

401(k) Participant Hardship Withdrawal Request



401(k) Hardship Withdrawal Request Rules

Instructions:

1. Before completing the Hardship Withdrawal Request Form on Page 3, read the "Hardship Withdrawal Request Rules" which explain the provisions of the plan and IRS regulations.
2. Also read the "Special Tax Notice Regarding Plan Payments" which summarizes the federal tax rules that might apply to your payment.
3. Attach documentation of the expenses created by your hardship to the form. Refer to the "Hardship Withdrawal Request Rules" for specific instructions regarding required documentation.
4. Incomplete forms will be returned to you and will delay processing of your request.
5. Submit the completed form and documentation to your Plan Administrator for approval. If approved, your Plan Administrator will forward the paperwork to Saturna Capital Corporation for processing.
6. Please note: The distribution will be taken proportionately from all investments. The distribution will first be taken from Roth contributions, where applicable, and then from pre-tax contributions.

We want to help you with your hardship withdrawal. However, we must adhere to IRS regulations. Please review the following information before completing the request form.

What types of requests will be considered?

If your request creates a heavy and immediate financial need and meets one or more of the following requirements, it will be considered:

1. Necessary medical expenses not reimbursable by an insurance plan which have been incurred by you, your spouse, or any of your dependents, or that are necessary for these persons to obtain medical care;
2. Purchase (excluding mortgage payments) of your personal primary residence (but not for purchase of residence for anyone else);
3. Funeral expenses for an immediate family member that exceed life insurance coverage;
4. Payment of tuition, related educational fees, and room & board expense for the next 12 months of post-secondary education for yourself, your spouse, children or dependents;

5. The need to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence; or
6. Expenses for repair of damage to principal residence that qualify for the casualty deduction.

What is a heavy and immediate financial need?

A heavy and immediate financial need is a need that cannot be met:

1. Through reimbursement or compensation by insurance or otherwise,
2. By reasonable liquidation of your assets, to the extent that such liquidation would not itself cause an immediate and heavy financial need,
3. By cessation of deferrals under the plan,
4. By other distributions or nontaxable loans from plans maintained by your employer(s), or by borrowing from commercial sources on reasonable commercial terms.

Your resources for determination of financial need include savings and checking accounts, loans from any plan in which you participate, and those assets of your spouse and minor children that are reasonably available to you.

What other requirements have to be met?

1. The hardship withdrawal may not be greater than the actual amount of your immediate and heavy financial need.
2. You must have obtained all distributions, other than hardship distributions, and all non-taxable loans currently available under all plans in which you participate. You may qualify for an exemption from the loan requirement if the hardship request is for the purpose of purchasing a primary residence for yourself and obtaining a plan loan would disqualify you from obtaining other necessary financing.
3. Your deferrals, under this plan and any other deferred compensation plan in which you participate, must be suspended for at least six months. You will need to complete a new Wage Deferral Agreement to restart your deferrals. It is your responsibility to cancel other deferred compensation plans in which you may be participating.

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401(k) Hardship Withdrawal Request Rules (continued)

How is the amount of the hardship withdrawal determined?

1. If you meet the requirements listed above, the amount of the hardship withdrawal will be equal to the actual financial need as documented on your application. If your available account balance is less than your financial need, then the lesser amount will be paid to you.
2. IRS regulations allow hardship withdrawals from employee contributions only. They are not allowed from earnings or from employer contributions.
3. The amount needed may include amounts necessary to pay federal and state income taxes or penalties resulting from this distribution.

Is the hardship withdrawal taxable?

The hardship withdrawal you receive from this plan is a taxable distribution subject to 10% Federal Income Tax withholding unless you elect not to have withholding apply. If you have sufficient funds in your account, the hardship amount you request may include an additional amount to cover tax withholding.

In addition to paying ordinary income tax on the withdrawal, your withdrawal may also be subject to a 10% IRS early withdrawal penalty. The 10% IRS early withdrawal penalty is not withheld.

What type of documentation needs to be submitted?

