

City of Riverside
Deferred Compensation Plan
Unforeseeable Emergency Withdrawal Request

General Instructions

Section 457 of the Internal Revenue Code allows certain employers to provide supplementary retirement benefits. Your Plan account receives tax-deferred treatment from the IRS because the funds in the account are meant to be used for your retirement. Thus, you cannot normally receive benefits from the Plan until you retire or otherwise leave your employer.

However, the Plan does allow for withdrawals in the event of an unforeseeable emergency resulting in a severe financial hardship under narrow circumstances defined in federal law and applicable Treasury Regulations. An unforeseeable emergency is a severe financial hardship to the Participant resulting from one of the following:

- An illness or accident of the Participant, the Participant's spouse, beneficiary or dependent (as defined in the Internal Revenue Code under section 152(a) without regard to sections 152(b)(1), (b)(2) and (d)(1)(B));
- Loss of the Participant's property 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 extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, such as:
 - The imminent foreclosure of or eviction from the Participant's primary residence;
 - The need to pay for medical expenses, including nonrefundable deductibles, as well as the cost of prescription drug medication; or
 - The need to pay the funeral expenses of a spouse, beneficiary or dependent (as defined in the Internal Revenue Code under section 152(a) without regard to sections 152(b)(1), (b)(2) and (d)(1)(B)).

Except in extraordinary circumstances, the following are examples of situations that are not considered eligible for an unforeseeable emergency withdrawal:

- Payment of college tuition;
- Purchase of real estate;
- Nonpayment of ordinary living expenses such as mortgage, auto payment and utilities;
- Nonpayment of loans;
- Payment of income taxes, interest or penalties;
- Personal bankruptcy, unless it results directly and solely from illness, casualty loss or other similar extraordinary and unforeseeable circumstance; and
- Marital separation or divorce.

Further, an unforeseeable emergency withdrawal shall not be paid to the extent that the financial hardship is or may be relieved through reimbursement or compensation from insurance or otherwise, by borrowing from commercial sources on reasonable commercial terms to the extent that this borrowing would not itself cause severe a financial hardship, by cessation of deferrals under the Plan, by liquidation of other assets (including the assets of the Participant's spouse and minor children that are reasonably available to the Participant) to the extent that this liquidation would not itself cause a severe financial hardship, or by any other means available to the Participant. The amount that may be distributed from the Plan is limited to the amount reasonably necessary to meet the unforeseeable emergency need (which may include any amounts

necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution) after all other available financial means available to you are taken into consideration.

If you have made a good faith effort to satisfy your need for emergency funds through all available resources, if your situation complies with each of the above requirements, and if you have exhausted all other resources, you may apply for an unforeseeable emergency withdrawal by completing the attached forms. They are designed to provide information regarding the nature of your “unforeseeable emergency,” and to determine if you have other appropriate financial resources available to alleviate the severe financial hardship. Without such evidence, the Deferred Compensation Committee cannot consider your request. Please fill out the forms completely.

Before applying for the unforeseeable emergency withdrawal of funds, you will be required to suspend your deferrals while your application is being considered. In the event that your request for an unforeseeable emergency withdrawal is approved, you will be subject to a six (6) month deferral suspension period beginning the next payroll date after your unforeseeable emergency withdrawal is paid to you, and you can expect to receive your check within sixty (60) to ninety (90) days from the time we receive the required documentation from you.

If your unforeseeable emergency withdrawal request is approved, the amount distributed will be reported on an IRS Form 1099-R and will be includible in your gross income for both federal and state income tax purposes in the year the distribution was made. Unless you elect not to have federal income tax withheld by completing an IRS Form W-4P, or by otherwise affirmatively electing not to have federal income tax withheld, 10% federal income tax withholding will apply to the distribution. You should also submit a state income tax withholding form.

These instructions provide general information with respect to the requirements imposed by the Internal Revenue Service on a Participant’s ability to receive a distribution based upon unforeseeable emergency. To the extent that the provisions of these instructions differ in any respect from the terms of the Plan or current or future federal laws and regulations governing unforeseeable emergency withdrawals, the terms of the plan document and applicable federal laws and regulations will control.

Any Participant or his or her duly appointed representative who intentionally submits misleading or fabricated information on the application for an unforeseeable emergency withdrawal will be held liable and may lead to appropriate legal action.

All information provided for consideration within this application will be held in confidence.

If we can be of further assistance, please do not hesitate to contact our office at your convenience.

Sincerely,

John Steggell, Regional Director
Great-West Retirement Services

REQUIRED DOCUMENTATION AND FORMS

To speed up the review of your request, please do the following:

1. Answer all the questions on the enclosed unforeseeable emergency withdrawal form.
2. Submit copies of all bills and official documentation associated with your unforeseeable emergency.

Circle all that apply:

- a. Your insurance carrier's statement to you detailing which expenses were **NOT** covered by insurance;
 - b. A doctor's statement of the medical condition;
 - c. Certified proof of your beneficiary, spouse or dependent's death and copies of the funeral expenses incurred by you;
 - d. An insurance carrier's statement to you indicating the portion of property damage caused by a natural disaster **NOT** covered by insurance;
 - e. A copy of the police report filed on your recent accident or theft;
 - f. A copy of your foreclosure or eviction notice.
3. Submit a copy of your most recent payroll statement.
 4. Complete the Checklist Questionnaire.

All information provided for consideration within this application will be held in confidence.

Please return all of the completed forms and documentation to: Harold Jones in HR or John Steggell at Great-West. If you have any questions, please do not hesitate to contact our office at (800)933-9808.

UNFORESEEABLE EMERGENCY WITHDRAWAL REQUEST

Attention: Deferred Compensation Review Committee

An unexpected severe financial emergency has arisen which necessitates my request of a cash withdrawal from the Plan.

