

1. Document and IRS Information

The Required Documentation Checklist and the 401(k) Hardship Withdrawal Form are enclosed in this booklet

The instructions contained in this booklet summarize the major provisions of federal and State of California tax rules applicable to your payment. Tax rules are complex and contain conditions and exceptions not included in these instructions. You may find more specific information on the tax treatment of payments drawn from retirement plans in the Internal Revenue Service (IRS) Publication 575 - *Pension and Annuity Income*, and IRS Publication 590 - *Individual Retirement Arrangements*. These publications are available from your local IRS office, the IRS website at irs.gov, or the IRS Tax Forms Distribution Center by calling (800) 829-3676. For more information on California state tax withholding, refer to *Withholding From Pensions, Annuities, and Certain Other Deferred Income*, available at edd.ca.gov.

2. Eligibility to Withdraw Funds

You may qualify for an in-service withdrawal from your 401(k) Plan account due to financial hardship for the following:

- Payment of tuition and related room and board expenses for postsecondary education for the following 12 months for you, your spouse, children, or a dependent;
- Costs associated with the purchase of your principal residence (excluding mortgage payment);
- Prevention of foreclosure on or eviction from your principal residence;
- Payment of expenses for medical or dental care described in Section 213(d) of the Internal Revenue Code incurred by you, your spouse, or a dependent;
- Payment for burial or funeral expenses for your deceased parent, spouse, children, or a dependent; or
- Expenses for the repair of damage to your principal residence that would qualify as a casualty deduction from your federal income taxes Section 165 of the Internal Revenue Code.

A hardship withdrawal from your 401(k) account will have income tax implications. You may wish to obtain the advice of a tax advisor before you request a hardship withdrawal.

To qualify for a 401(k) hardship withdrawal, you must first exhaust all other resources reasonably available. Refer to Section 3 - Available Options on the form.

You may consider requesting an in-service withdrawal of your rollover source prior to submitting your hardship withdrawal request. Understand different withholding applies for an in-service withdrawal of your rollover source; Savings Plus will withhold 20% of the amount withdrawn for Federal Income taxes. You may not elect to waive this withholding.

3. General Information

Call the Savings Plus Service Center to request a Benefit Payment Booklet if you have separated from service and want a distribution. (do not complete this form)

Participant Account Information

You may withdraw all or any portion of you Employee Pre-Tax subaccount, 401(k) Rollover Pre-Tax subaccount, Roth Contribution subaccount, Roth Rollover subaccount, and In-Plan Roth Conversion subaccount (but not any earnings thereon). Such withdrawals shall be made from the participant's account and subaccounts on a pro-rata basis. The amount available for hardship withdrawal is based on contribution amounts only.

If your distribution includes Roth assets, there will be additional tax implications. Since the distribution is considered non qualified, the earnings portion of the Roth distribution amount will be taxable.

Supporting Documentation and Application

After completing the 401(k) Hardship Withdrawal Form, attach your required documentation to it and mail to the address indicated at the end of the form. All documentation will be reviewed and does not guarantee approval of your request. In some cases, additional documentation may be requested.

See page 4 for supporting documentation needed to apply for a hardship withdrawal for specific reasons.

NOTE: You must exhaust all resources reasonably available including taking a loan within the plan before a hardship is granted.

PCRA

If you have a Personal Choice Retirement Account (PCRA), it may be necessary to transfer your PCRA funds into your core funds to satisfy the amount of your hardship withdrawal request and maintain the required minimum in your core account.

Payment Dates

We issue payment within 3-5 business days of receipt of properly completed form. Delivery of payment may vary depending on the type of payment method you request in Section 5 of the form.

All information contained in this booklet was current as of the print date. The Plan reserves the right to amend any of the procedures or plan provisions outlined in this booklet or the Plan Document. Such changes may be enacted without prior announcement or the express consent or agreement of plan participants. The Plan Document will govern if any contradiction arises between the terms of the Plan Document and this booklet.

3. General Information (continued)

Payment Information

Payments are issued via direct deposit, at no charge, to one financial institution of your choice or via check (\$2.00 fee - deducted from your account) to your address on file.

