

## Hardship Distribution from Your Duke 403(b) Plan

Duke 403(b) plans allow for employees to take a hardship distribution from their retirement account, provided that the IRS requirements are met for this type of distribution. According to applicable IRS rules, “a distribution is deemed to be on account of an immediate and heavy financial need of the employee if the distribution is for:

- Expenses for medical care previously incurred by the employee, the employee’s spouse, or any dependents of the employee or necessary for these persons to obtain medical care;
- Costs directly related to the purchase of a principal residence for the employee (excluding mortgage payments);
- Payment of tuition, related educational fees, and room and board expenses, for the next 12 months of postsecondary education for the employee, or the employee’s spouse, children, or dependents;
- Payments necessary to prevent the eviction of the employee from the employee’s principal residence or foreclosure on the mortgage on that residence;
- Funeral expenses; or
- Certain expenses relating to the repair of damage to the employee’s principal residence.”<sup>1</sup>

Duke Employees must submit certain documentation to certify eligibility for a hardship distribution to the investment carrier in order to be approved. This documentation is required in order to comply with 403(b) plan regulations, effective January 1, 2009.

## Instructions for Requesting a Hardship Distribution from Your Duke 403(b) Plan

Your investment carrier will need the following documentation to process your hardship withdrawal:

- a. **Hardship Withdrawal Form** – Request and complete the hardship withdrawal form provided by your investment carrier.
- b. **Hardship Withdrawal Certificate** – Your investment carrier can obtain a pre-approval certificate via Retirement Manager or you can request the certificate online to Retirement Manager\* (<http://www.hr.duke.edu/benefits/retirement/manager>) and submit it with your paperwork. If you decided to request a certificate, sign in to Retirement Manager and click on the “Disbursements” tab at the top of the screen. You will be able to choose the disbursement option that meets your need and continue completing the certification process. Print the certificate if you are approved. If you are not approved, the reason will be listed on the confirmation page. Please contact your investment carrier for assistance getting an approved certificate. **If you are invested with Fidelity and wish to take a hardship from your Fidelity account please log into Retirement Manager or contact the Benefits Office at 919-684-5600 for assistance requesting a certificate.**

*\*If you do not have internet access* in order to request the Hardship Withdrawal Certificate from Retirement Manager please contact your investment carrier. If you would like to request a certificate but do not have internet access, you may use the computers available in the waiting area of the Human Resources Office (705 Broad Street, Durham, NC 27708) in order to obtain this certificate. Please let the Human Resources associate at the front desk know that you will need to print from the computer that you are using. A Human Resources representative in your department may also be able to assist you in getting access to the internet for this purpose.

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<sup>1</sup> Excerpt from IRS website: <http://www.irs.gov/retirement/participant/article/0,,id=151787,00.html>

c. **Hardship Proof Documentation** (from you) to your investment.

Examples of acceptable hardship documentation to provide your investment carrier are:

- If you requested a Hardship Distribution for tuition, related educational fees and expenses, or room and board for you, your spouse, your children or other dependents: Copies of tuition bills and related bills
- If you requested a Hardship Distribution for the purchase of your primary residence: Copy of purchase/sale agreement
- If you requested a Hardship Distribution for unreimbursed medical expenses: Copies of medical bills and explanations of benefits showing that the bills are not covered by insurance or other methods of reimbursement.
- If you requested a Hardship Distribution for prevention of eviction or foreclosure: Copy of eviction or foreclosure notice
- If you requested a Hardship Distribution for funeral expenses: Copy of funeral bills and related expenses
- If you requested a Hardship Distribution for repair to damage to primary residence: Copy of repair and maintenance bills in repairing primary residence

Follow submission instructions on withdrawal form or contact your investment carrier for assistance.

Upon receipt and verification of acceptable paperwork by your investment carrier, the hardship distribution request will be processed and a check will be mailed, unless an alternate method of delivery was requested.

**Please Note:** *You will not be able to contribute to the 403(b) plan for 6 months after a hardship distribution is taken. This is a required suspension that will be initiated by Duke shortly after your hardship distribution is taken. (Note: Suspension may not begin for up to a month following the distribution.)*

### **Carrier Contact Information**

**VALIC**

Phone: (877) 375-2424

Web Site: [www.valic.com](http://www.valic.com)

**TIAA-CREF**

Phone: (800) 842-2776

Web Site: [www.tiaacref.org](http://www.tiaacref.org)

**Vanguard**

Phone: (800) 523-1188

Web Site: [www.vanguard.com](http://www.vanguard.com)