
Unforeseeable Emergency Withdrawal Request

For 457 Supplemental Retirement Program

Frequently Asked Questions

What is an unforeseeable emergency withdrawal?

An unforeseeable emergency withdrawal is a distribution available to you while you are an active employee of the employer sponsoring your MERS 457 account. The IRS definition of an unforeseeable emergency is a severe financial hardship resulting from an illness, accident, loss of property due to casualty, or other similar loss beyond the control of the participant, or related to their spouse, dependent or primary beneficiary. Circumstances for an emergency withdrawal and the supporting documentation required are listed in Section 6 of the attached form.

What is the difference between a loan and an unforeseeable emergency withdrawal?

There are two differences between taking out a loan and requesting an unforeseeable emergency withdrawal.

1. Unlike a loan, this type of distribution is not repaid.
2. Taking out a loan from your account gives you access to your fund, regardless of the reason.

Should I use my insurance first?

Yes. It is important that you are able to show that insurance coverage is not available or is insufficient to cover the stated emergency.

Other sources of assistance you should consider:

- A loan from a financial institution
- A loan from other retirement accounts
- Converted assets into cash. For example: selling bonds

Must I have my spouse's consent to obtain an unforeseeable emergency withdrawal?

No.

Does the severe financial hardship have to be directly caused by the stated emergency?

Yes, the financial hardship must be the result of the circumstances indicated in Section 6 of the form.

What are the minimum and maximum amounts that I can withdraw?

Your withdrawal amount will be based on the portion of your account needed to cover the stated emergency situation up to the balance eligible for withdrawal. Log in to your myMERS account to check available balance.

May I withdraw funds while in the process of filing for a divorce?

No. You may not receive an unforeseeable emergency withdrawal while the program administrator is determining the qualified status of a domestic relations order affecting your account.

Will I be charged fees along with my withdrawal?

There are no fees charged for an unforeseeable emergency withdrawal.

How long does it take to review the request?

Please allow 30 days for the processing and delivery of the funds.

How is the withdrawal treated for tax purposes?

MERS will withhold Federal Income Tax at 10%, and current Michigan income state tax (unless you specify otherwise in Sections 4 and 5 of the form).

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Frequently Asked Questions – *continued*

How does an unforeseeable emergency withdrawal affect the investments in my account?

The investment allocation of your account will not change. The funds available to invest within the investment allocation will be reduced proportionately by the amount of the approved withdrawal.

How long after I receive my withdrawal can I begin making contributions again?

Contributions are not allowed to your 457 account for six months following a distribution of funds that resulted from an unforeseeable emergency withdrawal request.

Submitting this form:

When you have completed this form, please mail it to MERS' recordkeeper at:

Alerus Retirement Solutions

P.O. Box 64535
St. Paul, MN 55164

Questions? Please contact MERS Service Center at 800.767.MERS (6377)


If you have speech or hearing difficulties and need assistance completing this form, contact the Michigan Relay Center at 800.649.3777.

457 Unforeseeable Emergency Withdrawal Request Form

Please print clearly • See attached FAQ for details • Retain a copy for your records

1. Information about you

Last name*	First name*	Social Security number*	Phone number (with area code)*
Mailing address*			
City*		State*	Zip code*
Email address		Citizenship* <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> U.S. Resident <input type="checkbox"/> Non-resident alien (submit IRS Form W-8BEN)	
Marital status* <input type="checkbox"/> Single <input type="checkbox"/> Married	Have you been divorced at any time following your date of employment with this employer?* <input type="checkbox"/> No <input type="checkbox"/> Yes – If yes, you must submit a copy of your Judgment of Divorce to MERS before your distribution can be processed. Ex-spouse(s) name(s):		
Employer name*		Division number (6 digits)	

 See **Medallion Signature Guarantee** information in Section 10 if your address is outside the U.S.

2. Unforeseeable emergency withdrawal amount

Please indicate the requested amount. Any tax withholding will be deducted from your requested amount. Upon receipt and approval of all supporting documentation for a specific emergency, the withdrawal will be prorated across all investment options (if applicable, dollars will be withdrawn from non-Roth funds before Roth funds).