To issue payment via direct deposit, you must provide the following information:

- Name and 9-digit ABA (routing) number of your financial institution
- Account number and account type
- Copy of a voided check (checking account) or a letter from the financial institution (savings account) for verification of account information

NOTE: Direct Deposit ACH is not available to financial institutions outside of the United States.

Payment Information (continued)

If you change financial institutions, change your account number, or automated clearing house (ACH) routing number, you must complete a new Direct Deposit Form. Submission of a new Direct Deposit Form replaces any previous direct deposit information on file. This change may take up to 3-5 business days to become effective.

If any of the required information is incomplete, invalid, or not provided, you will be mailed a check.

Check Fee

A \$2.00 processing fee is charged for each payment you choose to have issued by check. This fee is deducted from your account.

Overnight Mail

If you receive payment by check, you may request to have your check sent to your home address in overnight mail for a \$25.00 fee. The fee is deducted from your account.

Uncashed Checks

Checks are valid for 120 days from the date of issuance. If uncashed after 120 days the check may not be negotiated by your financial institution. In the event you have a check which remains uncashed for more than 120 days, you must call the Savings Plus Service Center so that a replacement check can be issued.

Lost or Stolen Checks

You may call the Savings Plus Service Center to report a check as lost or stolen if you do not receive it within 14 days from the issue date.

NOTE: If approved and you are currently contributing to the 401(k) or 457(b) Plan, your deferrals will be suspended for 6 months. After the suspension period, your deferrals will remain suspended until you restart your contributions. If you are currently contributing to any other plans maintained by the State, including 403(b), you are responsible for suspending those deferrals for 6 months.

Definition of Dependent

The definition of "dependent" is set forth in IRC Section 152 as either a "qualifying child" or a "qualifying relative."

A qualifying child is someone who meets all the following criteria:

- Is a child or brother or sister (or stepbrother or stepsister) of the participant or a descendant of either
- Has the same principal place of residence as the participant for more than one-half the taxable year
- Has not yet turned age 19 (or is a student who has not yet turned age 24 as of the end of the taxable year)
- Has not provided more than one-half of his or her own support for the taxable year

A qualifying relative is someone who meets all the following criteria:

- Is a child (or a descendant), brother or sister (or stepbrother or stepsister), father or mother (or ancestor), stepmother or stepfather, niece or nephew, aunt or uncle, or in-law (father, mother, sister, brother, son, or daughter) of the participant or has the same principal place of residence as the participant (other than a spouse) and is a member of the participant's household
- Income must not exceed the personal exemption amount as defined in Section 151 of the IRC
- Receives more than one-half his or her support in that taxable year from the participant
- Is not a "qualifying child" of any taxpayer in the taxable year

For purposes of a hardship withdrawal for education expenses or funeral expenses, a "dependent" is any person who meets the definition of qualifying relative irrespective of his or her gross income or irrespective of whether he or she is also a qualifying child of any taxpayer.

4. Tax Withholding Information

Federal Tax Withholding

Savings Plus will withhold 10% of the amount withdrawn for Federal Income taxes unless you request otherwise by completing a *Federal Withholding Certificate for Pension or Annuity Payments (W-4P)*.

Federal Withholding Certificate for Pension or Annuity Payments (W-4P)

A W-4P allows you to modify the amount of federal income tax withholding from your payment. You are not permitted to specify a dollar-amount withholding on the W-4P. However, you may elect to not have any federal income tax withheld or to supplement your withholding amount by designating an additional dollar amount to be withheld.

If you choose to modify the amount of federal income tax withholding with a W-4P, the modification will only apply to the withdrawal request to which the W-4P is attached. The W-4P form is available at irs.gov or call the Savings Plus Service Center to request to have one mailed to you.

Special withholding rules apply to payments to non-U.S. citizens. Please refer to IRS Publication 505, *Tax Withholding and Estimated Tax*, IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and IRS Publication 519, *U.S. Tax Guide for Aliens* for further information.

State Tax Withholding

All California residents are subject to California state income tax withholding at the rate of 10% of federal withholding unless you request otherwise by completing a *California State Withholding Certificate for Pension or Annuity Payments (DE 4P)*.

