

Hardship Withdrawal Form

Payentry Financial Services Multiple Employer 401(k) Plan

RK- 664331

Employee Full Name (please print)		Date of Birth	Daytime Phone Number
Permanent Address (for tax filing purposes)		Email Address	
City	State	ZIP	
SSN (or ITIN if applicable)	Citizenship <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> U.S. Resident Alien <input type="checkbox"/> Nonresident Alien (Submit an IRS Form W-8BEN. See Section 4.)		

Check Mailing Address (if different than above, Medallion Signature Guarantee Required , see employee signature section/page 2)		
City	State	ZIP

1. Provide Proof of Hardship and Reason for Hardship. Choose one option below (see grid on page 5).

- Deductible medical expenses incurred by my spouse, my dependent or myself.
- Purchase of my principal residence (excluding mortgage payments).
- Tuition payments, room and board, and related educational expenses for the next 12 months of post-secondary education for my spouse, my dependent or myself.
- Prevent eviction from my principal residence or foreclosure on the mortgage of my principal residence.
- Payments for burial or funeral expenses for my deceased parent, spouse, child or dependent.
- Payments of expenses for the repair of damage to my principal residence that would qualify for the casualty deduction under Code § 165.

2. Request Amount.

- I request that \$ _____ be withdrawn from my vested account balance. (**dollar amount must be indicated**)
 - Gross Amount: The amount indicated above is the total to be taken from my account. I understand this amount will be reduced by any applicable taxes and fees. (*default*)
 - Net Amount: The amount indicated above is what I would like paid to me after any applicable taxes and fees.

Note: Unless the plan directs otherwise, the withdrawal will be made from your pre-tax deferral account, then your vested employer account (if allowed under the Plan) and then from your Roth deferral account (if allowed under the Plan), pro-rata among your investment funds unless you direct otherwise in writing. The plan does not limit the number of withdrawals per Plan Year. The term "dependent" includes a primary beneficiary if allowed under the Plan.

3. Payment Method for Cash Distributions.

If you do not indicate an option below, your distribution will be sent in the form of a check.

- Check
- Direct Deposit to my checking/savings account. Medallion Signature Guarantee is required for all ACH payments. Please include a voided check with your request. Rejected ACH requests will be sent in the form of a check.

Bank Name: _____

Account Name: _____

Bank ABA/Routing Number: _____

Account Number: _____

Checking or Savings (circle one)

4. Information for Nonresident Alien Participants Only.

Provide a Form W-8BEN with an original signature as documentation of your foreign tax status. Without valid tax documentation, Alerus Retirement Solutions is required to withhold taxes at the maximum nonresident alien (NRA) withholding rate of 30%. You may obtain a Form W-8BEN by downloading the form from the IRS website at irs.gov.

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5. Tax Withholding Section. This distribution will be reported as taxable income and a 10% premature distribution penalty may apply.

Federal Tax Withholding: Please withhold _____% from my hardship distribution for federal income tax. If no election is made 10% will be withheld.

State Tax Withholding: No state income tax will be withheld except where required by law.

If your state allows you to opt out of state tax withholding, include a completed Form W-4P with your distribution request. You may obtain a Form W-4P by downloading the form from the IRS website at irs.gov. *NOTE: This option is only available in certain states. We will only waive state tax where allowed by law. I have attached Form W-4P with my distribution request.

6. Employee Signature and Acknowledgement

I certify and acknowledge that:

- I understand that once my payment has been processed, it cannot be changed;
- The amount I am requesting does not exceed my financial need;
- My financial need cannot be met:
 - Through reimbursement or compensation by insurance or otherwise;
 - By liquidation of my assets;
 - By cessation of elective contributions or employee contributions under the plan;
 - By other currently available distributions (including distribution of ESOP dividends under section 404(k)) and nontaxable (at the time of the loan) loans, under plans maintained by the employer or by any other employer; or
 - By borrowing from commercial sources on reasonable commercial terms in an amount sufficient to satisfy the need;
- I understand that this amount is not eligible to be rolled over to an IRA;
- I understand that if I have rollover money in my account and it is allowed under the plan, this will be liquidated first as an in-service withdrawal and will require 20% federal tax. Any remaining balance of my request will be distributed as a hardship;
- I understand that if the requested amount is not available, the hardship will be processed for the maximum available per the plan and IRS guidelines. (**Note:** The Internal Revenue Code and your plan limit the availability of hardship withdrawals. For example, the IRS only permits you to receive the actual amount of your 401k deferrals. Earnings are excluded. Also, you may not receive any portion of any Safe Harbor or other Qualified contribution);
- I am unable to repay the payments required by a plan loan amortization since it would increase the amount of my hardship need;
- I understand that I cannot make salary deferrals to any plan for six months (or time period specified under the Plan);
- I understand that by taking this hardship I am electing to change my deferral election to 0% and that it is my responsibility to complete a deferral contribution election after six months (or time period specified under the Plan) if I wish to make contributions again;
- I have received and read the Special Tax Notice Regarding Plan Payments;
- Federal law allows me 30 days after the receipt of the Special Tax Notice Regarding Plan Payments to consider this distribution. I waive the 30-day notice period and consent to an immediate distribution;
- A 10% premature distribution penalty tax may apply (see Special Tax Notice);
- A processing fee may be charged; and
- A voided check is required for all ACH requests.

