

# Hardship Withdrawal Form

TEAM Academy Charter School, Inc. 403(b) Plan

615633

Employee Full Name (please print)		Date of Birth	Daytime Phone Number
Permanent Address (for tax filing purposes)		Email Address	
City	State	ZIP	
SSN (or ITIN if applicable)	Citizenship		
	<input type="checkbox"/> U.S. Citizen <input type="checkbox"/> U.S. Resident Alien <input type="checkbox"/> Nonresident Alien (Submit an IRS Form W-8BEN. See Section 4.)		

Check Mailing Address (if different than above, <b>Medallion Signature Guarantee Required</b> , see employee signature section/page 3)		
City	State	ZIP

## 1. Provide Reason for Hardship. Choose one option below and complete the questions related to that option.

### ☐ Medical Expense

- Total cost of the event causing the hardship: \$ \_\_\_\_\_
- Who incurred the medical expenses (name)? \_\_\_\_\_
- What is the relationship to the participant? ☐ Self ☐ Spouse ☐ Dependent ☐ Primary Beneficiary
- What was the purpose of the medical care (not the actual condition, but the general category of expense, for example, diagnosis, treatment, prevention, associated transportation, long-term care)? \_\_\_\_\_
- Name and address of the service provider (hospital, doctor/dentist/chiropractor/other, pharmacy): \_\_\_\_\_
- Amount of medical expenses not covered by insurance? \$ \_\_\_\_\_

### ☐ Purchase of Principal Residence

- Total cost of the event causing the hardship: \$ \_\_\_\_\_
- Will this be the participant's principal residence? ☐ Yes ☐ No
- Address of the residence: \_\_\_\_\_
- Purchase price of the principal residence: \$ \_\_\_\_\_
- Types of costs and expenses covered (down-payment, closing costs and/or title fees): \_\_\_\_\_
- Name and address of the lender: \_\_\_\_\_
- Date of the purchase/sale agreement: \_\_\_\_\_
- Expected date of closing: \_\_\_\_\_

### ☐ Educational Payments

- Total cost of the event causing the hardship: \$ \_\_\_\_\_
- Who are the educational payments for (name)? \_\_\_\_\_
- What is the relationship to the participant? ☐ Self ☐ Spouse ☐ Dependent ☐ Primary Beneficiary
- Name and address of the educational institution: \_\_\_\_\_
- Categories of educational payments involved: ☐ Post-high school tuition ☐ Related fees ☐ Room and board
- Period covered by the educational payments (beginning/end dates of up to 12 months): \_\_\_\_\_

### ☐ Foreclosure/Eviction from Your Principal Residence

- Total cost of the event causing the hardship: \$ \_\_\_\_\_
- Is this the participant's principal residence? ☐ Yes ☐ No
- Address of the residence: \_\_\_\_\_
- Type of event? ☐ Foreclosure **or** ☐ Eviction
- Name and address of the party that issued the foreclosure or eviction notice: \_\_\_\_\_
- Date of the notice of foreclosure or eviction: \_\_\_\_\_
- Due date of the payment to avoid foreclosure or eviction: \_\_\_\_\_

### ☐ Funeral and Burial Expenses

- Total cost of the event causing the hardship: \$ \_\_\_\_\_
- Name of the deceased: \_\_\_\_\_
- Relationship to the participant: ☐ Parent ☐ Spouse ☐ Child ☐ Dependent ☐ Primary Beneficiary
- Date of death: \_\_\_\_\_
- Name and address of the service provider (cemetery, funeral home, etc.): \_\_\_\_\_

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## ☐ Repairs for Damage to Principal Residence

- Total cost of the event causing the hardship: \$ \_\_\_\_\_
- Is this the participant's principal residence? ☐ Yes ☐ No
- Address of the residence that sustained damage: \_\_\_\_\_
- Briefly describe the cause of the casualty loss (fire, flooding, type of weather-related damage, etc.), including the date of the casualty loss: \_\_\_\_\_
- Briefly describe the repairs, including the date(s) of repair (in process or completed): \_\_\_\_\_

## ☐ Expense Associated with declared Federal Disaster

- Total cost of the event causing the hardship: \$ \_\_\_\_\_
- Is either your primary residence or primary place of employment in a federally declared disaster zone? ☐ Yes ☐ No
- Name of federally declared disaster: \_\_\_\_\_
- Date of loss: \_\_\_\_\_
- Briefly describe the cause of the casualty loss (fire, flooding, type of weather-related damage, etc.): \_\_\_\_\_
- Briefly describe the repairs, including the date(s) of repair (in process or completed): \_\_\_\_\_

