AFPlanServ
a different opinion

AFPlanServ | P.O. Box 269008 | Oklahoma City, OK 73126
American Fidelity Assurance Company | 866-560-6415 | Fax: 866-578-0962 | **info@afplanserv.com**

403(b) Hardship Distribution Request

Please complete this form to request a hardship distribution from your current employer's 403(b) Plan. **Please note that your investment provider may require their own paperwork along with this form. Hardship distributions are subject to income tax unless taken from Roth contributions and additional tax penalties could apply.**

Participant Information

Full Name: (last, first, middle initial)	
Address: (street, city, state and zip)	
Social Security Number:	Date of Birth: (MM/DD/YYYY)
Phone Number: (with area code)	Email Address:
Employer:	

IMPORTANT: If you are no longer with the employer you established this 403(b) account with, you are eligible for a regular distribution and should complete a distribution form instead. This form can be found at **afplanserv.americanfidelity.com/forms/**

Provider Information

Please indicate the name of the provider from which you wish to take a hardship distribution.

Provider:
Account Number:

Hardship Distribution Qualifying Event

A hardship withdrawal can only be requested once all other sources of assets have been exhausted and the amount of the distribution cannot exceed the immediate and heavy financial need. If all other sources of assets have been exhausted, please select the applicable reason for requesting a hardship distribution and provide the amount needed to satisfy the hardship. In the event of an audit, the IRS may require documentation. Be sure to keep a copy of your documentation with your request.

☐ $__________ Significant medical expenses incurred by me, my spouse, my beneficiary or my dependents for medical care or to obtain medical care (not covered by insurance or other coverage)

☐ $__________ The payment of tuition, related educational fees or room and board for the next 12 months of post-secondary education for myself, my spouse, my beneficiary, or my dependents

☐ $__________ Costs related to the purchase of my primary residence (not including mortgage payments)

☐ $__________ Payment necessary to prevent eviction or foreclosure on a mortgage on my principal residence

☐ $__________ Burial or funeral expenses for my parent, spouse, beneficiary or dependent.

☐ $__________ Expenses to cover losses incurred on account of a federally declared disaster designated by the Federal Emergency Management Agency

☐ $__________ Expenses for the repair of damage to a primary residence that are deductible for federal tax purposes.
Please provide a detailed explanation of how and when the damage to your primary residence occurred:

____

____

____

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Amount Needed and Acknowledgement

I certify that the specific amount of my hardship is $________________ and that I am not capable of satisfying this need by any of the following means described below. ***If no amount is entered above, this request will automatically be denied.***

- Reimbursement or compensation from insurance or any other source
- Stopping my contributions to the Plan or any other Plan
- Getting a distribution from the Plan or any other Plan
- Getting a loan from a commercial lender
- The sale of my assets

I agree to preserve source documents supporting the expense and the amount requested and to make them available at any time, upon request, to the employer or administrator. This may include documents which provide:

- Total cost and details of the event causing hardship. For example: Total cost and type of medical care or education expenses, total cost and details of funeral or burial expenses, details about payment needed to avoid foreclosure or eviction, total costs and details about a casualty loss sustained.
- Proof that the participant, spouse, dependent or primary beneficiary under the plan incurred the expense.
- The address of the location and proof that it is the participant's principal residence.

Specific information for each type of hardship request can be found at **irs.gov/pub/foia/ig/spder/tege-04-0217-0008.pdf**.

Required Signature

By signing this form, I certify that the information I have provided is accurate. Additionally, I have satisfied all the requirements to request this transaction and have verified that it is permissible under the terms of my 403(b) Plan and the terms of the annuity contract(s)/custodial account(s) indicated above. I understand and agree that the involvement of the third-party plan administrator in this transaction is limited to this authorization.

Signature: ____ Date: ____________________

AFPlanServ® Use Only	
AFPlanServ Authorized Signature	
Maximum hardship amount approved, if available: $	Approval Date: (MM/DD/YYYY)

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Special Tax Notice: Distributions Not From Designated Roth Accounts

You are receiving this notice because all or a portion of a payment you are receiving from your employer's retirement savings account (the "Plan") is eligible to be rolled over to an Individual Retirement Account (IRA) or an eligible employer plan such as a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account in some employer plans subject to special tax rules). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

General Information about Rollovers

How can a rollover affect my taxes?

If you choose not to roll over your payment from the Plan, you will be taxed for the amount of your payment. If you are under age 59½ and do not rollover, you will also have to pay an additional 10% penalty tax for an early distribution, unless an exception applies. If you choose to do a rollover, you won't have to pay taxes until you receive payments at a later date. Additionally, the 10% penalty tax won't apply if those payments are made after you reach the age of 59½, or if an exception to the 10% penalty tax applies.