California State Withholding Certificate for Pension or Annuity Payments (DE 4P)

A DE 4P allows you to modify the amount of California state income tax withholding from your payment(s). You are not permitted to specify a dollar-amount withholding on the DE 4P. However, you may elect to modify your withholding amount by designating an additional dollar amount to be withheld, or claiming exempt.

If you choose to modify the amount of state income tax withholding with a DE 4P, the modification will only apply to the withdrawal request to which the DE 4P is attached. If you live outside California, consult your state taxing authority for more information. The DE 4P form is available at edd.ca.gov or call the Savings Plus Service Center to have one mailed to you.

1099-R Tax Document

For tax reporting, a 1099-R will be issued by January 31 of the year following your payment.

5. Payment Method

One Time Payment

A specific dollar amount paid directly to you. This distribution is not eligible for rollover.

6. Contact Information

Voice Response System: (855) 616-4776, 24 hours a day, 7 days a week

Savings Plus Service Center: (855) 616-4776, 5:00 a.m. – 8:00 p.m. (PT), Monday–Friday
To speak with a customer service representative, press *0.

Walk-In Center: Open 8:00 a.m. – 5:00 p.m. (PT), Monday–Friday
1810 16th Street
North Building
Sacramento, CA 95811

TTY: (800) 848-0833

Website: savingsplusnow.com

7. Required Documentation Checklist

Reason	Required Documentation
Medical/Dental Expenses	<input type="checkbox"/> If you have insurance: Explanation of Benefits forms from the insurance company indicating insurance coverage (or reasons for no coverage), patient responsibility, and dates of service for all charges <input type="checkbox"/> If you do not have insurance: Detailed bills indicating the dates of service for all charges and a signed statement indicating you do not have insurance <input type="checkbox"/> If the procedure could be considered cosmetic, a letter from a medical doctor/dentist indicating the reasons why the procedure is medically necessary <input type="checkbox"/> For future services: a pre-treatment estimate indicating insurance coverage and patient responsibility for all procedures that are to be performed and anticipated date of service - along with a statement from the provider showing that payment must be made before the treatment will be rendered
Home Purchase	<input type="checkbox"/> Copy of the purchase agreement signed by the buyer and seller that includes the closing date and balance of the purchase price <input type="checkbox"/> Invoices for associated expenses required for the purchase of the home such as appraiser and inspection <input type="checkbox"/> Document that shows the services requested for payment were required to purchase the home <input type="checkbox"/> If building a home you must show reasonable proof such as building permits or receipts
Post-Secondary Education	<input type="checkbox"/> Tuition statement or school invoice on letterhead from the institution showing the student's name and amount owed. The statement must be for the current quarter/semester in which the student is enrolled and/or up to 12 months into the future (No reimbursement for past schooling permitted) <input type="checkbox"/> Room and board expenses must be for housing and show the name of the student and the itemized cost <input type="checkbox"/> Books and other educational materials must accompany an itemized receipt <input type="checkbox"/> If the student is a spouse or dependent, copies of tax documentation or official paperwork proving their relationship to you is required
Foreclosure/ Eviction	<input type="checkbox"/> If foreclosure, letter dated within 60 days from the mortgage company indicating the dollar amount needed to prevent imminent foreclosure or acceleration on your primary residence. Must include the property address of the loan under threat of foreclosure <input type="checkbox"/> If eviction, letter dated within 60 days from the landlord/leasing agency or court ordered eviction notice indicating the dollar amount needed to prevent imminent eviction from your primary residence. NOTE: No more than two hardships will be approved for reasons of eviction within a 12-month period
Funeral Expenses	<input type="checkbox"/> Detailed invoice from a funeral home and/or cemetery that itemizes the cost of funeral expenses for which you are responsible <input type="checkbox"/> Copies of receipts, booking information (air/hotel), and other travel expenses related to the funeral and/or burial <input type="checkbox"/> Verification of relationship to the decedent <input type="checkbox"/> Copy of the Death Certificate
Home Repair	<input type="checkbox"/> If you have insurance: a letter from your insurance company indicating the amount covered by insurance and deductible amount owed, or reasons for no coverage <input type="checkbox"/> If you do not have insurance; a signed statement indicating you do not have insurance <input type="checkbox"/> Detailed repair estimate that indicates cause of damage from a licensed contractor



401(k) Plan Hardship Withdrawal Form

Phone: (855) 616-4776 • savingsplusnow.com

Processing will be completed within 3-5 business days of receipt of a properly completed, signed form.

