



RSA-1 Financial Hardship Packet

This packet contains information and forms to complete the Financial Hardship process. Once RSA-1 receives all of the required forms, RSA-1 will process your request in the next available payroll, if your request is approved. Please submit your original notarized documents to the RSA-1 office.



START TODAY

This document includes the following forms:

- » **RSA-1 FINANCIAL HARDSHIP DISTRIBUTION REQUEST**
- » **FORM W-4R, WITHHOLDING CERTIFICATE FOR NONPERIODIC PAYMENTS AND ELIGIBLE ROLLOVER DISTRIBUTIONS**
- » **RSA-1 AUTHORIZATION TO DEFER COMPENSATION**
(submit to your payroll officer)
- » **RSA-1 SPECIAL TAX NOTICE REGARDING YOUR DISTRIBUTION**



CHANGE OF ADDRESS

Having your current mailing address on file with RSA-1 is very important.

- » Please ensure your employer also has your current mailing address.
- » Active members must change their address with their employer.



IMPORTANT INFORMATION

Financial Hardships are approved or denied in accordance with Section 457 of the Internal Revenue Code.



CONTACT US

Please contact Member Services at 877.517.0020 if you have any questions.





RSA-1 Financial Hardship Distribution Request

Retirement Systems of Alabama
PO Box 302150, Montgomery, Alabama 36130-2150
877.517.0020 • 334.517.7000 • www.rsa-al.gov



Your SSN _____

Your Information

Name _____
First Middle/Maiden Last

Mailing Address _____
Street or P.O. Box City State ZIP Code

Telephone Number _____ Email Address _____

Date of Birth _____ PID (optional) _____

Employer _____
Name Address

Distribution Information

*Financial hardship distributions are **not** eligible for rollover into another eligible plan.*

The participant should carefully read the explanation of the Federal Income Tax Regulations (on page 2 of this form) when requesting a distribution due to unforeseeable emergencies. Please use FORM W-4R, WITHHOLDING CERTIFICATE FOR NONPERIODIC PENSION PAYMENTS AND ELIGIBLE ROLLOVER DISTRIBUTIONS to indicate the percentage of federal tax you want to be withheld from the financial hardship distribution.

Under the penalties of perjury, I make ALL of the following certifications regarding this distribution request:

- I have read the RSA-1 SPECIAL TAX NOTICE REGARDING YOUR DISTRIBUTION;
- I am requesting this distribution because I am faced with an unforeseeable emergency beyond my control;
- I have described in full the nature of my emergency on the reverse side of this form and **attached the required supporting documentation;**
- I realize that the Internal Revenue Code and Regulations provide that the amount withdrawn cannot exceed the amount necessary to satisfy the emergency need;
- I realize that I must stop deferrals for a six month period due to this emergency withdrawal, and I have completed an AUTHORIZATION TO DEFER COMPENSATION form stopping my deferrals for this six month period and have submitted that form to my payroll officer; a **copy** of this form must be submitted with this request and returned to RSA-1;
- I have exhausted all other sources of funds and liquidated all available assets to satisfy this emergency need;
- This emergency is not covered by insurance; and

Based on all available information, I, the undersigned, make application for a hardship distribution of my RSA-1 funds

in the amount of \$ _____ . This distribution will be processed proportionately (pro-rata) from my elected account type(s).

If you would like to have your distribution direct deposited, complete the DIRECT DEPOSIT AUTHORIZATION. If not, your check(s) will be mailed to your address on file.

Available Account Types

Regular Contributions Pre-Tax	Regular Contributions Roth	Regular Contributions PEIRAF
457(b) Transfer Pre-Tax	Transfer/Conversion Roth	DROP Rollover Pre-Tax
PLOP Rollover Pre-Tax	ERIP Rollover Pre-Tax	TSP Rollover Pre-Tax

List Account Type _____

Choose from one of the Available Account Types listed above.

Signature Certification

Your Signature _____ Date _____

State of _____, County of _____ Seal

On this _____ day of _____, 20_____, personally appeared before me, the above named individual and acknowledged under oath that the statements made are true.

Signature of Notary Public _____ My Commission Expires _____

Sign Here

Please have your signature acknowledged before a Notary Public.



Name _____ SSN _____

Your RSA-1 account is not a savings account. It is an eligible deferred compensation plan as defined by Internal Revenue Code Section 457, which requires that amounts deferred will be paid or made available to the participant or beneficiary only after the participant separates from service with his or her employer, attains age 70 1/2, or in the case of an unforeseeable emergency as defined by the Internal Revenue Service.

According to Federal Income Tax Regulations, an unforeseeable emergency is a severe financial hardship to the participant or the participant's dependent (for federal income tax purposes) resulting from:

- 1. A sudden or unexpected illness or accident,
- 2. Loss of property due to flood, fire, or windstorm, or
- 3. Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant.

Federal Income Tax Regulations provide that payment from your RSA-1 account can not be made to the extent such hardship is or may be relieved:

- 1. Through reimbursement or compensation by insurance or otherwise,
- 2. By liquidation of the participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or
- 3. By cessation of contributions under the RSA-1 Plan.