Name: _____ SSN: _____ Date: _____

I am requesting \$ _____, an amount that does not exceed the amount reasonably needed to alleviate my severe financial hardship. Further, I have enclosed copies of all outstanding bills as documentation of this amount.

I cannot satisfy this emergency with insurance proceeds because: (check one)

- I have no insurance
- Insurance is not available
- Insurance refuses to pay (if you check this box, please supply documentation, such as a letter from your insurer)

My bi-weekly deferral amount was \$ _____

I stopped deferrals on _____

Have you made a previous unforeseeable emergency withdrawal request? If so, please provide the date(s) and check the appropriate box.

- | | | |
|-------|-----------------------------------|---------------------------------|
| _____ | <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| _____ | <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| _____ | <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |

The nature of this unforeseeable emergency is as follows:
(Describe in full the complete nature of the unforeseeable emergency. Be as **precise** as you can. Please include relevant dates and appropriate documentation pertaining to your unforeseeable emergency. Attach additional sheets if necessary.)

FINANCIAL STATEMENT

A. **INCOME** Please list all income as outlined below. Attach copies of most recent payroll statements for all sources of income from work and copies of the last two- (2) year's tax returns.

1. Your gross monthly income from work: \$ _____
2. Spouse's gross monthly income from work: \$ _____
3. Income from real estate (rents, etc.): \$ _____
4. Monthly dividends, interest, etc.: \$ _____
5. All other income (such as alimony, child support, etc.) \$ _____

Source: _____ Amount \$ _____

Source: _____ Amount \$ _____

Source: _____ Amount \$ _____

Total monthly income from all sources: \$ _____

B. **ASSETS** Include copies of all bank statements, property assessments, life insurance policies, and any other available supporting documentation.

1. Cash on hand in banks, Credit Union, S & Ls, etc. \$ _____
2. U.S. Government and marketable securities: \$ _____
3. Cash value of life insurance: \$ _____
4. Value of all owned real estate: \$ _____
5. Value of personal property owned: \$ _____
(auto, boat, collectables, etc.)
6. Monies owned to you: \$ _____
(private or personal loan)
7. Other assets: (list other assets that could be liquidated)

Source: _____ Amount \$ _____

Source: _____ Amount \$ _____

Source: _____ Amount \$ _____

Total assets: \$ _____

C. **LIABILITIES:** Copies of bills owed or other evidence of debt *must* be attached or application will *not* be processed. List all debts including child support, alimony payments, unpaid medical bills, etc. (Attach additional sheet if necessary).

a.) **LONG TERM DEBTS:** such as mortgage, car payments, personal loans, etc.

CREDITOR	UNPAID BALANCE	MONTHLY PAYMENT
_____	_____	_____
_____	_____	_____
_____	_____	_____

b.) **MONTHLY EXPENSES:** such as rent, utilities, insurance, cable, phone, etc.

CREDITOR	UNPAID BALANCE	MONTHLY PAYMENT
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total debts: \$ _____

c.) Please list below the names and addresses of all financial institutions you have contacted regarding a loan to satisfy your financial needs. Attach letters of acceptance or denial to support your request and show a good faith effort was made prior to applying for the unforeseeable emergency withdrawal.

NAME AND ADDRESS OF FINANCIAL INSTITUTION	APPROVED/DENIED
_____	_____
_____	_____
_____	_____

d.) Please list below the steps you have taken to establish a monthly payment plan for any outstanding bills submitted by you for consideration.

CREDITOR	MONTHLY PAYMENT SCHEDULE
_____	_____
_____	_____

Attach additional information or comments if needed.

CHECKLIST QUESTIONNAIRE

NAME: _____

DATE: _____

ADDRESS: _____

SSN : _____

Please answer all questions carefully. If an item is not applicable to your situation, please indicate with an “n/a.”
NOTE: Failure to complete all sections and provide required documentation might result in delay or denial of your request.

1. Have you suspended future deferrals to the Plan? Yes No
 When? _____ How much was your deferral? _____
2. Have you attached a copy of payroll statement and income tax returns? Yes No
3. Have you included a written statement from your employer or your spouse’s employer verifying loss of income? Yes No
4. Have you included a copy of your insurance carrier’s statement detailing which medical bills will not be covered by insurance? Yes No
5. Have you included a copy of police/fire reports? Yes No
6. Have you included a copy of your insurance company’s statement detailing which expenses associated with a natural disaster were not covered by insurance? Yes No
7. Have you included proof that the deceased (unless a minor child) was/will be claimed by you as a dependent? Yes No
8. Have you included proof of application(s) for a loan? Yes No
9. Have you provided sufficient back-up documentation to prove that your situation was completely beyond your control, and that you have completely, in good faith, sought other avenues to resolve your current obligations? Yes No
10. Have you currently or in the past filed for protection under the U.S. bankruptcy court? If so, please provide date(s) _____ Yes No

FOR OFFICE USE ONLY:

DATE FILED	DISMISSED/CLOSED
Account Balance: _____	Amount Approved: _____

I hereby certify, under penalty of perjury, that the information provided in this application is accurate and complete and has been furnished solely for confidential use in evaluating my unforeseeable emergency withdrawal application. I understand that the federal and state income tax withheld may be insufficient and that I am liable for the additional income tax due when I file my federal and state income tax return for the current calendar year. I also understand that if my request is approved, I cannot make deferrals to the Plan for the six-month period beginning the next payroll date after my unforeseeable emergency withdrawal is paid to me.

SIGNATURE OF APPLICANT

DATE

PRINTED NAME OF APPLICANT

SOCIAL SECURITY NUMBER

EMPLOYER

HOME PHONE NUMBER

DEPARTMENT

WORK LOCATION

WORK PHONE NUMBER