

OFFICE OF LABOR RELATIONS

Deferred Compensation Plan

40 Rector Street, Third Floor, New York, N.Y. 10006 Tel: (212) 306-7760 / 1(888) DCP-3113 (Outside NYC) TTY: (212) 306-7707 / Fax: (212) 306-7376 nyc.gov/deferredcomp

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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. Please read carefully the first page of the application, which describes the Internal Revenue Code (IRC) regulations pertaining to 401(k) hardship withdrawals before submitting the application. 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.

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 59^{1/2}, you become subject to an early withdrawal penalty of 10% of the amount approved for withdrawal. You will be responsible for applicable state and local taxes, and any penalties, and you will be issued a Form 1099R for income tax filing purposes.

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

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.

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 2 - 5, supplying a copy of last year's tax return and documentation where indicated. Sign the affirmation, and have your signature notarized. Return the application to the Deferred Compensation Plan's Administrative Office.

(Last Name)	(First Name)	(MI)	
(Social Security Number)	(Agency	Name)	
(Street Address)			
(City)	(State)		(Zip)
() (Telephone - home)	((Telepho) one - work)	
· · ·	he Plan has on file for you?		
Did you apply for or do you	currently have an outstanding	Deferred Compensation Pl	an loan? 🗖 Yes 🗖 No

Please check one of the following:

□ Full withdrawal of my 401(k) account

Partial withdrawal in the amount of \$ ______

Please note: Your contributions to the City of New York 401(k) Deferred Compensation Plan will automatically be suspended while your application is being processed. However, if you are in the Plan in lieu of FICA, your contributions will remain at or be reduced to 7.5%. If you withdraw this application, your contributions will remain suspended until you reinstate them. You may reinstate your contributions in the future by accessing KeyTalk[®] through the Plan's telephone voice response system at (212) 306-7760, or through the Web site at nyc. gov/deferredcomp.

In the event you are granted a hardship withdrawal from your 401(k) account, 10% of the amount approved for withdrawal will be withheld for federal tax purposes. If you are under age 59^{1/2}, you may become subject to an early withdrawal penalty of 10% of the amount approved for withdrawal. You will be responsible for applicable state and local taxes, and any penalties, and you will be issued a Form 1099R for income tax filing purposes.

FOR ADMINISTRATIVE USE ONLY						
Received for the Board's review on		, 200				
by	Title					
Total deferred: \$	through	pay period				
Value of the account on	, 200 was \$ _					
Suspension effective	pay period					
Approved \$	Denied					

Please describe the immediate and heavy need to withdraw funds from your 401(k) account:

Please list the documentation you are attaching to this application to support your claim. Attach official verification such as: Police or Fire report, adjuster's statement, doctor's or other bills, or any other necessary proof. You may be required to submit additional documents. Original documentation may be required.

1.	
2.	
3.	
4.	
5.	
6.	
7.	

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.)

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\$

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

Expense	Amount
Total	\$

FINANCIAL SUMMARY

I. UNSECURED LIABILITIES

	Personal Notes		Credit Cards		Open Accounts		Other (Specify)*	
	Self	Spouse	Self	Spouse	Self	Spouse	Self	Spouse
Net Owed:	<u>\$</u>	\$	\$	<u>\$</u>	\$	\$	\$	\$
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		Auto and		Insurance		Other	
	Mortgages*		Appliance Loans		Loans		(Specify)**	
	Self	Spouse	Self	Spouse	Self	Spouse	Self	Spouse
Net Owed:	\$	\$	\$	<u>\$</u>	<u>\$</u>	\$	<u>\$</u>	_ \$
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_\$	_ Heating <u>\$</u>	Property & Casualty Insurance \$

Other obligations <u>\$</u> Utilities <u>\$</u> Life Insurance <u>\$</u>

Is anyone else liable on the above liabilities?

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

Give persons' names, liability and amount contributed:

III. ASSETS

Checking Ac	counts	Savings Acco	<u>ount</u>	Real Estate		Other Liquid	*
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

<u>All Salary</u>	All Secur	rities	<u>Rental</u>	<u>Rental</u>		
Self Spouse	Self	Spouse	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:

V. CHECK LIST

Please review this check list to be sure that you have completed and enclosed the following items. If all the requested information is not provided, this will result in a delay in processing your application.

Have you:

- Enclosed a copy of last year's tax return?
- Enclosed a copy of last year's Form W-2?
- Completed and notarized your application (page 6)?
- Enclosed a signed and notarized Authorization to Release Information and Documentation (attached)
- Enclosed all necessary documentation supporting your application?
- Enclosed a copy of your most recent paystub?

Please Note: Original documents may be required.

I hereby affirm, under penalty of perjury, that the foregoing information is complete, true and correct. In addition, I authorize access to any and all records and information necessary to verify my application. If any information or documentation submitted is false or suspicious, I understand that my application may be referred to appropriate law enforcement authorities, including the City of New York Department of Investigation.

Signature		Date	
Sworn to before me			
this	day of	, 200	

Notary Public

AUTHORIZATION TO RELEASE INFORMATION AND DOCUMENTATION

To:

Re: Name of Participant_____

Social Security Number_____

This form will authorize you to release any and all records, information and documents concerning me personally to the New York City Deferred Compensation Plan including, but not limited to, all doctor reports, medical records, hospital records, employment records, tax records, compensation records including my present and past salary history, benefit records, credit reports and any other documents needed by the New York City Deferred Compensation permits you to forward this information directly to:

New York City Deferred Compensation Plan 40 Rector Street, 3rd Floor New York, New York 10006 Attn: Hardship Withdrawal

Dated:		Signed:	
STATE OF NEW YORK)		
COUNTY OF	:ss.:)		

On the _____ day of ______, in the year_____ before me, the undersigned, the undersigned Notary Public in and for said State, personally appeared ______, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public