1. Participant Information

Name: _____ Account Number or SSN: _____

Email: _____ Preferred Phone: _____

Phone type: Home Work Cell

2. Reason for Hardship Withdrawal

- Expenses for (or necessary to obtain) medical or dental care that would be deductible from the participant's federal income taxes under Internal Revenue Code (IRC) Section 213(d), determined without regard to whether the expenses exceed 7.5% of adjusted gross income. Attach medical or dental bills or estimates.
- Costs directly related to the purchase of a principal residence for the participant, excluding mortgage payments. Attach the purchase agreement signed by the buyer and the seller including a closing date and balance of the purchase price along with any invoices for additional required expenses such as an appraiser or inspection.
- Payment of tuition, related educational fees, and room and board expenses for up to the next 12 months of post-secondary education for the participant, the participant's spouse, children, or dependent. Attach the tuition statement. (See page two for the definition of "dependent.")
- Payments necessary to prevent the eviction of the participant from his or her principal residence or to prevent foreclosure on the mortgage on that residence. Attach the eviction or the intent to foreclose notice. **NOTE:** No more than two hardships will be approved for reasons of eviction within a 12-month period.
- Payments for burial or funeral expenses for the participant's deceased parent, spouse, children, or dependents. Attach invoices. (See page two for the definition of "dependent.")
- Expenses for the repair of damage to the participant's principal residence that would qualify as a casualty deduction from the participant's federal income taxes under IRC Section 165, determined without regard to whether the loss exceeds 10% of adjusted gross income. Attach invoices.

3. Available Options

Can this hardship be completely or partially relieved through the following options:

Yes **No**

- Reimbursement or payment by insurance or other sources?
- The reasonable liquidation of assets, provided the liquidation would not itself cause an immediate heavy financial need?
- The suspension of elective deferrals under the 401(k) Plan and/or 457(b) Plan?
Stopping your deferrals may help alleviate your financial need. If you would like to stop your deferrals please call the Savings Plus Service Center.
- Loans available from my Savings Plus account?

If you answered "Yes" to any of the four questions above, you are not eligible for a hardship withdrawal until the option(s) for which you have answered "Yes" is/are exhausted or until you provide documentation that your hardship cannot be completely relieved through the source(s) indicated above.

4. Hardship Withdrawal Request

I understand that my hardship withdrawal is limited to the amount documented as necessary to satisfy the immediate and heavy financial need and the anticipated taxes. I hereby request the following:

A hardship withdrawal in the amount of \$ _____

Withdrawal Type (select one):

- Gross Withdrawal (amount before taxes are withheld)
- Net Withdrawal (amount after taxes are withheld)
- Stated Amount Only (no taxes withheld; must include W-4P and DE 4P, both completed, electing no tax withholding)

The hardship withdrawal will be made pro-rata from all sources or pro-rata from just the source(s) you indicate.

Which money source(s) should the hardship withdrawal be made from?

- From All Sources
- OR From the following source(s) (select all that apply):
- Employee Pre-Tax 401(k) Rollover Pre-Tax Roth Contribution Roth Rollover In-Plan Roth Conversion

Form continued on next page

5. Payment Method

Select One:

NOTE: Direct Deposit ACH is not available to financial institutions outside of the United States

- Direct Deposit ACH on file:** Funds will be sent to the financial institution that Savings Plus has on file.
- Mail Check:** Your check will be mailed first class to your address on record with Savings Plus. Allow 5-10 business days from process date for delivery. If no other option is selected, your payment will be issued by check and mailed. An additional \$2.00 fee will be deducted from your account.
- Overnight Check:** Your check will be mailed overnight at your expense to your address on record with Savings Plus. An additional \$25.00 fee will be deducted from your account. PO Box addresses are not eligible for overnight delivery and Saturday delivery may not be available in your area. Allow 2-4 business days from process date for delivery.
- New Direct Deposit ACH:** Funds will be sent to the financial institution that you indicate below.

