

Bi-State Development Agency 401k Retirement Savings Plan -  
Salaried, ATU 788, & Call-A-Ride

## Hardship Withdrawals

May I take money out for hardship or other reasons?

If you are over age 59 ½, you may withdraw money from your plan account without the 10% tax penalty for early withdrawals.

**Note:** In this case, *withdraw* generally means a one-time payment as opposed to the starting of retirement payments from the plan.

If you are under age 59 ½, you may request a *hardship withdrawal*. You may receive a hardship withdrawal if you do not qualify for a plan loan and do not have any other sources of money (savings, life insurance, etc.). A *hardship* is defined as having an “immediate and heavy financial need.” You may request only the amount to meet your need – no more.

In general, there are four reasons you may request a hardship withdrawal:

- Medical expenses not covered by insurance.
- Purchase of a home.
- Pay tuition, room and board, and related educational fees for the next 12 months of post-secondary education.
- Prevent eviction or foreclosure on a mortgage.

To request a hardship withdrawal, you must submit a Hardship Withdrawal application form. With your application, you must present evidence of your financial hardship (medical bills, foreclosure notice, etc.). Please see the Plan Administrator for more information and the necessary form(s).

If you request a hardship withdrawal and it is approved, your *deferral contributions to the Plan will be temporarily suspended for a period of six (6) consecutive months*. After the hardship suspension period, **your deferral contributions will NOT automatically resume unless you choose to actively opt for it by contacting Lincoln Financial Group directly to restart contributions** to the 401k plan.

You will NOT be allowed to contribute to the plan for six (6) months after receiving a hardship withdrawal.

**Please Note:** All withdrawals (other than hardship withdrawals) are subject to 20% tax withholding unless you have a *direct rollover* of the money into an IRA.