



Unforeseeable Emergency Withdrawals

CalPERS Supplemental Income 457 Plan & Unforeseeable Emergency Withdrawals	The CalPERS Supplemental Income 457 Plan permits in-service distributions for unforeseeable emergencies provided for under the Internal Revenue Code (the "IRC").
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Unforeseeable Emergency Withdrawals Review Process

Review Standards	<p>An Unforeseeable Emergency provided for under the IRC and the CalPERS 457 Plan Document is defined as a severe financial hardship of the Participant or Beneficiary resulting from:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #e0f7fa;"> <th style="text-align: center;">No.</th> <th style="text-align: center;">Unforeseeable Emergency</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>An illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse or the Participant's or Beneficiary's dependent (as defined in Internal Revenue Code Section 152(a)) (See Exhibit 1);</td> </tr> <tr> <td style="text-align: center;">2.</td> <td>Loss of the Participant's or Beneficiary's property due to casualty; or</td> </tr> <tr> <td style="text-align: center;">3.</td> <td>Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or the Beneficiary.</td> </tr> </tbody> </table>	No.	Unforeseeable Emergency	1.	An illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse or the Participant's or Beneficiary's dependent (as defined in Internal Revenue Code Section 152(a)) (See Exhibit 1);	2.	Loss of the Participant's or Beneficiary's property due to casualty; or	3.	Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or the Beneficiary.
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Unforeseeable Emergencies	<p>The federal tax laws recognize four categorical Unforeseeable Emergencies:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #e0f7fa;"> <th style="text-align: center;">No.</th> <th style="text-align: center;">Categorical Unforeseeable Emergencies</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>Imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence;</td> </tr> <tr> <td style="text-align: center;">2.</td> <td>Un-reimbursed medical expenses of the Participant or a dependent including non-refundable deductibles or the cost of prescription drug medication;</td> </tr> <tr> <td style="text-align: center;">3.</td> <td>Un-reimbursed funeral expenses of the Participant's spouse or dependent; or</td> </tr> <tr> <td style="text-align: center;">4.</td> <td>An un-reimbursed loss of the Participant's property as the result of a casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster).</td> </tr> </tbody> </table>	No.	Categorical Unforeseeable Emergencies	1.	Imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence;	2.	Un-reimbursed medical expenses of the Participant or a dependent including non-refundable deductibles or the cost of prescription drug medication;	3.	Un-reimbursed funeral expenses of the Participant's spouse or dependent; or	4.	An un-reimbursed loss of the Participant's property as the result of a casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster).
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Qualifying Circumstance for Unforeseeable Emergency Withdrawals	Whether a Participant or Beneficiary is faced with an Unforeseeable Emergency permitting an in-service distribution will be considered on a case-by-case basis and is to be determined based on the relevant facts and circumstances of each case.
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Distribution Not Permitted if Other Sources for Relief of the Emergency Are Available	In any case, a distribution on account of an Unforeseeable Emergency is not permitted to the extent that the emergency can be relieved through:	
	No.	Other Sources for Relief
	1	Reimbursement or compensation from insurance;
	2	Liquidation of the Participant's assets, unless the liquidation itself would cause a severe financial hardship (for example, requiring the sale of the Participant's primary residence); or
3	Cessation of deferrals under the CalPERS 457 Plan.	

Non-qualifying Financial Hardships	The following financial hardships are not considered Unforeseeable Emergencies under the CalPERS 457 Plan:	
	No.	Non-Qualifying Financial hardships
	1	Purchase of a home;
	2	Participant or dependent college expenses or other educational expense; or
3	Divorce or marital separation.	



Application Process

Application Process	Step	Action
	1.	The Participant will apply for an Unforeseeable Emergency Withdrawal by submitting the <i>Unforeseeable Emergency Withdrawal Request Form</i> (the "Request Form") to his or her Employer together with supporting documentation.
	2.	The Employer will review and approve or deny the Participant's Request Form based on the documentation submitted at the time of the request. Approved Request Forms together with supporting documents will be forwarded to the Third-party Plan Administration team* under the signature of an authorized representative of the Employer.
	3.	The Third-party Plan Administration team will review the Request Form and supporting documents to verify that sufficient documentation to support the request has been submitted.
	4.	The Third-party Plan Administration team will determine the Participant's eligibility for an Unforeseeable Emergency Withdrawal.
	5.	If eligibility is determined, the Third-party Plan Administration team will issue the Unforeseeable Emergency Withdrawal Distribution to the Participant as soon as is reasonably practicable.
	6.	If there is not sufficient documentation to make a determination, the Third-party Plan Administration team will contact the Employer for additional information or clarification. The Third-party Plan Administration team will also notify the Participant that a determination is pending the receipt of additional information or clarification and will ask the Participant to contact the Employer with the requested information.
	7.	If the Third-party Plan Administration team determines that the Participant is not eligible, the Third-party Plan Administration team will notify the Employer and the Participant of its determination to deny the request, and will notify the Participant of his or her right to appeal the determination.
	8.	If a determination cannot be made clearly based on the facts and circumstances presented, including the



