

Loan, Hardship and Unforeseeable Emergency Procedures

UT System Retirement Program Participants

Loans, hardship and unforeseeable emergency withdrawals are available under UTSaver 403(b) Tax Sheltered Annuity (TSA) and UTSaver 457(b) Deferred Compensation Program (DCP) accounts. All requests must be submitted to UT System Administration for review and determination. Loans, hardship and unforeseeable emergency withdrawals are only available to active participants from DCP and TSA accounts with the six currently authorized retirement providers (ING, Fidelity, Lincoln, MetLife, TIAA-CREF and VALIC). Loans, hardship and unforeseeable emergency withdrawals are not available under the Optional Retirement Program in accordance with state law.

<u>TSA Loans—What you can take</u>	<u>DCP Loans—What you can take</u>
<ul style="list-style-type: none"> • \$1,000.00 minimum loan amount • Up to ½ of total TSA balance not to exceed \$50,000.00 • Defaulting on a loan prevents you from taking any future loan. • Loans from Roth TSA account balances are not available for ING, MetLife and TIAA-CREF 	<ul style="list-style-type: none"> • \$1,000.00 minimum loan amount • Up to ½ of total DCP balance not to exceed \$50,000.00 • Defaulting on a loan prevents you from taking any future loan.
<p><u>Example:</u> If a participant has a total TSA account balance of \$12,000.00 and an outstanding loan for \$4,000.00, only \$2,000.00 would be available for a second loan for a total of \$6,000 or half the balance. This is true for both TSA and DCP loans.</p>	
<u>TSA Hardships</u>	<u>DCP Unforeseeable Emergencies</u>
<p>All hardship claims must be proven. The following are potential hardship causes:</p> <ul style="list-style-type: none"> • Medical expenses for the participant, spouse or dependent not covered by insurance; • Costs directly related to the purchase of a principal residence for the participant (excluding mortgage payments) • Payment of tuition, related education fees, room and board for up to 12 months of post-secondary education for participant, spouse, children or dependents; • Payments necessary to prevent eviction of participant from participant’s principal residence or foreclosure on mortgage of that residence • Payments for burial or funeral expenses for participant’s deceased parent, spouse, children or dependents • Expenses for repair of damage to principal residence not covered by insurance. <p>Hardships ARE NOT available to ORP participants.</p>	<p>All unforeseeable emergency claims must be proven. The following are potential unforeseeable emergency causes:</p> <ul style="list-style-type: none"> • Expenses for sudden and unexpected illness or accident of participant, spouse or dependent not covered by insurance; • Expenses for loss of property due to accident not covered by insurance; • Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the participants control. <p>Unforeseeable Emergencies ARE NOT available to ORP participants.</p>
<u>What you’ll need to claim a Hardship from your TSA:</u>	<u>What you’ll need to claim an Unforeseeable Emergency from your DCP:</u>
<p>Provide documentation and any other proof available to UT System that the hardship cannot be relieved by any of the following:</p> <ul style="list-style-type: none"> • Reimbursement or compensation by insurance or otherwise; • Liquidation of participant assets; • Cessation of contributions under the plan; • Loans from your TSA or DCP account; • Borrowing from commercial sources on reasonable terms <p>Loans and liquidation may not be required if such actions themselves cause or increase the hardship.</p>	<p>Provide documentation to UT System confirming the hardship causes listed above, and that the hardship cannot be relieved by any of the following:</p> <ul style="list-style-type: none"> • Reimbursement or compensation by insurance or otherwise; • Liquidation of participant assets; • Cessation of contributions under the plan; • Loans from your TSA or DCP account; • Borrowing from commercial sources on reasonable terms <p>Loans and liquidation of assets may not be required if such actions themselves cause or increase the hardship.</p>
<p><u>What to do:</u></p> <ol style="list-style-type: none"> 1) Contact your retirement provider for the Loan, Hardship or Unforeseeable Emergency withdrawal forms. 2) Complete your portion of the forms and fax to UT Retirement Programs at 512-499-4620 or by mail to: The University of Texas System Attn: UTRetirement Programs 702 Colorado St, Suite 2.100 Austin, TX 78701 3) If you are claiming a hardship from your TSA or an unforeseeable emergency from your DCP, make sure to include all the documentation listed above. <p>UT System Office of Employee benefits will review your application and any documentation provided and will contact you directly once the review and determination are complete.</p>	