



## City of Phoenix 457(b) Deferred Compensation Program Unforeseeable Emergency Withdrawal Application

Dear Participant:

The Unforeseeable Emergency Withdrawal Application form you recently requested is attached. To apply for an unforeseeable emergency withdrawal, you must provide all required information on the application form with sufficient documentation to support your claim (documentation that may be required includes unpaid medical bills, physician's statement, police or fire accident report, copy of payroll earnings, etc.)

The federal government has certain restrictions/rules that we must follow for any payment to you for an unforeseeable emergency withdrawal. Unforeseeable emergency withdrawals from the City of Phoenix Deferred Compensation Plan must meet the requirements of Section 457 of the Internal Revenue Code (IRC) and the Plan. On the reverse side of this letter are the requirements to meet an emergency withdrawal.

Your Unforeseeable Emergency Application and the documentation submitted will be reviewed to determine if it meets IRC Section 457 and Plan requirements for a withdrawal. If it is determined your situation meets the requirements, a distribution may only be made to the extent that it could not be relieved through other means such as reimbursement or compensation from insurance or other sources, liquidation of participant's assets to the extent such liquidation would not in itself cause a severe hardship, or discontinuation of deferrals.

If you feel your situation meets the requirements above and on the reverse hereof, and your deferred compensation account is your only remaining alternative, please complete the Unforeseeable Emergency Withdrawal Application and return it along with sufficient documentation. This form must be fully completed, signed and documented before it can be reviewed to determine if your claim meets IRC Section 457 and Plan requirements. Your withdrawal will be forwarded to you within 3 days of the date of approval. If you have any questions or need any assistance, please contact us toll free at 800-891-4PHX.

Sincerely,

Nationwide Retirement Solutions,  
The City of Phoenix Deferred Compensation Plan Administrator



## Requirements for an Unforeseeable Emergency Withdrawal

The City of Phoenix Deferred Compensation Plan is an eligible deferred compensation plan and is regulated by Section 457 of the Internal Revenue Code. Unforeseeable emergency withdrawals allowed by the Plan must meet the following definition:

“Unforeseeable Emergency means a severe, unforeseeable financial hardship of the Participant or Primary Beneficiary(ies) resulting from an illness or accident of the Participant or Primary Beneficiary(ies), the spouse or dependent of the Participant or Primary Beneficiary(ies); loss of the property of the Participant, Primary Beneficiary(ies), or spouse or dependent of the Participant’s or Primary Beneficiary(ies) due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner’s insurance, e.g. as a result of a natural disaster); or other similar or extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Primary Beneficiary(ies) or spouse or dependent of the Participant or Primary Beneficiary(ies).

An unforeseeable emergency withdrawal is available to the “eligible group” indicated in the IRC section 1.457-6(c) (2), which includes the Participant or Primary Beneficiary(ies) or spouse or dependent of the Participant or Primary Beneficiary(ies). For unforeseeable emergency withdrawals, the definition of dependent that applies is in Treasury Regulation Section 152(a), and, for taxable years beginning on or after January 1, 2005, is without regard to section 152(b)(1), (b)(2), and (d)(1)(B).”

Benefits to be paid shall be limited strictly to the amount necessary to meet the unforeseeable emergency to the extent such unforeseeable emergency is not relieved:

- a. through reimbursement or compensation by insurance or otherwise;
- b. by liquidation of the Participant’s assets, to the extent the liquidation of such assets would not itself cause financial hardship; or
- c. by cessation of deferrals under the plan.”

The imminent foreclosure or eviction proceedings of a member of the eligible group from his/her primary residence may constitute an unforeseeable emergency. Only one unforeseeable emergency withdrawal will be approved from the same participant account in one 12 month period for either of these circumstances. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Finally, the need to pay for the funeral expenses of a member of the eligible group may also constitute an unforeseeable emergency. The purchase of a home and the payment of college tuition do not typically constitute an unforeseeable emergency.