****A Medallion Signature Guarantee** is required for any of the following transactions: 1. Distributions over \$100,000, 2. A bank wire or ACH, 3. Payment to a destination outside the U.S., 4. Payment to an alternate payee, beneficiary or other third party (other than the rollover recipient institution), 5. Payment to an address that is different than the address of record on the account, or 6. If the address on the account has been changed within the past 15 days. A Medallion Signature Guarantee is designed to protect you and Alerus from fraud. You can get a Medallion Signature Guarantee from most banks, credit unions, and other financial institutions. **A notary seal/stamp is NOT a Medallion Signature Guarantee.** All forms with a Medallion Signature Guarantee must either be uploaded by the TPA/Authorized Signer or mailed in its original form to the following address: Alerus Retirement Solutions, Two Pine Tree Drive, Suite 400, Arden Hills, MN 55112.

NOTE: In place of a signature guarantee, your employer may choose to acknowledge your signature. Contact your HR department for details.

EMPLOYEE SIGNATURE

DATE

MEDALLION SIGNATURE GUARANTEE STAMP

X

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Employee, please submit Hardship Withdrawal Form and supporting documentation (see grid on page 5 for acceptable proof of hardship) to an authorized signer for completion.

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THIS SECTION IS FOR EMPLOYER, THIRD-PARTY ADMINISTRATOR OR AUTHORIZED PARTY USE ONLY

7. Authorized Signature and Acknowledgement

To be completed by Authorized signer

Signature Guarantee Waiver and Employer Certification: As an authorized signer for the Plan, I certify that the above signature of the employee is genuine. Employer should only sign below if confident of the validity of the above signature. By signing, the Employer accepts responsibility if the signature is fraudulent.

AUTHORIZED SIGNATURE

DATE

Sign: Print Name:

This signature pertains to medallion waiver only.

As an authorized signer for the Plan, I certify the employee has received the Special Tax Notice Regarding Plan Payments. I hereby direct the plan recordkeepers, trustees and/or fund managers to make the distribution as directed by this form. I will stop this employee's salary deferrals for six months (or time period specified under the Plan) and will not restart them until the participant completes a deferral contribution election. I understand that Alerus Retirement Solutions relies on the above instructions to process the withdrawal and is not responsible for determining or verifying the correctness of instructions.

AUTHORIZED SIGNATURE

DATE

X

Authorized Signer, please deliver form to your TPA for signature and verification.

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7. Authorized Signature and Acknowledgement (continued)

To be completed by TPA

Vesting Percent _____ %
ER Match ER Profit Sharing Other ER (specify source)

Indicate amount and source of money to be withdrawn.

\$ _____
Amount Source

\$ _____
Amount Source

\$ _____
Amount Source

\$ _____
Total (withdrawal will be processed based on this amount)

Please Note:

- Alerus may not have received the Net Contributions/Hardship Basis information from the prior provider; therefore, our system may be reflecting a lesser contribution amount. You may contact your Alerus Representative to obtain the amount reflected on our system.
- If Alerus has not been provided the net contribution amount and you are requesting an amount greater than what is available on our system, the withdrawal will be made for the maximum available.
- Withdrawal will be processed pro-rata among investment funds unless directed otherwise in writing.

I am employed as a Third Party Administrator for the Plan identified above and have recorded this application in our records for the Plan.

THIRD PARTY ADMINISTRATOR SIGNATURE

DATE

X

Third Party Administrator, please deliver form to Alerus according to direction below.

Please submit completed and signed form to Alerus Retirement Solutions via Plan Gateway's Submit Files Menu. Access to Plan Gateway is located at alerausretirementsolutions.com. By uploading this form via our secure website, TPA is certifying that all signatures are genuine.

***All forms with a Medallion Signature Guarantee:** must either be uploaded by the TPA/Authorized Signer at alerausretirementsolutions.com or mailed in its original form to the following address: Alerus Retirement Solutions, Two Pine Tree Drive, Suite 400, Arden Hills, MN 55112.

***All forms with a Medallion Signature Waiver:** must be uploaded to Alerus Retirement Solutions at alerausretirementsolutions.com.

Hardship Withdrawal Form

Hardship Grid

<u>Hardship reason</u>	<u>Supporting documentation</u>
purchase of participant's primary residence	purchase agreement + lender statement of estimated amount needed from buyer at closing
foreclosure on participant's primary residence	lender's foreclosure notice including amount needed to cure default
eviction from participant's primary residence	landlord's eviction notice including amount of past due rent
casualty loss to participant's primary residence (e.g. fire, storm, flood, earthquake etc.)	repair estimates + insurance statement showing deductible or other uncovered amounts
funeral expenses	funeral bill owed for parent, spouse, child, dependent or primary beneficiary
tuition and related expenses*	school's tuition statement for coming school year (may include room and board)
medical expenses defined by irc 213(d)* (disregarding 7.5% of agi)	bill showing amount owed after adjustments for insurance or statement from medical provider that bill reflects receipt of all insurance payments

*hardship for these categories includes expenses for participant, spouse, children, dependents and primary beneficiary(s).