



Emergency Personal Expense Withdrawals

OVERVIEW

Under Setting Every Community Up for Retirement Enhancement (SECURE) Act 2.0 regulations, Plan documents may allow active and terminated employees to take a distribution from their retirement account to cover certain unforeseen personal or family emergency expenses.

Examples of emergency personal expenses may include, but are not limited to:

- Medical expenses
- Property loss due to casualty
- Foreclosure or eviction
- Funeral or burial costs
- Auto repairs
- Other urgent personal needs

Emergency Personal Expense Withdrawals (EPEWs) are subject to the following additional restrictions:

- Participants must maintain a minimum vested account balance of \$1,000 after the withdrawal is processed.
- The maximum amount available is \$1,000 per participant per calendar year.
- Only one EPEW is permitted per calendar year.

NOTE: Participants may not take another EPEW for three (3) years following a prior withdrawal unless the original withdrawal has been fully repaid.

Emergency Personal Expense Withdrawals are processed pro rata across all vested contribution sources and investment options held in a participant's account, with the exception of the following:

- Self-Directed Brokerage (SDB) assets, if applicable.
- Money Purchase Pension Plan sources, which remain subject to an age 59½ restriction.

EPEWs are subject to 10% Federal income tax, plus applicable state and/or local income tax on the taxable portion unless the participant elects a greater withholding amount or elects no withholding with respect to such amount. However, these types of distributions are NOT subject to the 10% early distribution penalty tax or the 20% mandatory withholding.

Submitting an Emergency Personal Expense Withdrawal Request

Plan Administrators may rely on a participant's self-certification that the withdrawal is for an emergency personal expense. Participants are not required to provide supporting documentation or specify the nature of the emergency expense.

Participants may complete an EPEW withdrawal request online, via an Empower Representative, or by submitting an Emergency Personal Expense Withdrawal Request Form.

In some cases, EPEW requests cannot be completed online or via an Empower Representative and require the participant to complete a Withdrawal Request form – such as when spousal consent is required.

When a Withdrawal Request form is required, participants can:

- Initiate the withdrawal request online or via an Empower Representative who will assist in completing the Withdrawal Request form.
- Receive a pre-filled Withdrawal Request form.

- Complete, attach, or otherwise provide the additional required information and submit for processing.

Emergency Personal Savings Withdrawal Request forms are available to download online or may be requested via an Empower Representative.

NOTE: Participants may be assessed a withdrawal fee as outlined in the Plan's Fee Disclosure notices.

Empower Processes Emergency Personal Expense Withdrawals Without Approval

If the request is received in good order and meets the Plan's requirements, then Empower processes EPEW requests without the Plan Administrator's further approval.

If additional Plan-provided information is needed for processing, then Empower may contact the Plan Administrator for direction, typically via the To Do List feature available on the Plan Service Center (PSC).

Plan Administrator Approves Emergency Personal Expense Withdrawals

If the request is received in good order, Empower sends the request to the To Do List feature on the Plan Service Center (PSC) for final review and approval by the Plan Administrator or designated third-party.

The Plan Administrator or designated third-party:

- Reviews all EPEW requests to confirm eligibility under the terms of the Plan.
- Provides any necessary information needed for processing and approves or cancels the transaction via To Do List.

NOTE: If a signature is required on the form, the Plan Administrator downloads, prints, and signs the form, then returns a copy of the signed form to Empower via To Do List.

Repayment

Participants may repay an Emergency Personal Expense Withdrawal within the three-year period beginning on the day after the withdrawal is processed.

Repayments may occur in any of the following ways:

- Automatically through regular deferrals (pre-tax, Roth, or after-tax).
- With an incoming rollover contribution and request.
- By submitting a Withdrawal Repayment Form and repayment funds.

NOTE: If repayment is not completed within the three-year period, the participant becomes eligible for a new Emergency Personal Expense Withdrawal beginning in the fourth (4th) year following the prior withdrawal.

The non-discretionary recordkeeping and administrative services described in this Service Overview are general in nature and reflect the standard service offering. Service descriptions are not specific to any plan provision or administration practice. The recordkeeper may agree to provide an alternate service arrangement, as applicable, if separately requested by the Plan Sponsor. FOR ADVISOR/PLAN SPONSOR OR TPA USE ONLY. Not for use with Plan Participants.