
Unforeseeable Emergency Withdrawal Request

For 457 Supplemental Retirement Program

Frequently Asked Questions

What is an unforeseeable emergency withdrawal?

An unforeseeable emergency withdrawal is a distribution available to you while you are an active employee of the employer sponsoring your MERS 457 account. The IRS definition of an unforeseeable emergency is a severe financial hardship resulting from an illness, accident, loss of property due to casualty, or other similar loss beyond the control of the participant, or related to their spouse, dependent or primary beneficiary. Circumstances for an emergency withdrawal and the supporting documentation required are listed in Section 6 of the attached form.

What is the difference between a loan and an unforeseeable emergency withdrawal?

There are two differences between taking out a loan and requesting an unforeseeable emergency withdrawal.

1. Unlike a loan, this type of distribution is not repaid.
2. Taking out a loan from your account gives you access to your fund, regardless of the reason.

Should I use my insurance first?

Yes. It is important that you are able to show that insurance coverage is not available or is insufficient to cover the stated emergency.

Other sources of assistance you should consider:

- A loan from a financial institution
- A loan from other retirement accounts
- Converted assets into cash. For example: selling bonds

Must I have my spouse's consent to obtain an unforeseeable emergency withdrawal?

No.

Does the severe financial hardship have to be directly caused by the stated emergency?

Yes, the financial hardship must be the result of the circumstances indicated in Section 6 of the form.

What are the minimum and maximum amounts that I can withdraw?

Your withdrawal amount will be based on the portion of your account needed to cover the stated emergency situation up to the balance eligible for withdrawal. Log in to your myMERS account to check available balance.

If your account includes Roth contributions, only "qualified distributions" can be withdrawn. To be a qualified distribution, your Roth contributions must have been on deposit with the Plan for at least 5 years, and you must be at least age 59½ or disabled as defined by the IRS.

Will I be charged fees along with my withdrawal?

There are no fees charged for an unforeseeable emergency withdrawal.

How long does it take to review the request?

Please allow 30 days for the processing and delivery of the funds.

How is the withdrawal treated for tax purposes?

MERS will withhold Federal Income Tax at 10%, and current Michigan income state tax (unless you specify otherwise in Sections 4 and 5 of the form).

How does an unforeseeable emergency withdrawal affect the investments in my account?

The investment allocation of your account will not change. The funds available to invest within the investment allocation will be reduced proportionately by the amount of the approved withdrawal.

How long after I receive my withdrawal can I begin making contributions again?


Contributions may continue into your 457 account as you are able. Any changes to your voluntary election should be communicated to your Human Resources department as soon as possible.

457 Unforeseeable Emergency Withdrawal Request Form

Please print clearly • Retain a copy for your records

1. Information about you

Last name*	First name*	Social Security number*	Phone number (with area code)*
Mailing address*			
City*		State*	Zip code*
Email address		Citizenship* <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> U.S. Resident <input type="checkbox"/> Non-resident alien (submit IRS Form W-8BEN)	
Marital status* <input type="checkbox"/> Single <input type="checkbox"/> Married	Have you been divorced at any time following your date of employment with this employer?* <input type="checkbox"/> No <input type="checkbox"/> Yes – If yes, you must submit a copy of your Judgment of Divorce to MERS before your distribution can be processed. Ex-spouse(s) name(s):		
Employer name*		Division number (6 digits)	

 See **Medallion Signature Guarantee** information in Section 10 if your address is outside the U.S.

2. Unforeseeable emergency withdrawal amount

Please indicate the requested amount. Any tax withholding will be deducted from your requested amount. Upon receipt and approval of all supporting documentation for a specific emergency, the withdrawal will be prorated across all investment options (if applicable, dollars will be withdrawn from non-Roth funds before Roth funds).

Gross requested amount: \$ _____ (before taxes are withheld as per Sections 4 and 5)

3. Payment options

Direct deposit of your distribution into your designated bank account

 See **Medallion Signature Guarantee** information in Section 10

Checking account Savings account

Financial Institution name	Phone number
ABA routing number (9 digit)	Account number

Distribution check made payable to you will be mailed to your address on file

Note: Checks and deposits are issued from *Alerus Financial*.

