INSTRUCTIONS FOR COMPLETING 401(k) FINANCIAL HARDSHIP CLAIM FORM

Section I: Please complete all personal information.

Section II: Read eligibility requirements to ensure your compliance.

Section III: Read “Explanation of Qualifying Events” and determine which Financial Hardship provision(s) you are able to document.

Section IV: Select your qualifying hardship event by checking and completing the corresponding box(es) and required information. Also, indicate the dollar amount(s) needed to meet the hardship. Add the amounts of all applicable qualifying events on the subtotal line. You may request an additional amount to be paid to you to cover your expected taxes and penalty. Indicate any additional funds above your hardship on the line indicated (not to exceed 37%). Add the subtotal and the additional funds (if applicable) and indicate the total hardship amount on the Total Request line.

Section V: You have the option to request additional Federal income tax withholding. The Authority will withhold 10% federal tax unless you request a specific amount from your withdrawal or you elect not to have withholding. If you live in a state that mandates state income tax withholding, it will be withheld (Kentucky does not require state tax withholding). You may elect additional state tax withholding above what is required.

Section VI: You must elect your payment delivery method. If you do not choose an option a check will be mailed to your address on file.

Section VII: Sign, date, and provide your social security number on the lines provided.

BEFORE RETURNING HARDSHIP CLAIM FORM PLEASE READ INFORMATION BELOW

You need to fully complete, sign and return the 401k HARDSHIP CLAIM FORM in order to ensure that you obtain the payout you want. Please note that upon approval of this claim your signature authorizes that your elective salary deferrals will automatically stop on the earliest payroll date administratively possible. Trailing salary deferrals may be received and invested after your withdrawal has been processed.

Additional 10% Tax If You Are Under Age 59 ½. If you receive a payment before you reach age 59 ½, then, in addition to regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax 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, (2) payments that are paid because you retire due to disability (3) payments that are made to you as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary’s lives or life expectancies), (4) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order under the 401(k) Plan, (6) payments that do not exceed the amount of your deductible medical expenses, or (7) certain payments that are paid while you are on active military duty after September 11, 2001 provided you were called to duty for more than 179 days. See IRS Form 5329 for more information on the additional 10% tax and the Kentucky Public Employees’ Deferred Compensation Authority Special Tax Notice Regarding Plan Payments.

If you have questions or need assistance, please contact Member Services at 1-800-542-2667.

NRF-0465KY-KY.3 (06/2019)
401k HARDSHIP CLAIM FORM

Section I: Personal Information

(PLEASE PRINT)

Last Name                First Name                MI
Social Security Number   Date of Birth
Mailing Address
Home/Cell Phone          Work Phone
City                     State                     Zip Code
Employer Name

Section II: Eligibility Requirements

I certify by my signature that:

• This request is limited to the amount reasonably necessary to satisfy the financial need, which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution.
• I have obtained all distributions other than hardship distribution available from all my employer's plans in which I am active.
• The financial hardship cannot be satisfied by cessation of elective contributions or by reasonable liquidation of my actual and deemed assets to the extent the liquidation would not itself create an additional immediate and heavy financial need.
• My financial need is not capable of being relieved from any other resources which are reasonably available to me.
• I am unable to obtain sufficient funds to satisfy the financial hardship by borrowing from commercial lenders on reasonable commercial terms.
• I understand any monies received must be reported as taxable income.
• My Social Security Number is correct.
• I understand my funds will remain in plan investments until withdrawal is made.
• I understand my withdrawal will be taken pro-rata from my available funds.

Section III: Explanation of Qualifying Events

FINANCIAL HARDSHIP means a decision by the Administrator that an immediate and heavy financial need exists, which would cause you a great hardship if an early distribution of benefit was not permitted. Financial Hardship under Kentucky's Plan II is limited to the six events listed under Section III. Expenditures normally budgetable, such as the purchase or repair of an automobile; payment of credit card charges, payment of utility bills, etc., will not constitute a Financial Hardship. Losses or cash flow problems on properties held for investment do not constitute a Financial Hardship.
**Section IV: Selection of Qualifying Events**

I am applying for a hardship distribution from the Kentucky Public Employees’ Deferred Compensation Authority 401k Plan. The reason(s) for my request is as indicated below.

