

WHAT IS AN UNFORESEEABLE EMERGENCY?

The IRS provides a skeletal and quite restrictive definition. The emergency must be a severe financial hardship to the participant resulting from a sudden and unexpected illness or accident of the participant or beneficiary, the participant's or beneficiary's spouse, or the participant or beneficiary's dependent, or loss of the participant's or beneficiary's property because of casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant or beneficiary.

Some examples that **may** constitute an unforeseeable emergency are:

1. Medical expenses including non-refundable deductibles and the cost of prescription drug medication not reimbursed by insurance.
2. Loss of a participant's or a dependent's property due to casualty, or other similar extraordinary and unforeseeable circumstances.
3. Funeral expenses of a dependent.
4. Loss of regular income due to circumstances beyond the influence of the participant.

Whether these or any other events give rise to an unforeseeable emergency will depend on the facts and circumstances of each case. The plan manager will review the facts of each case and make a case-by-case determination.

Some examples that **typically do not** constitute an unforeseeable emergency are:

1. Expenses associated with a legal separation or the dissolution of a marriage.
2. Reduction of debt or overdue bills not related to an unforeseeable emergency.
3. Purchase of a home, normal home repairs, or cost of voluntary relocation of housing.
4. Participant or dependent college or other educational expense.
5. Elective medical procedures or those not medically required.
6. Establishing or maintaining a personal business.
7. Recreational expenses.
8. Travel expenses not associated with an unforeseeable emergency.
9. Usual and customary tax obligations.

WHEN CAN A PARTICIPANT APPLY FOR AN UNFORESEEABLE EMERGENCY WITHDRAWAL?

A participant can apply for an unforeseeable emergency withdrawal while actively employed. The withdrawal request must be based on a financial hardship actually experienced, not one that is anticipated. Alternate payees are not eligible for unforeseeable emergency withdrawals. Participants who have severed employment or a participant's beneficiary may simply request a distribution from their account and, therefore, should not complete this packet.

WHAT CIRCUMSTANCES MUST EXIST TO GRANT A WITHDRAWAL FOR AN UNFORESEEABLE EMERGENCY?

The circumstances that will constitute an unforeseeable emergency will depend on the facts of each case. The decision to approve an unforeseeable emergency withdrawal will be based on a case-by-case review. Payment may not be made to the extent that the hardship is or may be relieved (1) through reimbursement or compensation by insurance or otherwise; (2) by liquidation of the participant's assets, to the extent that the liquidation of such assets would not itself cause severe financial hardship; (3) by borrowing from your OSGP account; or (4) by cessation of deferrals under the Plan. These assets should be considered for withdrawal as a last resort. Your completed application will be considered only after you have documented all possible alternatives for funds.

FOR THE PURPOSES OF DETERMINING AN UNFORESEEABLE EMERGENCY, WHO IS CONSIDERED THE PARTICIPANT'S DEPENDENT?

A dependent is one of the following individuals who receives more than half of their support for the year from the participant: child or child's dependent, step-child, sibling or step-sibling, parent or ancestor, step-parent, niece or nephew, aunt or uncle, in-law, or an individual who has their principal place of abode with the participant and is a member of the participant's household as per IRC Code section 152. Documentation must be supplied with the application to support the identification of the affected individual as meeting this definition as a dependent.

IS THERE A LIMITATION ON HOW MUCH CAN BE WITHDRAWN IN THE EVENT OF AN UNFORESEEABLE EMERGENCY?

Yes. Although no set dollar ceiling applies, the amounts payable are permitted only to the extent reasonably needed to satisfy the immediate emergency need, including taxes anticipated on the distribution. Immediate emergency need means the financial obligation of an unforeseeable emergency that accrues within a 90-day period preceding and the 90-day period following application for emergency withdrawal. Withdrawals may never exceed the account balance on the day of distribution.

WHO DECIDES THAT THE PARTICIPANT'S PROBLEM QUALIFIES, AND WHAT IS THE PROCESS?

When your application is received, our recordkeeping company will make a preliminary review and provide a recommendation to forward for review by the Oregon Savings Growth Plan Manager. How long this takes depends upon the completeness of your documentation. If more documentation is required at any step of the process, your application will be delayed and may be denied. If your request is approved, you will be notified in writing. You may expect to receive the funds within two weeks from the time the request is approved. If your request is denied, you will receive a written explanation. You have the right to appeal to the Unforeseeable Emergency Appeals Committee. Additional documentation or information may need to be submitted to help with this appeal.

DO I HAVE TO STOP DEFERRING BEFORE RECEIVING AN UNFORESEEABLE EMERGENCY WITHDRAWAL?

