

DISTRIBUTION, LOAN & TRANSFER/ROLLOVER/EXCHANGE REQUEST RULES

In order to process a request, we must receive (a) the CalSTRS 403bComply 403(b) PLAN DISTRIBUTION, LOAN, EXCHANGE, TRANSFER, & ROLLOVER FORM, (b) copies of your most recent account statements for **all 403(b), 457(b) and 401(a) accounts that you have with Plans of your Employer**, and, if the distribution request is for a Hardship Distribution, (c) the proof of hardship listed below.

If your transaction meets Plan, IRS and vendor rules, we will approve it and sign the Vendor forms approving the transaction. Please see your Plan's Summary Plan Description on our website to review your Plan's allowable distribution options.

Hardship Distributions

A Participant may receive a distribution of up to 100% of his or her account balance attributable to elective deferral contributions

(1) Medical expenses described in Internal Revenue Code Section 213(d) incurred by the Participant, his spouse, or any of his

Proof required: If the employee has health insurance, the Explanation of Benefits (EOB) from the employee's Health Insurance Company, showing the participant's out-of-pocket medical expense. If the employee does not have health insurance, the billing or invoice for medical expenses for medical care that would be tax deductible on the employee's federal income tax form (whether or not the expenses exceed 7.5% of adjusted gross income).

(2) The purchase (excluding mortgage payments) of a principal residence for the Participant;

Proof required: Closing statement for the cost directly related to the purchase of a principal residence for the employee (excluding mortgage payments).

(3) Funeral expenses for a member of the Participant's family;

Proof required: Billing for payments for **burial and/or funeral expenses** for the employee's deceased parent, spouse, children or dependents;

(4) Payment of tuition and related educational fees for the next twelve (12) months of post-secondary education for the Partici-

Proof required: Billing for payment of **tuition, related educational fees, and room and board expenses**, for up to the next 12 months of post-secondary education for the employee, or the employee's spouse, children, or dependents.

(5) The need to prevent the eviction of the Participant from his or her principal residence or foreclosure on the mortgage of the

Proof required: A letter or other notice from the employee's mortgage company or landlord showing the amount and date of payment(s) necessary to **prevent the eviction of the employee from the employee's principal residence or foreclosure on the mortgage on that residence**. *The letter or notice must list the expected date of eviction or foreclosure.*

(6) Expenses for the repair of damage to the employee's principal residence that would qualify for the casualty deduction on the employee's federal income tax form (whether or not the loss exceeds 10% of adjusted gross income).

Proof required: Copy of insurance claim (if applicable); billing for expenses for the repair of damage to the employee's principal residence that would qualify for the casualty deduction on the employee's federal income tax form (whether or not the loss exceeds 10% of adjusted gross income).

In addition, the following requirements must be met with regard to the Hardship request:

The Participant must have obtained all other currently available distributions (but not hardship distributions) and nontaxable (at the time of the loan) loans, under the 403(b) Plan and all other 403(b), 457(b) and 401(a) plans maintained by the Employer, unless obtaining such loan(s) would increase the hardship of the Participant.

The Participant's salary deferral contributions to the Plan must be suspended for the 6 months following the payment of the hardship distribution. Deductions will not automatically re-started at the end of the 6 months. Thus, Participant's are responsible to log into their account and enter their desired contribution amount and investment provider after the end of the 6 month suspension.