What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either an IRA or an employer plan that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan. For example, IRAs are not subject to spousal consent rules and may not provide loans. The amount rolled over will also become subject to the tax rules that apply to the IRA or employer plan.

How do I roll over my payment?

There are two kinds of rollovers.; a direct rollover or a 60-day rollover.

If you choose a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not choose a direct rollover, you may have 60 days after you receive the payment to make a deposit into an IRA or eligible employer plan that will accept it. Additionally, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire payment amount, the portion not rolled over will be taxed and will be subject to the 10% penalty tax for early distributions if you are under age 59½, unless an exception applies.

How much may I roll over?

You may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary)
- Required Minimum Distributions (RMDs) after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death
- Hardship distributions
- Payments of Employee Stock Ownership Plan (ESOP) dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP
- Distributions of certain premiums for health and accident insurance

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

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General Information about Rollovers (continued)

If I don't do a rollover, will I have to pay the 10% penalty tax on early distributions?

If you are under age 59½, you will have to pay the 10% penalty tax on early distributions for any payment from the Plan, including amounts withheld for income tax that you do not roll over, unless one of the exceptions listed below applies. This penalty tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over. The penalty tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary)
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a Qualified Domestic Relations Order (QDRO)
- Payments of up to $5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year)
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution
- Payments excluded from the additional income tax by federal legislation relating to certain emergencies and disasters
- Phased retirement payments made to federal employees

If I do a rollover to an IRA, will the 10% penalty tax apply?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% penalty tax on early distributions on the part of the distribution that you must include in income, unless an exception applies. In general, the 10% penalty tax exceptions for early distributions from an IRA are the same as those listed above for early distributions from a plan.However, there are a few differences for payments from an IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply
- The exception for qualified Domestic Relations Orders (QDROs) does not apply
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service

Additional exceptions apply for payments from an IRA, including:

- A special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse
- Payments for qualified higher education expenses
- Payments up to $10,000 used in a qualified first-time home purchase
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status)

Will I owe state income taxes?

This notice does not address any state or local income tax rules (including withholding).

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Special Rules and Options

If your payments include after-tax contributions:

After-tax contributions included in a payment are not taxed. If you receive a partial payment of your total benefit, an allocatable portion of your after-tax contributions is included, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in the payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions. In this case, if you directly roll over $10,000 to an IRA that is not a Roth IRA, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over $10,000 to an IRA that is not a Roth IRA, no amount is taxable because the $2,000 amount not rolled over is treated as an after-tax contribution.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the payment amount that would be taxable if not rolled over.

If you miss the 60-day rollover deadline:

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain circumstances, such as when external events prevent you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by writing a self-certification. To apply for a waiver from the IRS you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If your payment includes employer stock not being rolled over:

If you do not do a rollover, you can apply a special rule to payments of employer stock, or other employer securities, that are either attributable to after- tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or, generally, the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset:

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a loan in good standing is offset because your employer plan terminates or you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

If you were born on or before January 1, 1936:

If you were born on or before January 1, 1936, and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If your payment is from a governmental section 457(b) plan:

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences include that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

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Special Rules and Options (continued)

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance:

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income Plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew member.

If you roll over your payment to a Roth IRA:

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount rolled over (reduced by any after-tax amounts) will be taxed. The 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the five-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least five years. In applying this five-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take the required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

If you do a rollover to a designated Roth account in the Plan:

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the five-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made after you are 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least five years. Applying this five-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the five-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or the plan of the other employer Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

If you are not a Plan participant:

Payments after death of the participant: If you receive a distribution after the participant's death that you do not roll over, the distribution generally will be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply. The special rule described under the section "If you were born on or before January 1, 1936" applies only if the deceased participant was born on or before January 1, 1936.

If you are a surviving spouse: If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Required minimum distributions from your IRA do not have to start until after you are age 70½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking the required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving the required minimum distributions from the inherited IRA until the year the participant would have been age 70½ (if the participant was born before July 1, 1949) or age 72 (if the participant was born after June 30, 1949).

If you are a surviving beneficiary other than a spouse: If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a QDRO: If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have.; For example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it. However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

Special Rules and Options (continued)

If you are a nonresident alien:

If you are a nonresident alien and you do not do a direct rollover to a United States IRA or employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other Special Rules

If a payment is one in a series of payments for less than 10 years, your choice whether to do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than $200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cash out of more than $1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cash out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed $5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at **www.irs.gov**.

For More Information

Consider consulting with the Plan administrator, payor, or a professional tax advisor before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at **www.irs.gov**, or by calling 1-800-TAX-FORM.

This information is intended to be educational. It should not be considered financial, legal or tax advice. Consult an attorney or a tax professional regarding your specific situation.