Check **ONLY** those event(s) that apply. Attach additional sheets if necessary.

<table>
<thead>
<tr>
<th>Event Description</th>
<th>Amount Needed</th>
<th>Details</th>
</tr>
</thead>
</table>
| **1. UNINSURED MEDICAL/DENTAL EXPENSES** | $__________ | Name of individual who incurred the medical expense: ____________________________
  Relationship to individual: [ ] Self  [ ] Spouse  [ ] Child/Dependent/Legal Dependent*
  Expense(s) (Check all that apply): [ ] Diagnosis  [ ] Treatment  [ ] Prevention  [ ] Transportation  [ ] Long-Term Care
  Provider (check all that apply): [ ] Hospital  [ ] Doctor  [ ] Dentist  [ ] Chiropractor  [ ] Pharmacy  [ ] Other: _______
  Name/Address of provider: Name: ____________________________________________
  Address: ____________________________________________ (State) _____  (Zip) |
| **2. FUNERAL/BURIAL EXPENSES** | $__________ | Name of deceased: ____________________________
  Date of death: ____________________________
  Relationship: [ ] Parent  [ ] Spouse  [ ] Child  [ ] Dependent/Legal Dependent*
  Name/Address of Service Provider (cemetery/funeral home): Name: ____________________________
  Address: ____________________________________________ (State) _____  (Zip) |
| **3. COLLEGE EXPENSES (FOR THE NEXT 12 MONTHS)** | $__________ | Name of individual who is attending college: ____________________________
  Relationship to individual: [ ] Self  [ ] Spouse  [ ] Child/Dependent/Legal Dependent*
  Category of expense (check all that apply): [ ] Tuition (post-high school)  [ ] Related fees  [ ] Room and Board
  Dates covered by educational payments: Beginning Date: ______________ Ending Date: ______________ |
| **4. PURCHASE OF PRINCIPAL RESIDENCE** | $__________ | Purchase Price: $______________
  Will this be your principal residence? [ ] YES  [ ] NO
  Address of residence: ____________________________________________ (State) _____  (Zip) ___________
  Category of expenses: [ ] Down payment  [ ] Closing costs  [ ] Title  [ ] Fees
  Name/address of lender: Name: ____________________________
  Address: ____________________________________________ (State) _____  (Zip) |
| **5. REPAIRS FOR DAMAGE TO PRINCIPAL RESIDENCE** | $__________ | Date of loss/damage: ______________
  Is this your principal residence? [ ] YES  [ ] NO
  Address of damaged residence: ____________________________________________ (State) _____  (Zip) ___________
  Category of cause: [ ] Fire  [ ] Flood  [ ] Weather  [ ] Other: _______
  Describe repairs, whether repair is pending or completed and date of completion: ____________________________
  ____________________________
  ____________________________ |
| **6. PREVENTION OF FORECLOSURE/EVICTION** | $__________ | Is this your principal residence?: [ ] YES  [ ] NO
  Date of Notice: ______________  Due Date of Payment: ______________
  Address of residence: ____________________________________________ (State) _____  (Zip) ___________
  Category of notice: [ ] Foreclosure  [ ] Eviction
  Name/address of Party who issued Notice: Name: ____________________________
  Address: ____________________________________________ (State) _____  (Zip) |

Total of immediate hardship (add lines 1 through 6)  
**SUBTOTAL** $__________

Additional funds above amount requested to cover taxes and penalties on this withdrawal (limit 37%)  
$__________

Total hardship withdrawal requested (add subtotal line and additional amount line) **TOTAL REQUEST** * $__________

*Gross amount of funds to be withdrawn from account (not to exceed available hardship amount).
Section V: Federal and State Income Tax Withholding

Federal Tax- The Authority will withhold federal tax at 10% from your withdrawal unless otherwise indicated by checking a box below.

