



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.

Roth 401(k) accounts are ineligible for hardship withdrawals. Any application for a hardship withdrawal from a Roth 401(k) 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 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.

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

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) (Telephone - work)

Is this the mailing address the Plan has on file for you? Yes No

Did you apply for or do you currently have an outstanding Deferred Compensation Plan loan? Yes No

Please check one of the following:

Full withdrawal of my pre-tax 401(k) account. Please note that Roth 401(k) accounts are ineligible for hardship withdrawals.

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 pre-tax 401(k) account, 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 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 _____

FINANCIAL SUMMARY

I. UNSECURED LIABILITIES

	<u>Personal Notes</u>		<u>Credit Cards</u>		<u>Open Accounts</u>		<u>Other (Specify)*</u>	
	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

	<u>Property Mortgages*</u>		<u>Auto and Appliance Loans</u>		<u>Insurance Loans</u>		<u>Other (Specify)**</u>	
	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 \$ _____ Heating \$ _____ Property & Casualty Insurance \$ _____
 Other obligations \$ _____ Utilities \$ _____ Life Insurance \$ _____

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

<u>Checking Accounts</u>		<u>Savings Account</u>		<u>Real Estate</u>		<u>Other Liquid*</u>	
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>		<u>All Securities</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 Plan. This authorization 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)

:ss.:

COUNTY OF)

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