

Quick Facts About Loans, Hardships, and Exchanges

Loans:

- Only available from 403(b) accounts, not 457(b) accounts.
- Available amount is 50% of the account balance up to \$50,000.
- You will have to provide a reason on the provider's loan application.
- Verify the interest rate with the provider.
- You may only have one loan at a time.

Hardship Withdrawals:

- You must first attempt to satisfy the financial need by other resources that are reasonably available to you.
- Eligibility criteria is based on IRS regulations:
 - Medical expenses for you, your spouse, or your dependent (or primary beneficiary other than your spouse if your plan allows).
 - Expenses directly related to the purchase of your principal residence, excluding mortgage payments.
 - Tuition related educational fees, including room and board for the next 12 months for post secondary education for you, your spouse, your children, or your dependents (or primary beneficiary other than your spouse if your plan allows).
 - Amounts required to prevent eviction from, or foreclosure on, your principal residence.
 - Burial or funeral expenses for your deceased parent, spouse, child, or dependent (or primary beneficiary other than your spouse if your plan allows).
 - Repairs for uninsured or underinsured damage to your principal residence due to theft, fire, storm or other casualty
- Amount distributed will be sufficient to satisfy the amount of the financial need.
- You may be subject to an additional 10% early withdrawal penalty. Please consult with your provider or tax consultant regarding the tax implications.

Age-Based In-Service Withdrawals:

- Based on plan provisions, active employees aged 59 1/2 and older may apply for a withdrawal from any of their AACPS retirement accounts. These withdrawals are subject to normal income tax withholding, but no additional

tax penalties apply. Please consult with your provider or tax consultant regarding tax implications.

- If you are approaching age 72 and are still actively employed, your investment providers are required to issue a monthly minimum mandatory distribution. Your provider will reach out to you directly prior to your reaching this age, and you may contact them for further information.

Authorization by "Certificate"

To complete the transactions listed, vendors will require authorization from the Plan Sponsor (AACPS). Ordinarily, that would require the signature of the Plan Administrator at AACPS on the transfer form.

Retirement Manager makes it easier by providing you with a "Certificate" which will verify your account information, making a Plan Administrator signature unnecessary.

You present the "certificate" to your provider along with the appropriate vendor forms (Loan form, Hardship, or Age-Based Withdrawal Form).

The Certificate verifies

- how much you can borrow for a loan,
- how much is available for a hardship withdrawal, or
- eligibility for an age-based withdrawal