The decision of the board, or if authorized, of the Administrator concerning the payment of an unforeseeable emergency withdrawal shall be final.

“Emergency Withdrawals. Withdrawal of amounts because of an unforeseeable emergency must only be permitted to the extent reasonably needed to satisfy the emergency need.”

Following are the requirements to meet an emergency withdrawal:

- A sudden and unexpected illness or accident of a member of the eligible group. In this situation, expenses that might be considered would be uninsured, unpaid medical costs for the eligible group member and/or legal dependent (someone you claim on your income tax return) or unforeseeable loss of household income that was beyond the eligible group member’s control (i.e., unplanned sick leave without pay or insurance). Documentation needs to be submitted as to what portion is covered by insurance (i.e., an explanation of benefits).
- Loss of the eligible group member’s property due to casualty (i.e., damage to the eligible group member’s personal property as a result of events beyond their control such as fire, wind, etc.) that are not covered by insurance (including the need to rebuild a home following damage to a home not otherwise covered by homeowner’s insurance, e.g., as a result of a natural disaster).
- Other similar extraordinary and unforeseeable circumstances as a result of events beyond the control of the eligible group member.

Expenses that will generally not qualify for a financial emergency withdrawal include:

- Normally budgetable expenses (i.e., down payment on an house, delinquent income or property taxes, school tuition or payment of overdue credit card bills).
- Purchase, maintenance or repair of a car or major appliance; household repairs, maintenance or remodeling.
- Investment or business losses or cash flow problems; most expenses related to divorce or bankruptcy will not qualify unless there are extenuating circumstances beyond the eligible group member’s control.

## Unforeseeable Emergency Reason

Please select the reason for your unforeseeable emergency request from the following list. **Understand you will be required to submit documentation to support your request, which can be found listed below each reason.**

### Home Repair/ Modification

- Official Police Report (where applicable)
- If the eligible group member has insurance: a letter from the eligible group member's insurance company indicating the amount covered by insurance and deductible amount owed, or reasons for no coverage.
- If the eligible group member does not have insurance: a signed statement from the eligible group member indicating that they do not have insurance.
- Detailed repair estimate from a licensed contractor indicating the specific causes of the damage to the eligible group member's primary residence (for home repairs).
- Letter from a doctor stating medical necessity for home modification (examples include construction of wheel chair ramp, bathroom modification for disabled, etc...)

### Imminent Foreclosure/Eviction

- Letter from the mortgage company indicating a dollar amount needed to prevent imminent foreclosure or acceleration on the participant's primary residence.
  - Documentation showing the property address of the loan under the threat of foreclosure.
- Letter from the mortgage company indicating a dollar amount and remittance timeframe needed to prevent imminent foreclosure or acceleration on the eligible member's primary residence.
  - Documentation should include the property address of the loan under the threat of foreclosure.
- Letter from the landlord/leasing agent or court ordered eviction notice indicating the dollar amount and remittance timeframe needed to prevent imminent eviction from primary residence including specific residence address.

### Funeral

- Detailed invoice from a funeral home billed to the eligible group member.
- Yes  No Did the deceased have life insurance?  
If **yes**, include documentation on the life insurance policy and the amount of those benefits

### Medical/Dental/Prescription Expenses

- If the participant has 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.
- If the participant does not have insurance: Detailed bills indicating dates of service for all charges and a signed statement indicating that the participant does not have insurance.
- If the procedure could be considered cosmetic, a letter from a medical doctor/dentist indicating the reasons why the procedure is medically necessary.

### Involuntary Loss of Income

- Last full pay stub indicating regular full pay rate.
- Letter from employer indicating dates of employment and UNPAID dates of work missed due to involuntary reasons. This must indicate any sick pay, vacation pay, worker's compensation, unemployment benefits or any other form of compensation received while out of work.
- A one-year pay history must be documented with previous years W-2 forms.
- Documentation from unemployment office, if applicable. Documentation should list date when benefits start and the dollar amount you are eligible to receive.