Financial Institution Information:

Financial Institution

ABA (routing) Number

Account Number

Account Type: Checking Savings

If account type is not selected, checking will be used.

John Doe
123 Main Street Ph. (916) 555-1212
Hometown, CA 98765

Date _____ 1492

PAY TO THE ORDER OF _____ \$ _____
_____ DOLLARS

Money Bank, Inc.
321 Main Street
Hometown, CA 98765

MEMO _____

1 123456789 1 000012345678 11 1492

9-digit ABA routing number Checking Account Number Check Number

NOTE: Direct Deposit is only offered through members of the Automatic Clearing House (ACH). A copy of a voided check (checking) or a letter from the financial institution (savings) must be included with this form to verify banking numbers if New Direct Deposit ACH is selected. We cannot accept a deposit slip or starter check for banking numbers. If ACH information is not completed correctly, a voided check is not provided or no option is selected, a check will be sent to your address on file.

Is this account associated with a brokerage firm or other investment firm? Yes No

If yes, have you confirmed that the ABA and account numbers are correct? Yes No

I hereby authorize Savings Plus to initiate automatic deposits to my account at the financial institution named above. In the event an error is made, I authorize Savings Plus to make a corrective reversal from this account. Further, I agree not to hold Savings Plus responsible for any delay or loss of funds due to incorrect or incomplete information which I supplied or due to an error from my financial institution in depositing funds to my account. This agreement will remain in effect until Savings Plus receives a written notice of cancellation from me or my financial institution, or until I submit a new direct deposit authorization form to Savings Plus. In the event this direct deposit authorization form is incomplete, contains incorrect information or a voided check is not provided, I understand a check will be issued to my address of record.

6. Tax Information

Taxes will be withheld as stated in Section 4 of the Booklet unless you provide a W-4P (for federal withholding; available at irs.gov) and/or a DE 4P (for state withholding; available at edd.ca.gov).

Form continued on next page

7. Tax ID Certification

NOTE: Backup withholding does not apply to retirement plan distributions. FATCA does not apply as this is a U.S. account.

Under penalties of perjury, I certify that:

1. The Taxpayer Identification Number or Social Security Number listed on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because:
 - a. I am exempt from backup withholding, or
 - b. I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or
 - c. The Internal Revenue Service has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person, and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

8. Signature

I request a hardship withdrawal in accordance with my election. I understand the State of California has the authority to approve or reject this request based upon the hardship guidelines of the plan. I hereby certify under penalty of perjury that this information is true and accurate to the best of my knowledge. I understand that if my request is approved, any 401(k) Plan and 457(b) Plan contributions will be immediately suspended for a period of six months and will remain suspended until I restart my contributions.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Participant Signature: _____ Date: _____

California Department of Human Resources Privacy Notice on Information Collection (rev. 7/16)

This notice is provided pursuant to the Information Practices Act of 1977. The California Department of Human Resources (CalHR), Savings Plus Program, is requesting the information specified on this form pursuant to California Government Code sections 19993 and 19999.5. The information collected will be used for identification of your account and will be disclosed to the Savings Plus Administrative Services Provider (Nationwide) for processing of your request as indicated on the form. Individuals should not provide personal information that is not requested or required. The submission of all information requested is mandatory unless otherwise noted. If you fail to provide the information requested, CalHR will not be able to process the action(s) indicated on the form as requested.

Department Privacy Policy - The information collected by CalHR is subject to the limitations in the Information Practices Act of 1977 and state policy. For more information on how we care for your personal information, please read our Privacy Policy at calhr.ca.gov/pages/privacy-policy.aspx.

Access to Your Information - Nationwide is responsible for maintaining collected records. You have a right to access records containing your personal information we maintain. To request access, contact: CalHR Privacy Officer, 1515 S Street 400N, Sacramento, CA 95811 / (916) 324-0455 / CalHRPrivacy@calhr.ca.gov or contact Nationwide at (855) 616-4776.

Mail the original application to Nationwide Retirement Solutions, PO Box 182797, Columbus, OH 43218-2797 or fax to (877) 677-4329.