



OFFICE OF LABOR RELATIONS

Deferred Compensation Plan & NYCE IRA

Tel: 212 306-7760 / TTY: 212 306-7707 / Fax: 212 306-7376
Outside NYC: 888 DCP-3113 and 888 IRA-NYCE
Online: nyc.gov/deferredcomp and nyc.gov/nyceira

Board Members

Mayor of the City of New York
Comptroller of the City of New York
Commissioner, Office of Labor Relations
Director, Office of Management & Budget
Commissioner of Finance
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Director, Employee Benefits Program
BETH KUSHNER
Deputy Director, Administration
SANG HONG
Deputy Director, Operations

Re: Emergency Withdrawal Request from Your Pre-Tax 457 Account

Dear Participant:

Attached is the Emergency Withdrawal Application for the Deferred Compensation Plan's 457 Plan. We suggest that you read this application carefully, which describes the applicable Internal Revenue Code (IRC) regulations, before submitting an application. You must complete the application and submit documentation showing that your request meets the IRC definition of an unforeseeable emergency before the Deferred Compensation Board ("Board") can review your case.

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

Initially, your application will be reviewed and you will be notified in writing if your circumstances clearly match cases which did not meet the IRC definition of an unforeseeable emergency, as determined by the Board, in the past. Otherwise, your request for a withdrawal will be reviewed by the Board at the next regularly scheduled meeting.

In the event that you are granted a hardship withdrawal from your 457 account, an amount equaling 10% of the amount approved for withdrawal will be withheld for federal tax purposes. 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 purposes. In addition, if you have outstanding loans with Deferred Compensation, 10% of your account balance will be withheld as collateral for the loans.

If after reading the enclosed application you feel your circumstances do not meet the IRC definition of an unforeseeable emergency, 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: Deferred Compensation Plan assets are your final resort. Your application will not be presented to the Board if you fail to document that you have exhausted all possible alternative sources for funds. You are required to document the unforeseeable event that caused your hardship.

Emergency 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 that the Board reviews requests.** Generally, Board review takes 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.

Very truly yours,

The Deferred Compensation Plan

Attachment

EMERGENCY WITHDRAWAL APPLICATION FOR THE 457 PLAN

IMPORTANT: Deferred Compensation Plan assets are your final resort! Your application will not be presented to the Board if you fail to document that you have exhausted all possible alternative sources for funds. You are required to document the unforeseeable event that caused your hardship.

The Deferred Compensation Plan for Employees of the City of New York and Related Agencies and Instrumentalities permits withdrawal of funds for an unforeseeable emergency. Generally, an unforeseeable financial emergency is considered a circumstance for which you could not logically have planned or budgeted, yet is so compelling as to present a justifiable reason for taking all or part of your money out of the Plan, even though you continue employment with the City. This might be extremely high medical costs from a sudden illness, a disabling injury, or property damage from a natural catastrophe. However, if such costs are covered by insurance or other compensation, or if other assets could be used for payment of such expenses, they are not grounds for an emergency withdrawal.

The Internal Revenue Service has established guidelines which provide that normally budgetable expenses do not qualify as hardships. These might be an auto payment or repairs, a down payment on a house, college tuition, or major appliance repairs or replacement. Under normal circumstances, these can be expected from time to time and should be provided for in ways other than a Deferred Compensation withdrawal. (Note: Divorce, job changes, mortgage/rent payments etc., do not by themselves qualify as reasons for release of these funds. Consideration is made on the basis of the employee's total circumstances.)

In addition, emergency withdrawals will not be allowed in cases where the participant had significant control and failed to exercise prudent judgment as to the cause of the emergency. Examples of this are an inordinately expensive or extensive vacation, the need to make additional payments for federal or state taxes or property taxes, the cost of remodeling a home, abuse of credit cards or other credit devices, or any other situation over which the employee had significant control and failed to exercise proper judgment.

Should you find yourself in a situation which you believe qualifies for an emergency withdrawal, the first thing to do is suspend contributions to the Plan as soon as possible. Immediately determine what other sources can be used to offset the expenses. If you still find that the situation warrants an emergency withdrawal of Deferred Compensation funds, you can complete this application.