### Extenuating Circumstances

- Extraordinary and unforeseeable circumstances arising as a result of events beyond the control of a member of the eligible group. **Please explain.**

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## Unforeseeable Emergency

To qualify for an unforeseeable emergency withdrawal, the eligible group member must experience a severe financial hardship that is a result of an extraordinary and unforeseeable event beyond their control that cannot be relieved using funds available from their checking, savings, stocks, mutual funds, securities, insurance, other assets or by ceasing their deferrals. If applicable, if the eligible group member's situation does not fall within one of the categories, the eligible group member may need to provide other documentation.

**Non-approvable events generally include:**

- Annual tax liability
- Elective orthodontia
- Purchase of a car
- Auto maintenance
- Home maintenance
- Purchase of a home
- Education expenses
- Loss of overtime/holiday pay
- Routine medical expenses
- Elective/cosmetic surgery
- Maternity leave
- Routine monthly expenses

Please describe the eligible group member's severe financial hardship.

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1. Was the severe financial hardship a result of an accident of the eligible group member?

- Yes  No **If Yes, please describe:**

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2. Was the severe financial hardship a result of a loss of the eligible group member's property due to casualty?

- Yes  No **If Yes, please describe:**

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3. Was the severe financial hardship a result of some other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the eligible group member?

- Yes  No **If Yes, please describe:**

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## Unforeseeable Emergency Things to Remember

**Items to keep in mind to prevent your request from being delayed or denied:**

- If your unforeseeable emergency distribution is due to a legal dependent's situation, we will require a copy of the qualified dependent worksheet to show dependency.
- Documentation being supplied from third parties must be on third party's letterhead.
- The documentation provided must generally be dated within the previous 12 months.
- Sign your application and the tax forms provided (if applicable).
- Please allow up to 10 days for receipt and review.

**NOTE: All documentation will be reviewed and does not guarantee approval of your request. Additional documentation may be requested.**

## Participant Information

Employer Name: \_\_\_\_\_ Plan ID: \_\_\_\_\_  
Name: \_\_\_\_\_ SSN: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_  
Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_  
Email: \_\_\_\_\_ Gender:  Male  Female

## Condition of Understanding Emergency Withdrawals

It has been explained to me, and I understand, that the Deferred Compensation Plan is not intended to replace an adequate savings program necessary to cover day-to-day financial shortages. The Deferred Compensation Plan was established as a voluntary contribution plan allowing me to enjoy the tax advantages of income deferral while providing retirement, disability and death benefits.

However, I understand that the City may permit me to make a withdrawal from the plan to meet an unforeseeable emergency, as defined by the Internal Revenue Code and the Plan. Unforeseeable Emergency means a severe, unforeseeable financial hardship of the Participant, Primary Beneficiary(ies), or the Participant's or Primary Beneficiary(ies) spouse or dependent (hereafter referred to as "eligible group") resulting from an illness or accident of a member of the eligible group; loss of property of a member of the eligible group due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g. as a result of a natural disaster); or other similar or extraordinary and unforeseeable circumstances arising as a result of events beyond the control of a member of the eligible group.

**NOTE:** For unforeseeable emergency withdrawals, the definition of dependent that applies is in Treasury Regulation Section 152(a), and, for taxable years beginning on or after January 1, 2005, is without regard to section 152(b)(1), (b)(2), and (d)(1)(B).

I further understand that a withdrawal generally **cannot be** granted if it falls into one of the circumstances below:

- Purchase of real or personal property (i.e., home or car)
- Education expenses
- Bankruptcy
- Wage garnishment or levy
- Loss of real or personal property covered by insurance
- Payment of child support or alimony
- Payment of taxes or penalties to any taxing authority
- Home improvement

**I also understand that I am required to submit this request form with adequate supporting documentation detailing the circumstances of the unforeseeable emergency withdrawal and the dollar amount necessary to eliminate the hardship. All withdrawals, regardless of reason, are taxable in the year of withdrawal.**

I request a withdrawal in the net amount of \$ \_\_\_\_\_

**NOTE:** All distributions are subject to federal, applicable state and local taxes. Federal income tax will be withheld from your payment as required by the Internal Revenue Code. Payments will be reported on a Form 1099-R. If a W-4P is submitted with this application, NRS will follow the withholding indicated on the W-4P and A-4P.