Yes. If your request for a withdrawal is approved, there is a six-month waiting period to re-enroll in the plan. Your contribution will automatically start up again at the same amount you are currently contributing after the six-month suspension period has ended (you can always stop it at any time). If your request is denied, your contributions will continue unless you stop them yourself.

IF I AM GRANTED AN UNFORESEEABLE EMERGENCY WITHDRAWAL WILL TAXES BE WITHHELD?

Yes. Money deferred under this Plan has not been included in your gross income and thus no income taxes have been paid. If your unforeseeable emergency withdrawal application is granted, you must include the sum you withdraw in your gross income this tax year. If you are going to submit an unforeseeable emergency withdrawal request, please complete the Federal and State Tax Withholding Certificate portion on Page 5, section III. There is no additional tax penalty for an approved withdrawal.

WHAT IF I FEEL THAT MY CIRCUMSTANCES DO NOT MEET THE IRC DEFINITION OF AN UNFORESEEABLE EMERGENCY BUT I STILL HAVE A FINANCIAL HARDSHIP?

You may reduce or even cancel your payroll deduction to help lighten any financial burden you are experiencing. To reduce your monthly deduction or stop deferrals temporarily, log on to osgp.voyaplans.com or call **800-365-8494**. Please remember that deferral changes are effective for earnings in the month following the month you complete this transaction, which means you may have at least one more deferral at your previous rate.

IS THERE ANYTHING ELSE THAT I SHOULD KNOW BEFORE CONSIDERING AN UNFORESEEABLE EMERGENCY WITHDRAWAL?

The Internal Revenue Service has set down guidelines that do not include normally budgeted expenses to qualify as an unforeseeable emergency. 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 an Oregon Savings Growth Plan withdrawal. In addition, consideration for emergency withdrawals will not be made 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 the need to make additional payments for federal or state taxes or property taxes, the cost of remodeling a home, overuse of credit cards or other credit devices.

The Internal Revenue Service may examine this type of withdrawal if the Plan or your tax return is audited. If the IRS is not satisfied that the Plan adequately documented an unforeseeable emergency, or that the reason given in support of the request was not within the standards set forth in the Plan, or if the IRS determines that the Plan is not requiring adequate documentation of financial need and granting unwarranted unforeseeable emergency withdrawals, it could declare the entire Plan in violation of tax laws and regulations. If this occurs, the IRS could declare all participants to have sufficient control over their deferred moneys to declare taxes due on all sums deferred by all employee-participants, even those who have never made a request for withdrawal.

State of Oregon Administrative Rules 459-050-0150 and 459-050-0040 also govern unforeseeable emergency withdrawals.

These possibilities compel the Oregon Savings Growth Plan to be very careful in handling unforeseeable emergency requests. You can be certain your request will receive a careful and fair evaluation. Please read carefully the Internal Revenue Code (IRC) regulations and definition of an unforeseeable emergency below before you submit the application. Complete the application that follows and submit all related documentation showing how your request meets the IRC definition of an unforeseeable emergency.

Excerpt from IRS Treasury Regulations 1.457-6(c) Rules applicable to distributions for unforeseeable emergencies.

(1) In general. An eligible plan may permit a distribution to a participant or beneficiary faced with an unforeseeable emergency. The distribution must satisfy the requirement of paragraph (c)(2) of this section.

(2) Requirements. (i) *Unforeseeable emergency defined.* An unforeseeable emergency must be defined in the plan as a severe financial hardship of the participant or beneficiary resulting from an illness or accident of the participant or beneficiary, the participant's or beneficiary's spouse or the participant's or beneficiary's dependent (as defined in section 152(a)); loss of the participant's or beneficiary's property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant or the beneficiary. For example, the imminent foreclosure of or eviction from the participant's or beneficiary's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Finally, the need to pay for the funeral expenses of a dependent (as defined under 152(a)) may also constitute an unforeseeable emergency. Except in extraordinary circumstances, the purchase of a home and the payment of college tuition are not unforeseeable emergencies under this paragraph (c)(2). (ii) *Unforeseeable emergency distribution standard.* Whether a participant or beneficiary is faced with an unforeseeable emergency permitting a distribution under paragraph (c) is to be determined based on the relevant facts and circumstance of each case, but, in any case, a distribution on account of unforeseeable emergency may not be made to the extent that such emergency in or may be relieved through reimbursement or compensation from insurance or other wise; by 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. (iii) *Distribution necessary to satisfy emergency need.* Distributions because of an unforeseeable emergency must be limited to the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, state, or local incomes taxes or penalties reasonably anticipated to result from the distribution).

If an incomplete application is submitted or if all pertinent documentation is not provided, your application will be denied and returned to you, even if it may qualify as an unforeseeable emergency.

