

County of Sacramento Deferred Compensation Plan Unforeseen Emergency Withdrawal Request Criteria

In order to qualify for an unforeseen emergency withdrawal, your situation must meet one of the following Internal Revenue Service (IRS) definitions of an unforeseen emergency:

1. Medical expenses from a sudden and unexpected illness or accident not reimbursed by insurance
2. Residential repair/loss of property due to casualty and circumstances beyond your control
3. Prevention of foreclosure or eviction from a primary residence
4. Funeral expenses for a family member

Unforeseeable emergencies do not include the following:

1. Credit card debt (except when resulting directly and solely from illness or casualty loss)
2. Personal bankruptcy (except when resulting directly and solely from illness or casualty loss)
3. Purchase of real estate
4. Payment of college tuition

Your County of Sacramento Deferred Compensation Plan account is not a savings account but a supplemental retirement account. The tax laws regulating this type of plan require that you have no other available source of funds before requesting an unforeseen emergency withdrawal. If you have insurance, a regular savings account, or if you have any assets, whereby the sale would help pay the expenses of your emergency, then you must first use these resources before withdrawing from your County of Sacramento Deferred Compensation Plan account. If the sale of an asset would cause you further financial unforeseen emergency, such sale is not required. **Your request must be only for the amount necessary to cover your unforeseen emergency and taxes and any penalties.**

Funds distributed as an unforeseen emergency are not eligible for rollover to another qualified plan or IRA. The funds are taxed at a rate of 10% unless you elect not to have withholding apply. If an election is NOT made, taxes will be withheld at the rate of 20% federal and 2% state.

You must include with your application the required **documentation** supporting your unforeseen emergency, including, if applicable, an explanation from your insurance company showing payments or denials.

County of Sacramento Deferred Compensation Plan Expense and Documentation Details

You MUST provide acceptable documentation to support your unforeseen emergency withdrawal request. Below are the expenses your Plan rules allow you to claim and the types of documentation to submit. **Documentation that is not acceptable will not be considered. We cannot distribute more than the amount you requested, even if you supply documentation for a higher amount.**

Preventing Eviction/Foreclosure Eligible Expenses

For your principal residence ONLY. Second home, vacation home, or investment property expenses are not eligible.

- Eviction
- Foreclosure

Acceptable Documentation

Provide copies of all the following that apply.

- Must be dated within the past 3 months and must include your name or address.
- Past-due mortgage statements or default notices are NOT acceptable.
- Letter threatening eviction or foreclosure from landlord or mortgage lender that includes
- Amount required preventing threatened action.
- Signature of landlord, mortgage lender, or mortgage lender's attorney, as applicable.

Out-of-Pocket Medical Expenses Eligible Expenses

Can be for you, your spouse, dependents (as defined by the IRS), or primary beneficiary (if allowed by plan). See Internal Revenue Code (IRC) section 213(d) for a full list of eligible expenses.

- Hospital visits
- Ambulance services
- Licensed physician, dentist, or orthodontist visits
- Laboratory tests ordered by a physician
- Prescription medicine
- Eye care
- Surgery (elective cosmetic procedures not allowed.)
- Medically required home improvements

Acceptable Documentation

Must be dated within the past 3 months and must include patient name. Provide copies of all the following that apply:

- Health insurer's explanation of benefits (EOB), bills, receipts, or other documentation of expenses recently paid or still owed.
- Estimated costs of ongoing treatment under a licensed physician's plan.
- Other documents showing any expense reimbursements you have received.

**Current Funeral or Burial Expenses
Eligible Expenses**

Can be for your parents, spouse, children, dependents (as defined by the IRS), or primary beneficiary (if allowed by plan). No prepaid expenses allowed.

- Funeral expenses
- Burial expenses

Acceptable Documentation

Must be dated within the past 3 months and must include deceased's name, funeral date, or date of death. Provide copies of all the following that apply:

- Bill, invoice, or estimate from cemetery, funeralhome, or vendor.