4. Federal income tax withholding (instructions pages 7-8)

1. Your withholding rate is determined by the type of payment you will receive. For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% on line 2. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its possessions.

2. Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions following and the [Marginal Rate Tables](#) on pages 7-8 for additional information. Enter the rate as a whole number (no decimals).....▶ _____%

* Required field

457 Unforeseeable Emergency Withdrawal Request Form

Last name* (please print clearly)

Social Security number*

5. State income tax withholding

MERS will default to the applicable state income tax withholding from your payment(s) where required by law.

My primary legal state of residence is _____.

If you were born before 1946, mandatory withholding does not apply.

For more information on Michigan tax withholding, please visit www.michigan.gov/taxes.

If you wish to opt of state income tax withholding for any other reason, check the box below and submit a MI W-4P along with this form:

I wish to opt out of state income tax withholding (include a MI W-4P)

6. Reason for emergency withdrawal

Emergency withdrawals from a 457 program are permitted only when you or your primary beneficiary have a severe financial emergency, as defined by the Internal Revenue Code and regulations. Please select your circumstances from the following items.

You must attach supporting documentation.

REASON	REQUIRED DOCUMENTATION
<input type="checkbox"/> Foreclosure/Eviction	<ul style="list-style-type: none"> • Letter from the mortgage company indicating a dollar reinstatement amount needed to prevent foreclosure (letter must state foreclosure) or acceleration on primary residence • Letter from the leasing agency, court ordered eviction notice, or notarized letter from your landlord indicating a dollar amount needed to prevent eviction of primary residence
<input type="checkbox"/> Funeral Expenses	<ul style="list-style-type: none"> • Detailed funeral bill indicating the portion for which you are responsible • Proof that funeral expenses relate to spouse, dependent, or primary beneficiary
<input type="checkbox"/> Unreimbursed Medical Bills	<ul style="list-style-type: none"> • Explanation of Benefits (EOB) from insurance company • Copies of actual bills showing the amounts covered and not covered by insurance, no more than one year old • If no insurance – statement indicating no medical insurance • Proof that unreimbursed medical bills relate to spouse, dependent, or primary beneficiary
<input type="checkbox"/> Damage to property due to accident or natural disaster (beyond insurance reimbursement)	<ul style="list-style-type: none"> • Detailed repair bill for damages to your property (estimates are not acceptable). A letter from contractor explaining why repairs are not a result of normal wear and tear. • Letter from insurance company indicating a reason for no coverage • If covered by insurance, letter from the insurance company indicating the deductible amount owed for repairs
<input type="checkbox"/> Other (Generally, a similar extraordinary circumstance resulting from events beyond control.)	<ul style="list-style-type: none"> • Please provide documentation supporting your claim

* Required field

457 Unforeseeable Emergency Withdrawal Request Form

Last name* (please print clearly)

Social Security number*

7. Description of unforeseeable emergency

Please describe your financial hardship and why you consider it to be an unforeseeable emergency. Attach additional pages if necessary.

8. Other relevant information

Number of persons being supported in your household:

Self _____ Spouse _____ Children _____ Other _____ (explain: _____)

Have you applied for a loan from a financial institution to cover the hardship request? Yes No

If Yes, where? _____ Amount: _____

If declined, state reason given and provide documentation:

If No, state reason: _____

Have you applied for a loan from any qualified program sponsored by your employer (current or former)? Yes No

If Yes, where? _____ Amount: _____

If declined, state reason given and provide documentation:

If No, state reason: _____

If hardship is caused by expenses of someone in your household, are you the sole person paying these expenses? Yes No

Explain: _____

Will you be reimbursed or compensated by insurance? Yes No

Explain: _____

Have you liquidated any assets? Yes No

Explain: _____

Have you stopped contributing to this and any other retirement account? Yes No

If yes, has this changed your financial hardship? Explain: _____

Has a legal petition for marriage dissolution been filed?

