and Robin dies soon after the loan, Marion may only be entitled to a benefit of the remaining account balance less the outstanding balance of the loan.*

## **4. Do You Have to Give Up Your Right to the Qualified Preretirement Survivor Annuity?**

Your choice must be voluntary. It is your personal decision whether you want to give up your right to the annuity.

## **5. Can Your Spouse Make Future Changes if You Sign this Form?**

If you sign this form, you agree that some or all of the account balance may be withdrawn from the Plan as requested by your spouse via a voice response system, the Internet, or an employee activity form. Your spouse cannot change the withdrawn amount after payment is made.

## **6. Can You Change Your Mind After You Sign this Form?**

You cannot change this form after you sign it. Your decision is final.

## **7. What Happens to this Agreement if You Become Separated or Divorced?**

You may lose your right to the QPSA if you become legally separated or divorced from your spouse even if you do not sign this form. Under such circumstance, however, you may be able to get a special court order, called a Qualified Domestic Relations Order or "QDRO," that specifically protects your rights to receive the QPSA or gives you other benefits under this Plan. If you are thinking about separating or getting a divorce, you should acquire legal advice on your rights to benefits from the Plan.

## **8. What Should You Know Before Signing this Form?**

This is a very important decision. Think very carefully about whether you want to sign this form. Before signing, be sure you understand what death benefits you are eligible to receive and the effect of reducing or eliminating the account balance. Be sure to review any applicable employee activity form completed by your spouse and the Summary Plan Description (SPD). For additional information, you may contact the Plan Administrator.