Withdrawals because of an unforeseeable emergency are permitted ONLY to the extent reasonably needed to satisfy the emergency. Sending a dependent to college and/or purchasing a home are specifically listed in the Federal Income Tax Regulations as not qualifying as unforeseeable emergencies.

Please describe in full the nature of your emergency (attach additional sheets of necessary).
The documentation supporting your request must be attached as specified on the next page.

Sign Here → Signature of Member _____ Date _____
Member



Name _____ SSN _____

If your financial hardship request is based upon one of the following circumstances, please submit the following documentation corresponding with your Hardship reason.

Submit a completed AUTHORIZATION TO DEFER COMPENSATION form and submit the form to your payroll office, and a copy of your completed form must be included with your financial hardship request. You must stop any contribution for a minimum of six months.

Please select your Hardship reason:

Foreclosure/Eviction

- Notice of foreclosure or eviction, including the amount needed to bring the mortgage or lease up-to-date.
- Copy of any loan denial letter.

Involuntary Loss of Income

- A statement from the employer explaining the amount of income loss.
- Copies of your two most recent pay stubs from before the loss of income occurred.
- Copies of all pay stubs received during the period of loss income, such as diminished pay.
- Proof of any income such as unemployment and/or short-term disability benefits.

Medical/Dental Expenses

- The Health Insurance Explanation of Benefits Statement showing the amount you owe.
- Copies of prescription drug bills or other medical expense statements.
- Cosmetic surgery is approvable only if the procedure is a medical necessity resulting from an accident or birth defect. A statement of medical necessity from the doctor is required.

Loss of Property/Home Repair

- A copy of the insurance claim showing the total amount the insurance has paid and the amount of the loss or repair not covered by insurance.
- Contractor’s estimates for repair due to catastrophic damages.
- All documentation must be dated within the past 6 months.

Funeral Expenses

- Certified proof of your spouse’s or dependent’s death.
- Documentation that the funeral expense was incurred by you.

Natural Disaster

The decision to grant or deny an unforeseeable emergency withdrawal request is based on evidence indicating that the emergency is an **unforeseeable, sudden, and unexpected event**. All requests for emergency withdrawals must include a signed statement of the circumstances. If the emergency is due to an automobile accident, damage to your home, or theft of your property, please provide a copy of the police report, insurance claim, or other legal documentation relating to the occurrence.

If an incomplete application is submitted or if all pertinent documentation is not provided, your application will be denied and returned to you, even if your hardship reason may qualify as an unforeseeable emergency.

Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions

Department of the Treasury
Internal Revenue Service

Give Form W-4R to the payer of your retirement payments.

2024

1a First name and middle initial	Last name	1b Social security number
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Address

City or town, state, and ZIP code

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 territories.
- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate on line 2. You may not choose a rate less than 20%.

See page 2 for more information.

2 Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions on page 2 and the Marginal Rate Tables below for additional information. Enter the rate as a whole number (no decimals)	2	%
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Sign Here	Your signature (This form is not valid unless you sign it.)	Date
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General Instructions

Section references are to the Internal Revenue Code.

Future developments. For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to www.irs.gov/FormW4R.

Purpose of form. Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic payments (payments made in installments at regular

intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see 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 Form W-4R if you want to change your election.

2024 Marginal Rate Tables

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 page 2 for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying surviving spouse		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%
14,600	10%	29,200	10%	21,900	10%
26,200	12%	52,400	12%	38,450	12%
61,750	22%	123,500	22%	85,000	22%
115,125	24%	230,250	24%	122,400	24%
206,550	32%	413,100	32%	213,850	32%
258,325	35%	516,650	35%	265,600	35%
623,950*	37%	760,400	37%	631,250	37%

* If married filing separately, use \$380,200 instead for this 37% rate.

General Instructions (continued)

Nonperiodic payments—10% withholding. Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. 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. Generally, 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 territories.

Note: If you don’t give Form W-4R to your payer, you don’t provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can’t honor requests to have a lower (or no) amount withheld. Generally, for payments that began before 2024, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

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 for purposes of these withholding rules:

- Qualifying “hardship” distributions;
- Distributions required by federal law, such as required minimum distributions;
- Generally, distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions; and
- Emergency personal expense distributions.

See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

Payments to nonresident aliens and foreign estates. Do not use Form W-4R. See Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and 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 Pub. 3920, *Tax Relief for Victims of Terrorist Attacks*, for more details.

Specific Instructions

Line 1b

For an estate, enter the estate’s employer identification number (EIN) in the area reserved for “Social security number.”