## 2. Request Amount.

- ☐ **Hardship Withdrawal Amount:** I request that \$\_\_\_\_\_ be withdrawn from my vested account balance. **(Dollar amount must be indicated and may not include amounts covered by insurance or other available sources).**

**Please select one of the following. If no box is checked, the Plan will use the Standard Distribution.**

- ☐ Standard Distribution. The amount indicated above is the total to be taken from my account. The Plan will withhold income tax per section 3 below, deduct fees and then distribute the net amount to me.
- ☐ Grossed up Distribution. The amount indicated above will be increased to cover income tax withholding per section 3 below and fees.

**Note:** Unless the Plan otherwise requires, the withdrawal will be made from your pre-tax deferral account, then your vested employer account (if allowed under the Plan) and then from your Roth deferral account (if allowed under the Plan), pro-rata among your investment funds.

## 3. Federal Income Tax Withheld. This distribution will be reported as taxable income and a 10% premature distribution penalty may apply.

- ☐ Please withhold \_\_\_\_\_% from my hardship distribution for federal income tax. If no election is made, 10% will be withheld.

**State Tax Withholding:** No state income tax will be withheld except where required by law. If your state allows you to opt out of state tax withholding, include a completed Form W-4P with your distribution request. You may obtain a Form W-4P by downloading the form from the IRS website at [irs.gov](https://www.irs.gov).

\*NOTE: This option is only available for certain states. We will only waive state tax where allowed by law.

- ☐ I have attached Form W-4P with my distribution request.

## 4. Information for Nonresident Alien Participants Only.

Provide a Form W-8BEN with an original signature as documentation of your foreign tax status. Without valid tax documentation, Alerus Retirement and Benefits is required to withhold taxes at the maximum nonresident alien (NRA) withholding rate of 30%. You may obtain a Form W-8BEN by downloading the form from the IRS website at [irs.gov](https://www.irs.gov).

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## 5. Payment Method for Cash Distributions.

If you do not indicate an option below, your distribution will be sent in the form of a check.

- ☐ Check
- ☐ Direct Deposit to my checking/savings account. Medallion Signature Guarantee is required for all ACH payments. Please include a voided check with your request. Rejected ACH requests will be sent in the form of a check.

Bank Name: \_\_\_\_\_

Account Name: \_\_\_\_\_

Bank ABA/Routing Number: \_\_\_\_\_

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

Checking or Savings (circle one)

## 6. Employee Certification and Signature.

I certify and acknowledge that:

- The information provided in this form is true and accurate;
- I have received and read the Participant Notification for Hardship Withdrawal;
- The amount I am requesting does not exceed my financial need;
- My financial need cannot be met:
  - Through reimbursement or compensation by insurance or otherwise;
  - By liquidation of my assets;
  - By other currently available distributions (including distribution of ESOP dividends under section 404(k)); or
  - By borrowing from commercial sources on reasonable commercial terms in an amount sufficient to satisfy the need;
- A hardship withdrawal is not eligible for rollover treatment to another eligible retirement plan;
- If I have a Plan source which is eligible for in-service distribution, the Plan will use this source first to cover the requested hardship. The Plan will distribute the lesser of the requested hardship amount or the maximum available per the Plan and IRS guidelines;
- I have received and read the Special Tax Notice Regarding Plan Payments;
- Federal law allows me 30 days after the receipt of the Special Tax Notice Regarding Plan Payments to consider this distribution. I waive the 30-day notice period and consent to an immediate distribution;
- A 10% premature distribution penalty tax may apply (see Special Tax Notice);
- A processing fee may be charged;
- A voided check is required for all ACH requests; and
- I agree to keep copies of documentation to support my hardship request and to make them available if my employer or plan administrator ask for them.

**\*\*A Medallion Signature Guarantee is required for any of the following transactions:** 1. Distributions over \$100,000, 2. A bank wire or ACH, 3. Payment to a destination outside the U.S., 4. Payment to an alternate payee, beneficiary or other third party, 5. Payment to an address that is different than the address of record on the account, or 6. Payment within 15 days of an account address change. A Medallion Signature Guarantee is designed to protect you and the Plan from fraud. You may obtain a Medallion Signature Guarantee from most banks, credit unions, and other financial institutions. **A notary seal/stamp is NOT a Medallion Signature Guarantee.** All forms with a Medallion Signature Guarantee must be mailed in its original form to the Authorized Signer/TPA for completion. For items 2 – 5, if a signature guarantee is required but not obtained or waived, the Plan will send a check to the participant's address of record. NOTE: Some plans may elect to waive the signature guarantee. Contact your HR department for details.