Yes (If Yes, you must submit a notarized waiver from your divorcing spouse releasing your account assets)

No

* Required field

457 Unforeseeable Emergency Withdrawal Request Form

Last name* (please print clearly)

Social Security number*

9. Monthly income and expenses

Please provide as much documentation as possible. For example, include copies of recent utility bills, mortgage payments, medical bills, bank statements, etc.

ASSETS	LIQUID ASSETS Accounts & Cash – Savings..... \$ _____ Checking..... \$ _____ Cash on Hand..... \$ _____ Investments – Mutual Funds..... \$ _____ 401(a) or 401(k)..... \$ _____ IRA..... \$ _____ Cash Value of Life Insurance..... \$ _____ Other..... \$ _____ TOTAL LIQUID ASSETS \$ _____	FIXED ASSETS Residence – Market Value..... \$ _____ Other Real Estate..... \$ _____ Automobiles..... \$ _____ Ownership in Small Business... \$ _____ Personal Property..... \$ _____ Other..... \$ _____ TOTAL FIXED ASSETS \$ _____
LIABILITIES	SHORT-TERM LIABILITIES (Bills and monthly payments) Taxes Due..... \$ _____ Insurance Premiums..... \$ _____ Rent or Mortgage..... \$ _____ Utilities..... \$ _____ Charge Accounts..... \$ _____ Car Payment..... \$ _____ Medical Bills..... \$ _____ Other..... \$ _____ TOTAL SHORT-TERM LIABILITIES \$ _____	LONG-TERM LIABILITIES (Loan Balances) Mortgage..... \$ _____ Auto Loan..... \$ _____ Education..... \$ _____ Personal Loans..... \$ _____ Other..... \$ _____ TOTAL LONG-TERM LIABILITIES \$ _____

* Required field

457 Unforeseeable Emergency Withdrawal Request Form

10. Medallion Signature Guarantee

 **Medallion Signature Guarantee** is required for any transaction:

- over \$100,000
- requiring a wire transfer or direct deposit
- being sent to a destination outside the U.S.
- being sent to an address other than the address of record on the account.

A signature guarantee is designed to protect you and MERS from fraud. You can get it from most banks, credit unions, and other financial institutions where you have an account. **A notary seal is NOT a signature guarantee.** Please contact your financial institution for specific requirements.

Use the box to the right to apply your financial institution's Medallion Signature Guarantee stamp. **Please submit original form.**

Do NOT sign the signature space below until directed to by your financial institution.

MEDALLION SIGNATURE GUARANTEE STAMP

11. Required signatures

My signature acknowledges that I have received, read, understand and agree to all pages of this *457 Unforeseeable Emergency Withdrawal Request Form*. I represent and warrant that my financial hardship cannot be relieved through reimbursement or compensation by insurance or otherwise; by liquidation of my assets, to the extent such liquidation would not itself cause severe financial hardship; or by cessation of deferrals of the Plan. I further acknowledge that all information I have provided is true and correct. I have attached documentation supporting this request for a financial hardship. I understand the information I furnished is provided in accordance with all applicable provisions of Internal Revenue Code 457. I understand that I am liable for any income tax and/or penalties assessed by the IRS. In the event that any section of this application is incomplete or inaccurate, MERS may not process the withdrawal requested and may require me to complete a new form or provide additional information before the withdrawal can be processed. The information I provide is solely for the confidential use of MERS to determine if I am eligible for a hardship withdrawal under the MERS 457 Program.

Participant signature*

Date (mm/dd/yyyy)*

Participant name* (please print clearly)

Social Security number*

* Required field

Submitting this form:

You can submit this form online! 

If you already have a myMERS account, you can also upload this form online. Look for the **File Upload** feature in the top navigation to easily and securely submit completed forms.

You can also submit this completed form to MERS' recordkeeper at:

Alerus Retirement Solutions
 P.O. Box 64535
 St. Paul, MN 55164

Questions? Please contact MERS Service Center at 800.767.6377.

