



OFFICE OF LABOR RELATIONS

Deferred Compensation Plan / NYCE IRA

40 Rector Street, Third Floor, New York, NY, 10006
Tel: 212 306-7760 / TTY: 212 306-7707 / Fax: 212 306-7376
Outside NYC: 888 DCP-3113 and 888 IRA-NYCE
Online: nyc.gov/deferredcomp and nyc.gov/nyceira

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Director, Tax Favored & Citywide Programs

Re: Request for a Hardship Withdrawal from Your 401(k) Plan Account

Dear Participant:

Attached is the Hardship Withdrawal Application for the Deferred Compensation Plan's 401(k) Plan. You must complete the application and submit documentation showing that you have an immediate and heavy financial need and that a withdrawal of a portion or all of your 401(k) account is necessary to satisfy the financial need.

Roth 401(k), Special Rollover account and NYCE IRAs accounts are ineligible for hardship withdrawals. Any application for a hardship withdrawal from a Roth 401(k), Special Rollover account and NYCE IRAs account will be denied automatically.

In the event you are granted a hardship withdrawal from your 401(k) account, an amount equalling 10% of the amount approved for withdrawal will be withheld for federal tax purposes. **If you are under age 59½, you may become subject to an early withdrawal penalty of 10% of the amount approved for withdrawal.** You will be responsible for any additional federal taxes and applicable state and local taxes. You will be issued a Form 1099R for income tax filing purposes. In addition if you have with Deferred Compensation 10% of your account balance is withheld as collateral for the loans.

If upon reading the enclosed application you feel your circumstances do not meet the criteria for a hardship withdrawal, you can still reduce or stop your payroll deductions by accessing KeyTalk® through the Plan's automated telephone voice response system at (212) 306-7760, or through the Plan's Web site at nyc.gov/deferredcomp. This may help alleviate any financial burden you are experiencing. You may reinstate your Deferred Compensation contributions at any time either through KeyTalk or through the Web site.

IMPORTANT: Do not complete this application if you wish to withdraw from your 457 account. You must complete the 457 Emergency Withdrawal Application.

Very truly yours,

The Deferred Compensation Plan

Attachment

**THE CITY OF NEW YORK DEFERRED COMPENSATION PLAN
40 RECTOR STREET, 3rd Fl., NEW YORK, NY 10006**

**HARDSHIP WITHDRAWAL APPLICATION
FOR THE 401(k) PLAN**

The City of New York 401(k) Deferred Compensation Plan Document contains a provision permitting the withdrawal of funds to meet an “immediate and heavy financial need,” as that term is defined by the Internal Revenue Code. A distribution is not treated as necessary to satisfy an immediate and heavy financial need of a participant to the extent the amount of the distribution is in excess of the amount required to relieve the financial need or to the extent the need may be satisfied from other resources that are reasonably available to the participant. Whether a participant has an immediate and heavy financial need is determined by the City of New York Deferred Compensation Board based upon all relevant facts and circumstances.

The Board is bound by the Internal Revenue Code to consider an application from a financial standpoint only.

Please complete the attached Authorization to Release Information and Documentation, as well as pages 3 - 6, supplying a copy of last year’s tax return and documentation as indicated. Sign the application (on page 6) and Authorization (page 7), and have your signature notarized on both pages. Return the application to the Deferred Compensation Plan’s Administrative Office attention: Hardship Department.

Hardship withdrawal requests are reviewed by the Deferred Compensation Board on a monthly basis. **You must submit your application and supporting documentation at least one week before the date the Board reviews requests.** Generally, reviews take place on the first Wednesday of each month. However, dates are subject to change. Please contact the Plan at (212) 306-7760 for more information.

Only complete applications with supporting documentation will be reviewed by the Board.

Do you have resources which are reasonably available to you to satisfy your heavy, financial need?

Yes No

Explain:

What is the total amount required to meet this emergency?
(attach bills estimate, and worksheet to support your statement of amounts.)

\$

Please specify how the above amount would be used to meet your hardship:

Expense

Amount

Total

\$

WARNING

2 CORRECTION OFFICERS, 2 OTHERS CHARGED WITH DEFERRED COMP FRAUD

According to a press release issued by the Department of Investigation on June 28, 2000, four individuals were arrested for filing fraudulent claims of hardship for infertility treatments, dental implants, and funeral and medical expenses, in an unlawful effort to prematurely withdraw funds ranging from \$4,900 to \$25,000 from their Deferred Compensation Plan accounts.

If convicted these employees face up to 7 years in prison.

FINANCIAL SUMMARY

I. UNSECURED LIABILITIES

	Personal Notes		Credit Cards		Open Accounts		Other (Specify)*	
	Self	Spouse	Self	Spouse	Self	Spouse	Self	Spouse
Net Owed	\$	\$	\$	\$	\$	\$	\$	\$
Monthly Payments	\$	\$	\$	\$	\$	\$	\$	\$

* Include medical and legal, liens, garnishments, student loans, amounts payable in any unincorporated business or professional activity, child or spousal support

II. SECURED LIABILITIES

	Property Mortgages*		Auto and Appliance Loans		Insurance Loans		Other (Specify)**	
	Self	Spouse	Self	Spouse	Self	Spouse	Self	Spouse
Net Owed	\$	\$	\$	\$	\$	\$	\$	\$
Monthly Payments	\$	\$	\$	\$	\$	\$	\$	\$

* Specify first and second separately; Specify if more than one occupied residence.
 ** Any other pledged assets.

OTHER REGULAR MONTHLY OBLIGATIONS (averaged on a monthly basis, if not paid monthly)

Rent	\$	Property & Casualty Insurance	\$
Heating	\$	Life Insurance	\$
Utilities	\$	Other Obligations	\$

Is anyone else liable on the above liabilities?

Yes No

If yes, do they make regular contributions to reduce these liabilities?

Yes No

Give persons' name liability and amount contributed:

Name	Liability	Amount Contributed
		\$
		\$
		\$
		\$

III. ASSETS

Checking Accounts		Saving Account		Real Estate		Other Assets*	
Self	Spouse	Self	Spouse	Self	Spouse	Self	Spouse
\$	\$	\$	\$	\$	\$	\$	\$

* Include stocks, bonds, T-bills, CD's, money market certificates, mutual funds, savings bonds, other marketable securities, saleable commodities.

IV. GROSS INCOME — MONTHLY

All Salary	
Self	Spouse
\$	\$

All Securities	
Self	Spouse
\$	\$

Rental	
Self	Spouse
\$	\$

If your spouse's income, assets, and/or liabilities should not be considered for purposes of this application, please explain basis for that opinion:
