Re: Request for a Hardship Withdrawal From Your Pre-Tax 401(k) Plan Account

Dear Participant:

Attached is the Hardship Withdrawal Application for the Deferred Compensation Plan’s 401(k) Plan. You must complete the application and submit documentation showing that you have an immediate and heavy financial need and that a withdrawal of a portion or all of your 401(k) account is necessary to satisfy the financial need.

Only pre-tax 401(k) accounts are eligible for hardship withdrawals. Roth 401(k), Roth 457, Special Rollover, and NYCE IRA accounts are ineligible for hardship withdrawals.

In the event you are granted a hardship withdrawal from your 401(k) account, an amount equaling 10% of the amount approved for withdrawal will be withheld for federal tax purposes. If you are under age 59½, you may become subject to an early withdrawal penalty of 10% of the amount approved for withdrawal. You will be responsible for any additional federal taxes and applicable state and local taxes. You will be issued a Form 1099-R for income tax filing purposes. In addition, if you have an outstanding loan with Deferred Compensation, a small portion of your account will be withheld. If you are at least 59½, you are eligible for an inservice withdrawal. You must complete the Participant Distribution Form. Please note that 20% would be withheld for federal tax purposes.

If after reading the enclosed application you feel your circumstances do not meet the criteria for a hardship withdrawal, you can still reduce or stop your payroll deductions by accessing KeyTalk® through the Plan’s automated telephone voice response system at (212) 306-7760, or through the Plan’s Web site at nyc.gov/deferredcomp. This may help alleviate any financial burden you are experiencing. You may reinstate your Deferred Compensation contributions at any time either through KeyTalk or through the Web site.

IMPORTANT: Do not complete this application if you wish to withdraw funds from your 457 account. You must complete the 457 Emergency Withdrawal Application.

Very truly yours,

The Deferred Compensation Plan

Attachment
The City of New York 401(k) Deferred Compensation Plan Document contains a provision permitting the withdrawal of funds to meet an “immediate and heavy financial need,” as that term is defined by the Internal Revenue Code. A distribution is not treated as necessary to satisfy an immediate and heavy financial need of a participant to the extent the amount of the distribution is in excess of the amount required to relieve the financial need or to the extent the need may be satisfied from other resources that are reasonably available to the participant. Whether a participant has an immediate and heavy financial need is determined by the City of New York Deferred Compensation Board based upon all relevant facts and circumstances.

The Board is bound by the Internal Revenue Code to consider an application from a financial standpoint only.

Please complete the attached application, as well as the Authorization to Release Information and Documentation. Furthermore, you must submit documentation to support your application. Sign the application and Authorization, and have your signature notarized on both pages. Return the application to the Deferred Compensation Plan’s Administrative Office attention: Hardship Department.

Hardship withdrawal requests are reviewed by the Deferred Compensation Board on a monthly basis. You must submit your application and supporting documentation at least one week before the date the Board reviews requests. Generally, reviews take place on the first Wednesday of each month. However, dates are subject to change. Please contact the Plan at (212) 306-7760 for more information.

Only complete applications with supporting documentation will be reviewed by the Board.

Please mail completed forms to:

New York City Deferred Compensation Plan
Bowling Green Station, P.O. Box 93
New York, NY 10274-0093
Attn: Hardship Department
**401(k) HARDSHIP APPLICATION**

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<th>AGE</th>
<th>AGENCY</th>
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<th>FIRST NAME</th>
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<th>HOME ADDRESS</th>
<th>APT.</th>
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<tr>
<th>CITY</th>
<th>STATE</th>
<th>ZIP + FOUR</th>
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<tr>
<th>TELEPHONE - HOME</th>
<th>TELEPHONE - WORK</th>
<th>TELEPHONE - CELL</th>
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Is this the mailing address the plan has on file for you? □ Yes □ No

Did you apply for, or do you currently have, an outstanding Deferred Compensation Plan loan? □ Yes □ No

If yes, please list the number of 401(k) loans outstanding: __________

Please note that Roth 401(k) and 401(k) Special Rollover Accounts are ineligible for hardship withdrawals.

☐ Full withdrawal of my pre-tax 401(k) - or - ☐ Partial withdrawal of my pre-tax 401(k) in the amount of: $__________

Choose method of payment:

☐ A check mailed to my home address, or

☐ By Electronic Fund Transfer (EFT) to my financial institution (a nominal fee will apply). PLEASE COMPLETE THE ENCLOSED EFT AUTHORIZATION AGREEMENT.

Please note: Your contributions to the City of New York 401(k) Deferred Compensation Plan will be suspended automatically while your application is being processed. However, if you are in the Plan in lieu of FICA, your contributions will remain at, or be reduced to, 7.5%. If you withdraw this application, your contributions will remain suspended until you reinstate them. You may reinstate your contributions in the future by accessing KeyTalk® through the Plan’s telephone voice response system at (212) 306-7760, or through the Web site at nyc.gov/deferredcomp.

In the event you are granted a hardship withdrawal from your pre-tax 401(k) account, 10% of the amount approved for withdrawal will be withheld for federal tax purposes. If you are under age 59½, you may become subject to an early withdrawal penalty of 10% of the amount approved for withdrawal. You will be responsible for applicable state and local taxes, and any penalties, and you will be issued a Form 1099-R for income tax filing purposes. In addition, if you have a 401(k) loan with Deferred Compensation, 10% your account balance will be witheld as collateral.