Documentation of the reason for the request must accompany the application. Appropriate documentation will depend on the type of request. Examples of the type of documentation that should be submitted include the following:

1. Non-reimbursed medical expense:	Provide the name and telephone number of your medical provider and your spouse's medical provider. Attach copies of the medical bills and your insurance provider's Explanation of Benefits statements (EOBs) showing the amounts covered and not covered by insurance.
2. Purchase of your principal residence:	Attach copies of the contract and mortgage application.
3. Funeral expenses:	Provide a copy of the bill showing that you are the responsible party and a statement indicating the amount of life insurance coverage carried by the deceased.
4. Tuition expenses:	Attach a copy of the college or university's bill showing the amount owed for the next semester, quarter, or 12 month period.
5. Threat of foreclosure/eviction:	Provide a copy of the notice you have received from your mortgage company or landlord regarding the implementation of eviction or foreclosure proceedings and evidence of the balance due.
6. Repairs to principal residence:	Provide a statement that details the casualty loss and causing event. Attach a copy of the repair bill and/or insurance statement showing the amounts covered and not covered by insurance.

401(k) Hardship Withdrawal Request Form

Participant Information

Preferred Salutation (optional) Mr. Mrs. Ms. Dr.

Social Security Number

Full Legal Name

Physical / Street Address (Required - P.O. Boxes are not accepted)

City

State

Zip

Preferred Phone

E-mail

Employer Information:

Name of Business

Plan Administrator / Contact Person

Preferred Phone

401(k) Participant Hardship Withdrawal Request



401(k) Hardship Withdrawal Request Form *(continued)*

Please describe your hardship:

I am applying for a hardship distribution from my 401(k) Plan. The reason for my request is as indicated below.

You must provide supporting documentation, as described in the Hardship Withdrawal Request Rules, for all areas checked. Applications received without the supporting documentation will not be considered for approval and will delay the processing.

1. Medical Expense not paid by insurance.	Amount requested:	\$
2. Payment of Tuition and related fees for participant or dependents for next 12 months.	Amount requested:	\$
3. Purchase of Primary Residence for Participant (not to include mortgage payments).	Amount requested:	\$
4. Eviction or Foreclosure of Primary Residence of Participant.	Amount requested:	\$
5. Expenses for repair of damage to Principal Residence that qualifies for the casualty deduction.	Amount requested:	\$
6. Funeral expenses for immediate family.	Amount requested:	\$
Total of immediate hardship (add lines 1 through 6):		\$

Please answer the following:

- Can the hardship be relieved by reimbursement or compensation by insurance or other means? Yes No
- Can the hardship be relieved through liquidation of assets (if the liquidation would not cause severe financial hardship)? Yes No
- Can the hardship be alleviated by cancelling contributions to the plan? Yes No
- Can the hardship be relieved by other distributions, loans from your 401(k) plan or by borrowing from commercial sources? Yes No
- Does the amount requested exceed the amount required to satisfy the hardship indicated above? Yes No

Federal tax withholding:

The hardship distribution you receive from this Plan is a taxable distribution subject to federal income tax withholding unless you elect not to have withholding apply. Please note that you may also be subject to tax penalties if your withholding/estimated tax payments are insufficient. If an election is NOT made, taxes will be withheld at the rate of 10%.

- Do withhold federal income tax from my hardship withdrawal. Do NOT withhold federal income tax from my hardship withdrawal.

- I hereby request the hardship withdrawal as indicated above. Pursuant to the Plan's Harship Withdrawal Rules, I hereby certify that I have no further financial resources to meet my financial hardship. As evidenced by the attached documentation, the amount requested does not exceed the amount required to meet the immediate and heavy financial need created by the circumstance(s) described above. I am not eligible to obtain any other type of distribution from the Plan and I have obtained all loans available from the Plan. I understand if my request is approved, I will not be permitted to make deferrals under the Plan for six months. I am aware this distribution will increase my taxable income for the year. I have read all the forms regarding the tax implications and penalties involved in taking a hardship withdrawal. All facts presented are true. Upon request from the Plan Administrator, I agree to furnish further documentation of my financial hardship.

Participant Signature: _____
(Please sign and submit to your Employer/Plan Administrator)

Date: _____

Plan Administrator Signature: _____

Date: _____