Remember that the entire Deferred Compensation Plan is administered under the authority of the Internal Revenue Service. The Board, which is charged with the responsibility of evaluating unforeseeable emergencies, is bound by the Internal Revenue Code to consider an application from a financial standpoint only. No exceptions will be made.

If after reading the application you feel that you qualify for an emergency withdrawal, please complete the application and the attached Authorization to Release Information and Documentation. Furthermore, you must supply documentation to support your application. Sign the application and authorization, have your signature notarized on both documents, and return them to the Deferred Compensation Plan's Administrative Office, Attention: Hardship Department.

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 Withdrawal

457 Deferred Compensation Plan Document
(Excerpt)

SECTION 6. WITHDRAWALS FOR UNFORESEEABLE EMERGENCIES

6.1 Upon a showing by a Participant, Beneficiary or Alternate Payee of an unforeseeable emergency the Board may, in its sole discretion, permit a payment to be made to such Participant, in an amount which does not exceed the lesser of (i) the amount reasonably needed to meet the financial need created by such unforeseeable emergency or (ii) an amount which, together with any prior distribution or withdrawal, does not exceed the value of such Participant's Account determined as of the most recent Valuation Date. Any such payment shall be made pro-rata from the Participant's interest, if any, in each of the Investment Funds, unless the Participant specifies in the request for such a payment the portion of the total amount to be paid from each Investment Fund. Such payment shall be charged to the Account of the Participant, and shall be made in one lump cash sum within 60 days after approval of the request. Such payment shall have added to it an amount determined by the Plan Administrator allowing for any applicable federal taxes to be withheld, providing that such addition does not cause the payment to exceed the amount as determined in (ii) above.

6.2 (a) For purposes of this Section 6, an unforeseeable emergency is defined, as required by the Treasury Regulations promulgated under Section 457 of the Code, as a severe financial hardship to a Participant, resulting from a sudden and unexpected illness or accident of the Participant, or of a dependent, as defined in Section 152(a) of the Code, of the Participant loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. In accordance with the Treasury Regulations, the need to send a child to college or the desire to purchase a home does not constitute an unforeseeable emergency.

(b) For purposes of this Section 6, an amount will not be considered to be reasonably needed to meet the financial need created by an unforeseeable emergency to the extent that such need is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or (iii) by cessation of deferrals under the Plan.

From Final Regulations for Section 457 of the Internal Revenue Code:

§1.457-6(c) Payments under the plan - (1) In general. The plan may not provide that amounts payable under the plan will be paid or made available to a participant or beneficiary before the participant separates from service with the City [sic], or, if the plan provides for payment in the case of an unforeseeable emergency, before the participant incurs an unforeseeable emergency.

* * *

§1.457-6(c)2(i) Unforeseeable emergency. For purposes of this paragraph (c), an unforeseeable emergency is, and if the plan provides for payment in the case of an unforeseeable emergency must be defined in the plan as, severe financial hardship to the participant resulting from a sudden and unexpected illness or accident of the participant or of a dependent (as defined in section 152(a)) of the participant, loss of the participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant.

§1.457-6(c)2(ii) A distribution of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise by the liquidation of the participant's assets to the extent the liquidation of such assets would not itself cause severe financial hardship or by cessation of deferrals under the plan.

Examples of what are not considered to be unforeseeable emergencies include the need to send a participant's child to college or the desire to purchase a home.

§1.457-6(c)2(iii) Emergency withdrawals. Withdrawals of amounts because of an unforeseeable emergency must only be permitted to the extent reasonably needed to satisfy the emergency need.

457 HARDSHIP APPLICATION

PARTICIPANT ID OR LAST FOUR OF SSNO										AGE		AGENCY									
LAST NAME										FIRST NAME										MI	
HOME ADDRESS															APT.						
CITY										STATE		ZIP + FOUR		+							
TELEPHONE - HOME				TELEPHONE - WORK				TELEPHONE - CELL													
DATE OF LAST 457 PAYROLL DEDUCTION (CONTRIBUTION)																					

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 457 loans outstanding:

In accordance with the provisions of Section 6 of the Plan Document, based on my answers to the following questions, I hereby request withdrawal from my account as follows:

Full withdrawal of my Pre-tax 457 account - **or** - Partial withdrawal of my Pre-tax 457 account 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 457 Deferred Compensation Plan will automatically be suspended 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%. You may reinstate your contributions in the future by accessing KeyTalk® through the Plan's telephone voice response system at (212) 306-7760. In the event that you are granted a withdrawal from your 457 account, 10% of the amount approved for withdrawal will be withheld for federal tax purposes. You will be responsible for applicable state and local taxes, and you will be issued a Form 1099-R for income tax filing purposes. In addition, if you have 457 loans with Deferred Compensation, 10% of your account balance will be withheld as collateral.