Gross requested amount: \$ _____ (before taxes are withheld as per Sections 4 and 5)

3. Payment options

Direct deposit of your distribution into your designated bank account

 See **Medallion Signature Guarantee** information in Section 10)

Checking account Savings account

Financial Institution name	Phone number
ABA routing number (9 digit)	Account number

Distribution check made payable to you will be mailed to your address on file

Note: Checks and deposits are issued from *Alerus Financial*.

4. Federal income tax withholding

Federal income tax will be withheld at 10% unless you indicate otherwise.

If you would like **ADDITIONAL** amount withheld, please indicate below:

Additional amount to be deducted from this payment: _____ % OR \$ _____

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Last name* (please print clearly)

Social Security number*

5. State income tax withholding

MERS will default to the applicable state income tax withholding from your payment(s) where required by law.

My primary legal state of residence is _____.

If you were born before 1946, mandatory withholding does not apply.

For more information on Michigan tax withholding, please visit www.michigan.gov/taxes.

If you wish to opt of state income tax withholding for any other reason, check the box below and submit a MI W-4P along with this form:

I wish to opt out of state income tax withholding (include a MI W-4P)

6. Reason for emergency withdrawal

Emergency withdrawals from a 457 program are permitted only when you or your primary beneficiary have a severe financial emergency, as defined by the Internal Revenue Code and regulations. Please select your circumstances from the following items.

You must attach supporting documentation.

REASON	REQUIRED DOCUMENTATION
<input type="checkbox"/> Foreclosure/Eviction	<ul style="list-style-type: none"> • Letter from the mortgage company indicating a dollar reinstatement amount needed to prevent foreclosure (letter must state foreclosure) or acceleration on primary residence • Letter from the leasing agency, court ordered eviction notice, or notarized letter from your landlord indicating a dollar amount needed to prevent eviction of primary residence
<input type="checkbox"/> Funeral Expenses	<ul style="list-style-type: none"> • Detailed funeral bill indicating the portion for which you are responsible • Proof that funeral expenses relate to spouse, dependent, or primary beneficiary
<input type="checkbox"/> Involuntary Lost Wages	<ul style="list-style-type: none"> • Last full pay stub indicating regular full pay rate • Documentation indicating the dates of employment and UNPAID dates of work missed due to involuntary reasons. This must indicate any sick pay, vacation pay, workers compensation, unemployment benefits, or any form of compensation received while out of work.
<input type="checkbox"/> Legal Fees (involving criminal charges)	<ul style="list-style-type: none"> • Signed attorney retainer agreement or bill from attorney – this must be for reasons beyond the participant's control • Evidence of criminal charges • Proof that legal fees relate to spouse, dependent, or primary beneficiary
<input type="checkbox"/> Unreimbursed Medical Bills	<ul style="list-style-type: none"> • Explanation of Benefits (EOB) from insurance company • Copies of actual bills showing the amounts covered and not covered by insurance, no more than one year old • If no insurance – statement indicating no medical insurance • Proof that unreimbursed medical bills relate to spouse, dependent, or primary beneficiary
<input type="checkbox"/> Damage to property due to accident or natural disaster (beyond insurance reimbursement)	<ul style="list-style-type: none"> • Detailed repair bill for damages to your property (estimates are not acceptable). A letter from contractor explaining why repairs are not a result of normal wear and tear. • Letter from insurance company indicating a reason for no coverage • If covered by insurance, letter from the insurance company indicating the deductible amount owed for repairs • If due to medial reasons, letter from physician stating that repairs are medically necessary
<input type="checkbox"/> Other	<ul style="list-style-type: none"> • Please provide documentation supporting your claim

7. Description of unforeseeable emergency

Please describe your financial hardship and why you consider it to be an unforeseeable emergency. Attach additional pages if necessary.

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Last name* (please print clearly)

Social Security number*

8. Other relevant information

Number of persons being supported in your household:

Self _____ Spouse _____ Children _____ Other _____ (explain: _____)

Have you applied for a loan from a financial institution to cover the hardship request? Yes No

If Yes, where? _____ Amount: _____

If declined, state reason given and provide documentation:

If No, state reason: _____

Have you applied for a loan from any qualified program sponsored by your employer (current or former)? Yes No

If Yes, where? _____ Amount: _____

If declined, state reason given and provide documentation:

If No, state reason: _____

If hardship is caused by expenses of someone in your household, are you the sole person paying these expenses? Yes No

Explain: _____

Will you be reimbursed or compensated by insurance? Yes No

Explain: _____

Have you liquidated any assets? Yes No

Explain: _____

Have you stopped contributing to this and any other retirement account? Yes No

If yes, has this changed your financial hardship? Explain: _____

Has a legal petition for marriage dissolution been filed?

