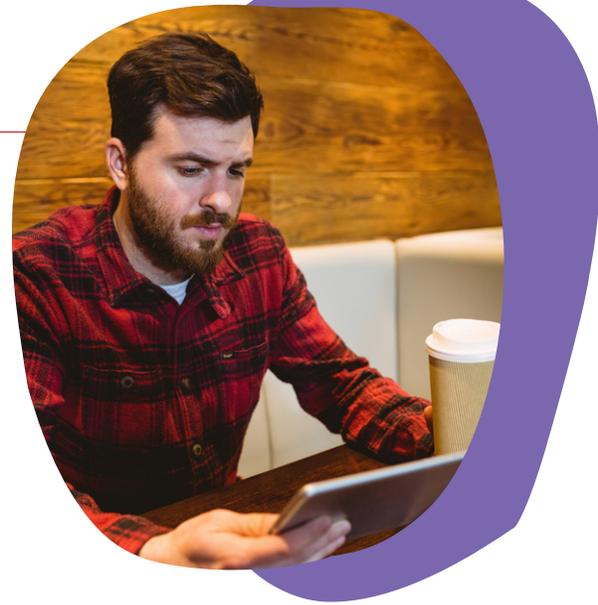


# Hardship Withdrawal

## Frequently Asked Questions



### What is a hardship withdrawal?

A hardship withdrawal is a type of retirement plan distribution that provides you with fast access to your 401(k) savings in the event of a qualifying financial hardship.

### When is a hardship withdrawal permitted?

A hardship withdrawal from your 401(k) savings can be made if you have an immediate and heavy financial need. The money must be used for one of the following reasons, as defined by the IRS, and you must provide supporting details about the hardship in order to qualify:

- Medical expenses, not covered by insurance
- Costs related to the purchase of a primary residence
- Education tuition, fees and expenses
- Foreclosure or eviction from your primary residence
- Funeral expenses
- Expenses related to the repair of damage to your principal residence
- Expenses as a result of a natural disaster

Special conditions may apply to each of these events, in order to qualify for a hardship withdrawal. Additionally, you must have exhausted all other resources before a hardship withdrawal will be approved, such as in-service withdrawals from this plan or any other plan, reimbursement from insurance, liquidation of assets, cessation of contributions, etc. Please refer to the IRS website, [irs.gov](http://irs.gov), for more information.

### Am I required to take a loan before taking a hardship withdrawal?

No. As the result of changes in IRS guidelines, there is no longer a requirement to take a loan before a hardship withdrawal. However, taking out a 401(k) loan allows you to repay the savings you withdraw (plus interest) back into your plan account. A hardship withdrawal permanently reduces the amount of your retirement savings, and is subject to taxes and in most cases, an early withdrawal penalty.

### How do I request a hardship withdrawal?

Participants who are requesting a Hardship Withdrawal should log on to their retirement savings account at [www.mykplan.com](http://www.mykplan.com), [My.ADP.com](http://My.ADP.com), or through the ADP Mobile App. Depending on which site you access account, do the following:

#### [www.mykplan.com](http://www.mykplan.com)

Access the "Loans and Withdrawals" section of the site to complete a Hardship Withdrawal request.

#### [My.ADP.com](http://My.ADP.com) and the ADP Mobile App

Request a Hardship Withdrawal from the Retirement home page of the My.ADP site or Mobile App.

### Who needs to approve my hardship withdrawal request?

It is no longer necessary for your employer to review, approve, or submit any of the required paperwork for your application. Instead, you will enter supporting details about the hardship right online. You may also access your money faster if you have direct deposit through ADP payroll. You will need to retain your hardship documentation for proof of your request in case of audit.

## Is a proof of hardship required to qualify for a hardship distribution?

To qualify for a hardship withdrawal, the IRS requires different supporting details for each type of hardship withdrawal. As you complete the online hardship request process, you will be prompted to enter details for the withdrawal request reason from the information included in supporting documents.

These types of documents may include:

- Medical bills;
- Tuition invoices;
- Foreclosure notice,
- Home Repair bills; etc.

For example, to request a hardship withdrawal as the result of a foreclosure, you will be asked to provide information on the Foreclosure Notice.

## Can I view the status of my hardship withdrawal request?

Yes. To view all hardship withdrawal activity for your request, log onto the ADP Retirement Services Participant Website and select My account > Account Updates and Confirmations.

## Can I cancel this hardship withdrawal request?

Yes. You can cancel the request up until 4:00pm EST on the day the request was submitted. To cancel a request, you will need to log onto the Participant Website and select My Account > Account Updates and Confirmations. Shortly, you will be able to cancel right your request from your mobile device as well.

## Are there fees associated with a hardship withdrawal?

Applicable fees are detailed in your Plan's Fee Disclosure statement, available on the ADP Retirement Services Participant website or by calling ADP Participant Services toll-free at 1-800-695-7526.

## Do taxes apply to a hardship withdrawal?

Yes, regular federal and state income taxes will apply to your withdrawal. In addition, a 10% penalty tax may also apply. However, if you meet one of the following exceptions, the 10% penalty may be waived:

- Disability
- Medical expenses that exceeds 7.5 percent of your adjusted gross income (AGI)
- A court order that requires you give the money to your divorced spouse, a child, or a dependent

## When will I get my money from my hardship withdrawal?

Once your hardship request is fully processed, ADP will deliver either through:

- A hard-copy check for delivery within 5 to 7 business days through USPS First Class Mail or
- Direct deposit/ACH within 2-3 business days — only available if banking information is available from ADP payroll, for requests made through the online process at My.ADP.com or through the ADP mobile app.

## How can I obtain the ADP Mobile App, if I don't already have it?

The ADP Mobile App is available on the following devices: iPhone®, iPad®, iPod Touch®, iOS v7.0 or higher, or Android™ v4.4 or higher and can be downloaded from the Apple App Store and GooglePlay. ADP also offers a website for employees with unsupported mobile devices, available at <https://mobile.adp.com>.



## One final note.

Just because it's easy to request a hardship withdrawal, it isn't for everyone. There are potential tax consequences in the year when you make the hardship withdrawal. Additionally, a hardship withdrawal may have a significant impact on your retirement readiness over the long-term. You should consult with a tax advisor or a financial professional before completing your request.