The Internal Revenue Service can require our office to justify allowance of requests long after a withdrawal is granted. The information furnished with this request is intended to serve this need and must be complete before review. All applications are confidential unless appealed. Please return the completed application to:

**Oregon Savings Growth Plan
800 Summer Street N.E., Suite 200
Salem, OR 97301**

If you have any questions regarding this process, please call our Salem office at **888-320-7377**.

UNFORESEEABLE EMERGENCY WITHDRAWAL APPLICATION



I. PARTICIPANT INFORMATION

Name	Date
Address	Social Security Number
City, State, Zip	Daytime Phone
	Evening Phone

II. WITHDRAWAL AMOUNT REQUESTED

Please specify whether this is a full or partial withdrawal. If you select a partial withdrawal, you must write in the dollar amount you wish to receive. If you have a pre-tax and Roth after-tax account, you must also choose from which account you would like your money withdrawn. If no option is checked, money will be withdrawn from your pre-tax account.

- Total account withdrawal Pre-tax account
 Partial account withdrawal; amount requested \$ _____ Roth after-tax account

Withdrawal amounts due to an unforeseeable emergency may not exceed an amount necessary to satisfy the need after reimbursed by insurance or other sources. Attach documentation to support your requested amount.

III. FEDERAL AND STATE TAX WITHHOLDING CERTIFICATE

The distribution you receive from the Plan is a taxable distribution and subject to federal and state income tax withholding.

Federal and State Tax Withholding for "Distributions Not Eligible for Rollover"

- I elect to NOT withhold federal taxes from my hardship distribution.
I will be liable for all federal taxes that may result from the withdrawal.
- I elect to NOT withhold state taxes from my hardship distribution.
I will be liable for all state taxes that may result from the withdrawal.
- I elect to withhold federal taxes from my hardship distribution at the rate of _____ percent.
- I elect to withhold state taxes from my hardship distribution at the rate of _____ percent.

If you do not indicate a choice above, 10 percent will be withheld for federal and 8 percent for state taxes

Under penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate.

I do understand that filing for an unforeseeable emergency will automatically cancel my contributions to the Oregon Savings Growth Plan effective immediately. I understand that if my request for withdrawal is approved, there is a six-month waiting period to re-enroll in the Plan, if my request is denied I may re-enroll at any time. I understand that this request is subject to approval and the Oregon Savings Growth Plan must report any withdrawal as income in the year the distribution is received.

X _____
Participant's Signature (Do not print) _____
Date

In compliance with the Americans with Disabilities Act, staff will provide assistance in filling out this form to anyone who needs it. You may request assistance from your Oregon Savings Growth Plan representative by calling 503-378-3730 or TTY 503-378-4942.

Was this a normally budgeted expense? Yes No Explain:

Have you exhausted all insurance, other restitution and conventional sources of funds? Yes No Explain:

Have you applied to your credit union or bank for a loan to pay the sums of money you claim are an emergency? Yes No
If yes, please attach the denial letter from the financial institutions. If no, state reason:

Have you applied for a loan from your OSGP account? Yes No If not, please explain:

Are other parties responsible for any part of the expense incurred? Yes No If not, please explain:
If yes, what is the amount? _____

If expenses of someone other than you or, a qualifying dependent cause the emergency, are you the sole person paying these expenses? Explain:

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Account balance \$	Amount requested \$	Date of last deferral
Contributions stopped? <input type="checkbox"/> Yes <input type="checkbox"/> No	Date	Plan representative

VI. FINANCIAL INFORMATION

Assets		Monthly income	
1a. Credit Union (savings)	\$		
2a. Bank (savings)	\$	1b. Monthly net income (after taxes)	\$
3a. S&L (savings)	\$	2b. Spouse's monthly net income (after taxes)	\$
4a. Avg. checking account balance	\$	3b. Alimony	\$
5a. Other accounts (mutual funds, etc.)	\$	4b. Other monthly income	\$

Total liquid assets (items 1a-5a) \$	Total monthly income (items 1b-4b) \$	Total expenses (items 1-15) \$
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List all monthly expenses, including installment loans, charge cards, and accounts.

1. Mortgage or rent \$	2. Food \$	3. Utilities \$	4. Alimony/child support \$
5. Total insurance (medical, dental, life, home, car, boat, etc.) \$		6. Other \$	

	Name of creditor	Loan type	Loan date	Original balance	Present balance	Monthly payment	Overdue
7.							
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15.							

I declare under penalty of perjury, under the laws of the state of Oregon, the information submitted is true and correct.

X _____ Date
Participant's Signature (Do not print)

Reminder: Attach full documentation to support your claim. The more information you provide, the easier it is for the Oregon Savings Growth Plan to make a decision. Inadequate or insufficient documentation **will result in denial** of your request.