General Instructions for Federal Tax Withholding

This section replicates information on IRS Form W-4R and is required by the IRS to be included in its entirety as part of this form. For additional information, go to www.irs.gov/pub/irs-pdf/fw4r.pdf.

Purpose of this section is to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from your MERS Defined Benefit pension. See the following pages for the rules and options that are available for each type of payment. For more information on withholding, see IRS Pub. 505, Tax Withholding and Estimated Tax.

Caution: If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new IRS Form W-4R if you want to change your election.

Nonperiodic payments—10% withholding. MERS must withhold at a default 10% rate from the taxable amount of nonperiodic payments unless you enter a different rate on line 2 of Section 4. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. You are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its possessions.

Note: If you don’t complete this section, you don’t provide a Social Security Number, or the IRS notifies MERS that you gave an incorrect Social Security Number, then MERS must withhold 10% of the payment for federal income tax and can’t honor requests to have a lower (or no) amount withheld.

Eligible rollover distributions—20% withholding. Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can’t choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don’t give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are not eligible rollover distributions: (a) qualifying “hardship” distributions, and (b) distributions required by federal law, such as required minimum distributions. See *IRS Pub. 505* for details. See also Nonperiodic payments—10% withholding above.

Payments to nonresident aliens and foreign estates. Do not use this section for federal income tax withholding. See *IRS Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities*, and *IRS Pub. 519, U.S. Tax Guide for Aliens*, for more information.

Tax relief for victims of terrorist attacks. If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter “-0-” on line 2. See *IRS Pub. 3920, Tax Relief for Victims of Terrorist Attacks*, for more details.

2022 Marginal Rate Tables for determining federal tax withholding

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See following pages for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying widow(er)		Head of household	
<i>Total income over—</i>	Tax rate for every dollar more	<i>Total income over—</i>	Tax rate for every dollar more	<i>Total income over—</i>	Tax rate for every dollar more
\$0	0%	\$0	0%	\$0	0%
12,950	10%	25,900	10%	19,400	10%
23,225	12%	46,450	12%	34,050	12%
54,725	22%	109,450	22%	75,300	22%
102,025	24%	204,050	24%	108,450	24%
183,000	32%	366,000	32%	189,450	32%
228,900	35%	457,800	35%	235,350	35%
552,850*	37%	673,750	37%	559,300	37%

* If married filing separately, use \$336,875 instead for this 37% rate.

Specific Instructions for Federal Tax Withholding

Line 1. Check your anticipated filing status. This will determine the standard deduction and tax rates used to compute your withholding.

Line 2. More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

Suggestion for determining withholding. Consider using the [Marginal Rate Tables](#) above to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the [Marginal Rate Tables](#).

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See Example 1 below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment.

To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See Example 2 below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

Examples. Assume the following facts for Examples 1 and 2. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

Example 1. You expect your total income to be \$60,000 without the payment. Step 1: Because your total income without the payment, \$60,000, is greater than \$53,075 but less than \$98,925, the corresponding rate is 22%.

Step 2: Because your total income with the payment, \$80,000, is greater than \$53,075 but less than \$98,925, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

Example 2. You expect your total income to be \$42,500 without the payment. Step 1: Because your total income without the payment, \$42,500, is greater than \$22,500 but less than \$53,075, the corresponding rate is 12%.

Step 2: Because your total income with the payment, \$62,500, is greater than \$53,075 but less than \$98,925, the corresponding rate is 22%. The two rates differ. \$10,575 of the \$20,000 payment is in the lower bracket (\$53,075 less your total income of \$42,500 without the payment), and \$9,475 is in the higher bracket (\$20,000 less the \$10,575 that is in the lower bracket). Multiply \$10,575 by 12% to get \$1,269. Multiply \$9,475 by 22% to get \$2,073.50. The sum of these two amounts is \$3,342.50. This is the estimated tax on your payment. This amount corresponds to 16.7% of the \$20,000 payment (\$3,342.50 divided by \$20,000). Rounding up to the next whole number, enter “17” on line 2.