Please describe the unforeseeable event which caused this emergency:

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, etc. You may be required to submit additional documents. Original documentation may be required.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

WARNING

4 CHARGED WITH DEFERRED COMP FRAUD

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. If convicted these employees face up to 7 years in prison

FINANCIAL SUMMARY

I. EXPENSES

	Personal Loans		Credit Cards		Other (SPECIFY)*:		Other (SPECIFY)*:	
	Self	Spouse	Self	Spouse	Self	Spouse	Self	Spouse
Net Owed	\$	\$	\$	\$	\$	\$	\$	\$
Monthly Payments	\$	\$	\$	\$	\$	\$	\$	\$

* Include medical and legal, liens, garnishments, student loans, amounts payable in any unincorporated business or professional activity, child or spousal support

	Property Mortgages*		Auto Loans		Insurance Loans		Other (SPECIFY)**:	
	Self	Spouse	Self	Spouse	Self	Spouse	Self	Spouse
Net Owed	\$	\$	\$	\$	\$	\$	\$	\$
Monthly Payments	\$	\$	\$	\$	\$	\$	\$	\$

* Specify first and second separately; Specify if more than one occupied residence.

** Any other pledged assets.

OTHER REGULAR MONTHLY OBLIGATIONS (AVERAGED ON A MONTHLY BASIS , IF NOT PAID MONTHLY)

Rent	\$	Property Casualty Insurance	\$
Heating	\$	Life Insurance	\$
Utilities	\$	Other Obligations	\$

Is anyone else liable on the above liabilities? Yes No

If yes, do they make regular contributions to reduce these liabilities? Yes No

Give persons name, liability and amount contributed:

Name	Liability	Amount Contributed
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$

II. ASSETS

Checking Accounts		Savings Account		Real Estate		Other Assets*	
Self	Spouse	Self	Spouse	Self	Spouse	Self	Spouse
\$	\$	\$	\$	\$	\$	\$	\$

* Include stocks, bonds, T-bills, CD's, money market certificates, mutual funds, savings bonds, other marketable securities, saleable commodities.

III. GROSS INCOME - MONTHLY

All Salary		All Ssecurities		Rental	
Self	Spouse	Self	Spouse	Self	Spouse
\$	\$	\$	\$	\$	\$

III. CHECK LIST

Please review this check list to be sure that you have completed and enclosed the following items. 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, court documentation regarding rent arrears, bank attorney's letter regarding mortgage reinstatement, 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 Withdrawal

IMPORTANT

457 Deferred Compensation Plan assets are your final resort. Your application will not be presented to the Board if you fail to document that you have exhausted all possible alternative sources for funds. You are required to document the unforeseeable event that caused your hardship.

AUTHORIZATION TO RELEASE INFORMATION AND DOCUMENTATION

To: THE AGENT

Re: Name of Participant: _____

I, _____ (Print 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 Withdrawal

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



DEFERRED COMPENSATION PLAN/NYCE IRA

AUTHORIZATION AGREEMENT FOR ELECTRONIC FUND TRANSFER (EFT)

PLEASE READ THE REVERSE SIDE OF THIS FORM FOR ADDITIONAL INFORMATION.
The text of this form cannot be altered.