Please describe your heavy financial burden and why you have an immediate need for funds:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Please list the documentation you are attaching to this application to support your claim. Attach official verification; e.g. Police or Fire report, adjuster’s statement, medical Explanation of Benefits Statements, court documentation, bank attorney’s letter, an executed contract of sale illustrating the amount of the down payment, etc. You may be required to submit additional documents. Original documentation may be required.

1. ____________________________________________________________

2. ____________________________________________________________

3. ____________________________________________________________

4. ____________________________________________________________

5. ____________________________________________________________

6. ____________________________________________________________

7. ____________________________________________________________
Do you have resources which are reasonably available to you to satisfy your heavy, financial need?  
☐ Yes  ☐ No

Explain:


What is the total amount required to meet this emergency? *(ATTACH DOCUMENTATION SUCH AS BILLS OR ESTIMATES TO SUPPORT YOUR REQUESTED AMOUNT.)* $ 

Please specify how the above amount would be used to meet your hardship:

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
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Total $
According to a press release issued by the Department of Investigation on June 28, 2000, four individuals were arrested for filing fraudulent claims of hardship for infertility treatments, dental implants, and funeral and medical expenses, in an unlawful effort to prematurely withdraw funds ranging from $4,900 to $25,000 from their Deferred Compensation Plan accounts.

### FINANCIAL SUMMARY

#### I. EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>Personal Loans</th>
<th>Credit Cards</th>
<th>Other (specify)*</th>
<th>Other (specify)*</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Self</td>
<td>Spouse</td>
<td>Self</td>
<td>Spouse</td>
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<tr>
<td>Net Owed</td>
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<td>$</td>
<td>$</td>
<td>$</td>
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<tr>
<td>Monthly Payments</td>
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* Include medical and legal expenses, liens, garnishments, student loans, amounts payable to any unincorporated business or professional activity, child or spousal support.

#### II. ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Checking Accounts</th>
<th>Savings Account</th>
<th>Real Estate</th>
<th>Other Assets*</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Self</td>
<td>Spouse</td>
<td>Self</td>
<td>Spouse</td>
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* Include stocks, bonds, T-bills, CDs, money market certificates, mutual funds, savings bonds, other marketable securities, saleable commodities.

### III. GROSS INCOME - MONTHLY

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<tr>
<th></th>
<th>All Salary</th>
<th>All Securities</th>
<th>Rental</th>
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<tr>
<td></td>
<td>Self</td>
<td>Spouse</td>
<td>Self</td>
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IV. CHECK LIST

Please review this check list to be sure that you have completed and enclosed the items below. If all the requested information is not provided, this will result in a delay in processing your application.

Have you:
• Enclosed a copy of last year’s tax return?
• Enclosed a copy of last year’s Form W-2?
• Enclosed a copy of your most recent paystub
• Completed and notarized your application?
• Enclosed a signed and notarized Authorization to Release Information and Documentation (attached)
• Enclosed the EFT Authorization Agreement? (Only if electing EFT; do NOT complete the EFT Authorization Agreement if you want to receive payment by check.)
• Enclosed all necessary documentation supporting your application, such as Explanation of Benefits Statements for medical bills, tuition bills, rent or mortgage arrears, an executed contract of sale showing the amount needed for the down payment of a house, etc.?

Please Note: Original documents may be required.

Please mail completed forms to:

New York City Deferred Compensation Plan
Bowling Green Station, P.O. Box 93
New York, NY 10274-0093
Attn: Hardship Department
V. SIGNATURE

I hereby affirm, under penalty of perjury, that the foregoing information is complete, true and correct. In addition, I authorize access to any and all records and information necessary to verify my application. If any information or documentation submitted is false or suspicious, I understand that my application may be referred to appropriate law enforcement authorities, including the City of New York Department of Investigation.

<table>
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<tr>
<th>SIGNATURE</th>
<th>DATE</th>
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NOTARY

STATE OF NEW YORK

:SS.:  

COUNTY OF

On the _______ day of _____________________________, in the year______________ before me, the undersigned Notary Public in and for said State, personally appeared ___________________________________, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

____________________________________________________
Notary Public
To: THE AGENT


Re: Name of Participant:


I, _________________________________________(Print Participant's name), authorize THE AGENT to speak to personnel of the New York City Deferred Compensation Plan regarding my personal information. Furthermore, this form authorizes you to release any and all records, information and documents concerning me personally to the New York City Deferred Compensation Plan including, but not limited to, all doctor reports, medical records, hospital records, employment records, tax records, compensation records including my present and past salary history, benefit records, credit reports and any other documents needed by the New York City Deferred Compensation Plan. This authorization permits you to forward this information directly to the New York City Deferred Compensation Plan by:

Regular Mail:
New York City Deferred Compensation Plan
Bowling Green Station, P.O. Box 93
New York, NY 10274-0093
Attn: Hardship Department

SIGNATURE

DATE

/ / 

STATE OF NEW YORK )

:SS.:

COUNTY OF )

On the _______ day of _____________________________, in the year______________ before me, the undersigned Notary Public in and for said State, personally appeared ____________________________________________, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

____________________________________________________
Notary Public