EMPLOYEE SIGNATURE

DATE

MEDALLION SIGNATURE GUARANTEE STAMP

X
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Employee, please submit Hardship Withdrawal Form to Authorized Signer for completion.

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## THIS SECTION IS FOR EMPLOYER, THIRD-PARTY ADMINISTRATOR OR AUTHORIZED PARTY USE ONLY

### 7. Authorized Signature.

**Signature Guarantee Waiver:** As an authorized signer for the Plan, I certify that the above signature of the employee is genuine and waive the requirement for a signature guarantee. (All forms with a Signature Guarantee Waiver must be uploaded to Alerus Retirement and Benefits at [alerusrb.com](http://alerusrb.com)).

AUTHORIZED SIGNATURE

DATE

Sign:

Print Name:

*This signature pertains to medallion waiver only.*

**Distribution Authorization:** As an authorized signer for the Plan, I certify the employee has received the Special Tax Notice Regarding Plan Payments. I hereby direct the Plan recordkeepers, trustees and/or fund managers to make the distribution as directed by this form. **Important Reminder to Employer:** Do not stop the employee's deferrals unless requested in writing by the employee. IRS regulations prohibit the automatic suspension of employee 401(k), or 403(b) deferrals in conjunction with a hardship distribution.

AUTHORIZED SIGNATURE

DATE

Sign:

Print Name:

Please submit completed and signed form to Alerus Retirement and Benefits via Plan Gateway's Submit Files Menu. Access to Plan Gateway is located at [alerusrb.com](http://alerusrb.com). By uploading this form via our secure website, Authorized Signer/TPA is certifying that all signatures are genuine.

**All forms with a Medallion Signature Guarantee:** must either be uploaded by the Authorized Signer/TPA at [alerusrb.com](http://alerusrb.com) or mailed in its original form to Alerus Retirement and Benefits (after all signatures have been obtained).

# Participant Notification for Hardship Withdrawal

Your Plan permits you to request a distribution to cover specific hardship events as defined by the Plan. Although this provision may allow you to receive a distribution from your account, you should be aware of the following:

- The hardship distribution is taxable to you as ordinary income. We will report the amount distributed to the IRS and you will receive a Form 1099-R. In addition, if you are not age 59½, the distribution may be subject to an additional 10% penalty tax. The hardship amount is not eligible to be rolled to another retirement plan.
- The amount of the distribution cannot exceed your immediate and heavy financial need. The hardship cannot be covered by other sources such as insurance.
- You may request that the hardship amount be “grossed up” to include plan distribution fees and any federal, state, or local income taxes or penalties you reasonably anticipate to result from the distribution. In that case, the Plan will increase your hardship amount to cover these amounts. The additional “grossed up” amount is also a taxable distribution to you.
- You agree to keep copies of documentation to support your hardship request and to make them available if your employer or plan administrator ask for them. The following are frequent hardship reasons and suggested proof of hardship.

## **Hardship reason**

purchase of participant's primary residence

foreclosure on participant's primary residence

eviction from participant's primary residence

casualty loss to participant's primary residence  
(e.g. fire, storm, flood, earthquake etc.) without  
regard to changes caused by the Tax Cut and Jobs  
Act limiting casualty losses to federal disaster areas

funeral expenses

tuition and related expenses\*

medical expenses defined by irc 213(d)\*  
(disregarding 7.5% of agi)

loss caused by a federal disaster

## **Suggested Proof**

purchase agreement + lender statement of estimated amount needed from  
buyer at closing

lender's foreclosure notice including amount needed to cure default

landlord's eviction notice including amount of past due rent

repair estimates + insurance statement  
showing deductible or other uncovered amounts

funeral bill owed for parent, spouse, child, dependent or primary beneficiary

school's tuition statement for coming school year (may include room and  
board)

bill showing amount owed after  
adjustments for insurance or statement from medical provider that bill reflects  
receipt of all insurance payments

repair estimates showing loss less insurance coverage + FEMA or other  
federal notice of disaster declaration for the location of your primary  
residence or primary place of employment

\*hardship for these categories includes expenses for participant, spouse, children, dependents and primary beneficiary(s).