PAYEE INFORMATION

_____	<table border="1"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>											____/____/____
Payee Name	Social Security Number	Birth Date										
_____	() _____	() _____										
Address - Number & Street	Home Phone Number	Day Time Phone Number										
____/____/____	PLAN TYPE: choose one - see reverse for descriptions											
City State Zip Code	<input type="checkbox"/> 01 <input type="checkbox"/> 02 <input type="checkbox"/> 03 <input type="checkbox"/> 04 <input type="checkbox"/> 05 <input type="checkbox"/> I1 <input type="checkbox"/> R1											

FINANCIAL INSTITUTION INFORMATION

Financial Institution	

Mailing Address	
_____	() _____
City/State/Zip Code	Phone Number
<input type="checkbox"/> Checking Account - must attach a preprinted voided check <input type="checkbox"/> Savings Account - must attach a letter on financial institution letterhead signed by a representative of the financial institution that includes payee's name, savings account number and ABA routing number	
Account Number _____	Routing/ABA Number _____

Attach VOIDED check here.

Note: You must be a named person on the account. You may not designate a business account or an IRA. For direct rollovers to an IRA, contact your representative for the appropriate form.

This option is available for periodic payments at no charge. If you are requesting a one-time full/partial distribution payment to self, your payment amount will be reduced by \$15.00 for this service.

I hereby authorize FAScore, the Plan's Service Provider, to initiate credit entries and, if necessary, debit entries and adjustments for any credit entries in error to my checking or savings account indicated above, and the financial institution, in the form of an electronic fund transfer, to credit and/or debit the same to such account. I understand that FAScore will make payments in accordance with the directions I have specified on this form until I cancel this agreement in writing. Notice of cancellation must be made by me at least 30 days prior to a payment date for the cancellation to be effective with respect to my subsequent payments. I understand that FAScore reserves the right to terminate the Authorization Agreement for Electronic Fund Transfer for any reason and will notify me in the event of such termination by sending notice to my last known address on file with FAScore. I acknowledge that it is my obligation to notify FAScore of any address or other changes affecting my electronic fund transfers during my lifetime. I am solely responsible for any liability that may arise out of my failure to provide such notification affecting my electronic fund transfers. I agree that FAScore is not liable for payments made by FAScore in accordance with this properly completed Electronic Fund Transfers form. I hereby authorize and direct my financial institution not to hold any overpayments made by FAScore on my behalf or on behalf of my estate or any current or future joint account holder, if applicable.

I understand that if this form is not properly completed, FAScore will make payments by check directly to me at my last known mailing address on file with FAScore.

_____	____/____/____
Payee Signature	Date

EFT is a form of electronic funds transfer where FASCore can transfer your periodic payments directly to your Financial Institution.

Please allow up to 60 days for your first EFT transfer of your payouts. Upon receipt of a properly completed Authorization Agreement for Electronic Fund Transfer Form, we will establish a pre-notification to your Financial Institution with the account information you have provided. The pre-notification process takes approximately 10 business days in which your Financial Institution will confirm to FASCore that the account and routing information submitted on the pre-notification is correct and they will accept the EFT transfer. Once the pre-notification has been confirmed, your payouts will be transferred to your Financial Institution within 2 days of your payout date.

In the event of a change to your periodic payment request, the pre-notification process for electronic funds transfer will need to be re-established. Changes would include date change, option change, fund transfer, fund elimination, etc. As a result, your electronic funds transfer may be subject to a delay and a check will be mailed directly to you.

If the pre-notification is rejected by your Financial Institution, because they cannot accept the information we received from you, you will be notified, and your checks will be mailed directly to you.

If at any time in the future your Financial Institution will not accept your EFT transfer for any reason (i.e. your account has been closed, account number or routing number have changed, etc.), your payouts will be sent directly to you via check and you will need to submit a new Authorization Agreement for Electronic Fund Transfer to begin EFT transfers again. Therefore, it is important that you notify the Deferred Compensation Plan/NYCE IRA in writing of an address change so your checks can be mailed to the appropriate address.

PLAN TYPE DESCRIPTIONS	
You must complete a separate EFT for each PLAN TYPE	
01:	457 Contribution Account
02:	457 Payout Account
03:	401(k) Contribution Account
04:	401(k) Payout Account
05:	401(k) Pension Rollover Account
I1:	Traditional IRA
R1:	Roth IRA

Please return form to:

Deferred Compensation Plan/NYCE IRA
Bowling Green Station, P.O. Box 93
New York, NY 10274-0093
Attention: Hardship Withdrawal