Yes (If Yes, you must submit a notarized waiver from your divorcing spouse releasing your account assets)

No

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Last name* (please print clearly)

Social Security number*

9. Monthly income and expenses

Please provide as much documentation as possible. For example, include copies of recent utility bills, mortgage payments, medical bills, bank statements, etc.

ASSETS	LIQUID ASSETS Accounts & Cash – Savings..... \$ _____ Checking..... \$ _____ Cash on Hand..... \$ _____ Investments – Mutual Funds..... \$ _____ 401(a) or 401(k)..... \$ _____ IRA..... \$ _____ Cash Value of Life Insurance..... \$ _____ Other..... \$ _____ TOTAL LIQUID ASSETS \$ _____	FIXED ASSETS Residence – Market Value..... \$ _____ Other Real Estate..... \$ _____ Automobiles..... \$ _____ Ownership in Small Business... \$ _____ Personal Property..... \$ _____ Other..... \$ _____ TOTAL FIXED ASSETS \$ _____
LIABILITIES	SHORT-TERM LIABILITIES (Bills and monthly payments) Taxes Due..... \$ _____ Insurance Premiums..... \$ _____ Rent or Mortgage..... \$ _____ Utilities..... \$ _____ Charge Accounts..... \$ _____ Car Payment..... \$ _____ Medical Bills..... \$ _____ Other..... \$ _____ TOTAL SHORT-TERM LIABILITIES \$ _____	LONG-TERM LIABILITIES (Loan Balances) Mortgage..... \$ _____ Auto Loan..... \$ _____ Education..... \$ _____ Personal Loans..... \$ _____ Other..... \$ _____ TOTAL LONG-TERM LIABILITIES \$ _____

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10. Medallion Signature Guarantee

 **Medallion Signature Guarantee** is required for any transaction:

- over \$100,000
- requiring a wire transfer or direct deposit
- being sent to a destination outside the U.S.
- being sent to an address other than the address of record on the account.

A signature guarantee is designed to protect you and MERS from fraud. You can get it from most banks, credit unions, and other financial institutions where you have an account. **A notary seal is NOT a signature guarantee.** Please contact your financial institution for specific requirements.

Use the box to the right to apply your financial institution's Medallion Signature Guarantee stamp. **Please submit original form.**

Do NOT sign the signature space below until directed to by your financial institution.

MEDALLION SIGNATURE GUARANTEE STAMP

11. Required signatures

My signature acknowledges that I have received, read, understand and agree to all pages of this *457 Unforeseeable Emergency Withdrawal Request Form*. I represent and warrant that my financial hardship cannot be relieved through reimbursement or compensation by insurance or otherwise; by liquidation of my assets, to the extent such liquidation would not itself cause severe financial hardship; or by cessation of deferrals of the Plan. I further acknowledge that all information I have provided is true and correct. I have attached documentation supporting this request for a financial hardship. I understand the information I furnished is provided in accordance with all applicable provisions of Internal Revenue Code 457. I understand that I am liable for any income tax and/or penalties assessed by the IRS. In the event that any section of this application is incomplete or inaccurate, MERS may not process the withdrawal requested and may require me to complete a new form or provide additional information before the withdrawal can be processed. The information I provide is solely for the confidential use of MERS to determine if I am eligible for a hardship withdrawal under the MERS 457 Program.

No contributions are allowed to this 457 account for at least 6 months following an Unforeseeable Emergency Withdrawal.

Participant signature*	Date (mm/dd/yyyy)*
Participant name* (please print clearly)	Social Security number*
Employer certifies the participant in Section 1 is an active employee and has met criteria for an Unforeseeable Emergency Withdrawal.	
Employer signature*	Date (mm/dd/yyyy)*
Employer representative name (please print clearly)*	