Application Process		<p>supporting documentation, the Third-party Plan Administration team will elevate the issue to the CalPERS Supplemental Income Plans Programs and Operations Manager for assistance in making a determination. The Third-party Plan Administration team will also contact the Employer notifying them that the Participant's request is under review and outlining the reasons for the review.</p>
	<p>9.</p>	<p>The CalPERS Supplemental Income Plans Programs and Operations Manager will render a determination to approve or disapprove the Participant's request and notify the Third-party Plan Administration team. The Third-party Plan Administration team will notify the Participant and Participant's Employer of the determination. If the determination is to disapprove the request the Third-party Plan Administration team will notify the Employer and the Participant of the determination and of the Participant's right to appeal.</p>
	<p>10.</p>	<p>If the determination is to disapprove the Participant's request as submitted or subsequently amended, the Participant has the right to appeal the determination to the Unforeseeable Emergency Withdrawal Appeals Committee.</p>
	<p>*NOTE: The processing, review, and disposition of all Unforeseeable Emergency Withdrawal Requests are reserved exclusively to the Third-party Plan Administration team. Account Managers and call-center Customer Service Representatives shall refer all Unforeseeable Emergency Withdrawal Requests to the Third-party Plan Administration team. Account Managers and call-center Customer Service Representatives shall not render judgments or estimations on the merits of a request but may answer Participants' general questions about the Unforeseeable Emergency Withdrawal Process and the standards of review, or assist Participants in completing the Request Form.</p>	



Appeal Process

A Participant may appeal a determination to disapprove an *Unforeseeable Emergency Withdrawal Request* by filing a written request with the Participant’s Employer within 30 calendar days of the date on determination notification letter. The request must include:

Contents of Written Request	Step	Action
	1.	A description of the determination for which the appeal is requested;
	2.	A short statement of the reason the determination is alleged to be in error;
	3.	A statement of facts that are the basis of the appeal and any supporting information or documentation the Participant wishes to submit; and
	4.	A statement of the relief the appeal seeks.

Participant Submits Appeal to Employer for Submittal to the Third-party Plan Administration team	Step	Process
	1.	The Participant submits request for appeal and required supporting documentation to their Employer.
	2.	The Employer signs and submits the request to the Third-party Plan Administration team.
	3.	The Third-party Plan Administration team forwards the appeal request and supporting documentation to the CalPERS Unforeseeable Emergency Withdrawals Appeals Committee (the “Committee”), which is comprised of: <ul style="list-style-type: none"> • The CalPERS Supplemental Income Plans Division Chief; • The CalPERS Supplemental Income Plans Programs and Operations Manager; and • A Supplemental Income Plans staff member designated by the CalPERS Supplemental Income Plans Programs and Operations Manager.



	Step	Process
Committee Meets on Appeal Request	1.	The Committee shall meet, by conference call or in person, upon the call of the CalPERS Supplemental Income Plans Programs and Operations Manager as soon as is reasonably practicable following receipt of a Participant's written appeal request. The Committee shall evaluate the Participant's written request, the Request Form, the financial information, and all related supporting documentation submitted with the appeal for compliance with the federal tax laws and the provisions of the CalPERS 457 Plan document.
Committee Renders Decision on Appeal	1.	The Committee shall render its decision to approve or deny the appeal as soon as is reasonably practicable after receipt of all related documentation for the appeal. If an appeal is approved, the CalPERS Supplemental Income Plans Programs and Operations Manager shall direct the Third-party Plan Administration team to release the funds. If an appeal is denied, the Third-party Plan Administration team shall notify the Participant and his or her Employer in writing of the reason for the denial. The Committee may accept or reject a request for reconsideration of the denial upon the submittal of new or clarifying information by the Participant.