☐ Do Not withhold Federal Tax from my withdrawal
☐ Withhold a TOTAL of $______ for federal tax. (Please note: If this option is selected, a minimum of 10% federal tax will be withheld)

State Tax - If you live in a state that mandates state income tax withholding, it will be withheld (Kentucky does not require state tax withholding).

If you would like additional state tax withheld above what is required indicate dollar amount $__________________

Section VI: Payment Delivery
A. ☐ Check mailed to your address on file (Default payment delivery if no option is chosen)

B. ☐ Direct Deposit: ☐ Add or Update Bank Information ☐ Use Information on File

I authorize the Kentucky Public Employees’ Deferred Compensation Authority to directly deposit my distribution payment to my bank account via ACH.

Documentation of your bank account is required**. Attach a voided check or an official account verification letter from your bank. All documentation must include the following information: name of your financial institution, name on the account, account type, bank routing number and bank account number.

Please attach documentation over example below or on a separate sheet

**NOTE: For your security, starter checks are not considered an acceptable form of documentation. Failure to provide the necessary documentation will result in a paper check being sent to you by mail for the distribution payment. The direct deposit will be sent to your financial institution by ACH (Automated Clearing House). The deposit of funds into your bank account could take up to 3 business days from the payout date.
Section VII. Certification of Financial Hardship

I certify the information submitted on this Hardship Claim form to be true and accurate. I have read and understand the proposed claim form and all provisions contained therein.

I hereby request that such claim be effected. I understand I will be asked to provide documentation if my signature cannot be verified through documents on file with KPEDCA.

The Authority allows up to two approved Hardship Withdrawals per calendar year.

If you complete the form and return it to this office with the proper verification, it will be reviewed. Remember, your claim must be fully completed, signed, and documented before it can be considered. If your Financial Hardship Claim is approved, the payment of the amount approved will be sent directly to you.

You should retain copies of documentation (cost estimates, bills etc.) in support of this hardship request for at least three years from date of request.

Signature ___________________________________________ Date _____ / _____ / _______

Printed Name ________________________________ SS # __________________

Please Note: this payout form in its entirety is 4 pages. Payouts are generally processed within 10 days of receipt of all needed paperwork. Failure to return a properly completed form may delay your payout and result in the form being returned to you for corrections.

Return form by fax to (877) 677-4329 or by mail to:
Nationwide Retirement Solutions
P.O. Box 182797 Columbus, OH 43218-2797
Express Mail: Nationwide Retirement Solutions
3400 Southpark Place, Suite A DSPF-F2
Grove City, OH 43123-
NOTICE OF WITHHOLDING ON NON-PERIODIC DISTRIBUTIONS OR WITHDRAWALS FROM THE KENTUCKY PUBLIC EMPLOYEES’ DEFERRED COMPENSATION AUTHORITY PLANS

The distributions or withdrawals you receive from your Kentucky Public Employees’ Deferred Compensation Authority (KPEDCA) Plan are subject to Federal income tax withholding unless you elect not to have withholding apply.

You may elect not to have withholding apply to your distribution or withdrawal payments that are not eligible for rollover by completing and returning the appropriate KPEDCA tax withholding form to the KPEDCA.

If you do not respond before the date your distribution is scheduled to begin, federal income tax will be withheld from the taxable portion of your distribution or withdrawal.

If you elect not to have withholding apply to your distribution or withdrawal payments, or if you do not have enough federal income tax withheld from your distribution or withdrawal payments, you may be responsible for payment of estimated tax. You may also incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

ELECTION FOR PAYEES OF NON-PERIODIC PAYMENTS

If you do not want any federal income tax withheld from your payment, complete and return the appropriate KPEDCA tax withholding form.