### Please indicate your Federal Withholding Option (required):

- Use the default rate of 10% for federal taxes (unless otherwise directed with this form or an attached W-4P, all unforeseeable emergency withdrawals will use a default rate of 10% for federal taxes)
- If choosing to use the default rate of 10% and if you wish to increase your distribution to pay for the 10% tax withholding
- Other (indicate percentage) \_\_\_\_\_%
- Please use the withholding I designated on the attached W-4P form
- Do not withhold federal taxes from my withdrawal. I will be liable for all federal taxes that may result from this withdrawal

By selecting one of the options above, I understand that the gross amount of the Unforeseeable Emergency Withdrawal will be calculated such that, after withholding taxes, the net amount will be as close to the amount approved as necessary to meet my financial hardship.

## Payment Method

### Select One:

- ACH Instructions on File - Send funds to my bank account that Nationwide has on file.
- Send check by first class mail to my address of record. Allow 5 to 10 business days from process date for delivery. (Default option, if no other option is selected)
- I authorize NRS to send my payout check to me via overnight check to address of record for a fee of \$25 (We will deduct the \$25 from your account. Please also note, we can't offer overnight delivery to a PO Box and Saturday delivery may not be available in your area).
- New Direct Deposit ACH (complete information below)

### Financial Institution Information:

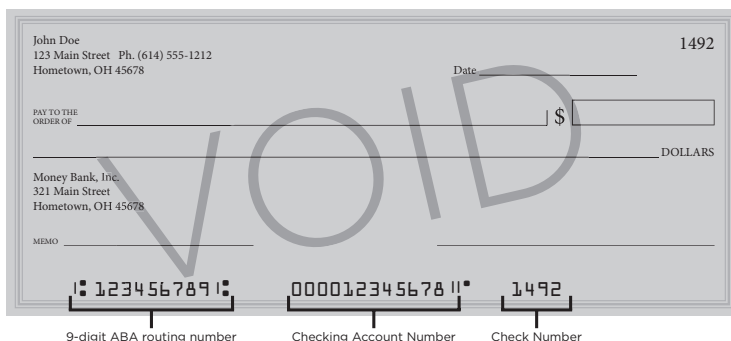
Financial Institution \_\_\_\_\_

Account Type:  Checking  Savings

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

Transit/ABA routing Number \_\_\_\_\_

Account Number \_\_\_\_\_



### Account Verification:

 The following documents are required to verify ownership of the account provided:

- **Checking Accounts:** Please include a pre-printed voided check with this authorization.
- **Savings Accounts:** Please include a letter from the bank, signed by a bank representative, which indicates the ABA routing number, the account number and the account holder's name for verification.

**NOTE:** Direct Deposit is only offered through members of the Automatic Clearing House (ACH). We cannot accept a deposit slip or starter check for banking numbers.

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

## Certification

I certify that under penalties of perjury 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.  
(FATCA does not apply as this is a U.S. account)

You must cross out item (2) if you have been notified by the IRS that you are currently subject to backup withholding because of failure to report interest or dividends on your tax return.

## Authorization & Signature

I verify that all information provided on this application is current, complete, and accurate. I verify that my event may not be relieved using funds available from my checking, savings, stocks, mutual funds, securities, insurance, other assets or by ceasing my deferrals.

I understand it is my responsibility to and I agree to maintain the documentation supporting this unforeseeable emergency request.

I understand that these funds may not be rolled over into an IRA, 401, 403(b), or another 457 plan.

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

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Form Return

**Mail:** Nationwide Retirement Solutions  
PO Box 182797  
Columbus, OH 43218-2797

**Email:** rpublic@nationwide.com  
**Fax:** 877-677-4329