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 on page 1 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 \$62,000 without the payment. Step 1: Because your total income without the payment, \$62,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$82,000, is greater than \$61,750 but less than \$115,125, 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 \$43,700 without the payment. Step 1: Because your total income without the payment, \$43,700, is greater than \$26,200 but less than \$61,750, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$63,700, is

greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. The two rates differ. \$18,050 of the \$20,000 payment is in the lower bracket (\$61,750 less your total income of \$43,700 without the payment), and \$1,950 is in the higher bracket (\$20,000 less the \$18,050 that is in the lower bracket). Multiply \$18,050 by 12% to get \$2,166. Multiply \$1,950 by 22% to get \$429. The sum of these two amounts is \$2,595. This is the estimated tax on your payment. This amount corresponds to 13% of the \$20,000 payment (\$2,595 divided by \$20,000). Enter "13" on line 2.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s).

Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.



RSA-1 Authorization to Defer Compensation

Retirement Systems of Alabama
PO Box 302150, Montgomery, Alabama 36130-2150
877.517.0020 • 334.517.7000 • www.rsa-al.gov



Your SSN

Use this form to begin, restart, increase/decrease, or stop contribution amounts.

Your Information

Complete and submit to your Payroll Officer to begin contributions.

Do not submit this form to RSA-1 or the RSA.

Name _____
First Middle/Maiden Last

Mailing Address _____
Street or P.O. Box City State ZIP Code

Telephone Number _____ Email Address _____

Date of Birth _____ PID (optional) _____

Contribution Information

Specify one of the following:

- New Enrollment Restart Sick/Annual Leave
 Increase Contributions Decrease Contributions Stop Contributions

If enrolling in RSA-1, please make certain that your RSA-1 ENROLLMENT and BENEFICIARY DESIGNATION forms have been submitted to the RSA-1 Deferred Compensation Plan before submitting this form to your Payroll Officer. **Note the following exception:** If stopping contributions due to financial hardship, your Payroll Officer must sign verifying that contributions have been stopped. A copy of this form must then be submitted to RSA-1 with your Financial Hardship Distribution Request.

1. Please defer \$ _____ of contributions per pay period from my salary and remit this amount to the RSA-1 Deferred Compensation Plan into my **REGULAR PRE-TAX account**.
If stopping contributions, enter zero (0) for the dollar amount.
2. Please defer \$ _____ of contributions per pay period from my salary and remit this amount to the RSA-1 Deferred Compensation Plan into my **REGULAR ROTH account**.
If stopping contributions, enter zero (0) for the dollar amount.
3. Effective date* _____ Effective date may not be earlier than the first of the month following the date this form is submitted to the payroll office.
4. If you are deferring payments for Sick or Annual Leave (must be enrolled), please indicate the amounts below:
Please defer \$ _____ of my payment for unused Sick Leave or Annual Leave to my **REGULAR PRE-TAX account**.
Please defer \$ _____ of my payment for unused Sick Leave or Annual Leave to my **REGULAR ROTH account**.

Signature of Employee

Sign Here

Your Signature _____ Date _____

Payroll Officer Information

Only if submitting a Financial Hardship Distribution Request or a Distribution Request.

Payroll Officer Signature _____ Date _____

Name and Title _____
Please Print

Payroll Officer Telephone _____ Email Address _____

Date Deferrals Stopped _____

Please submit all required enrollment forms to RSA-1. Contributions received by RSA-1 without executed enrollment forms will be refunded. If you are already enrolled, please make certain you have an updated CONTRIBUTION ALLOCATION form on file with RSA-1 before submitting contributions.



RSA-1 Special Tax Notice Regarding Your Distribution

Retirement Systems of Alabama
PO Box 302150, Montgomery, Alabama 36130-2150
877.517.0020 • 334.517.7000 • www.rsa-al.gov



Distributions are subject to the Internal Revenue Service tax withholding rules applicable to qualified plans:

FOR PARTIAL OR FULL LUMP SUM DISTRIBUTIONS

For lump-sum distributions and partial lump-sum distributions that are eligible for rollover distribution, federal law requires a minimum tax withholding of 20%. For partial or full lump sum distributions that are not rollover eligible, the participant may select the amount of federal tax they wish to have withheld; however, if the participant does not choose a withholding amount by completing FORM W-4R, WITHHOLDING CERTIFICATE FOR NONPERIODIC PAYMENTS AND ELIGIBLE ROLLOVER DISTRIBUTIONS, 10% of the distribution will be withheld for federal taxes.

FOR PERIODIC DISTRIBUTIONS WHICH ARE LESS THAN TEN YEARS IN DURATION

For periodic distributions which are less than ten years in duration and are rollover eligible, federal law requires a minimum tax withholding of 20%. For periodic distributions which are less than ten years in duration and are not rollover eligible, the participant may select the amount of federal tax they wish to have withheld; however, if the participant does not choose a withholding amount by completing FORM W-4P, WITHHOLDING CERTIFICATE FOR PERIODIC PENSION OR ANNUITY PAYMENTS, 10% of the distribution will be withheld for federal taxes.

FOR PERIODIC DISTRIBUTIONS WHICH ARE TEN YEARS OR MORE IN DURATION

The participant may select the amount of the federal tax withholding; however, if the participant does not choose a withholding amount by completing FORM W-4P, WITHHOLDING CERTIFICATE FOR PERIODIC PENSION OR ANNUITY PAYMENTS, the distribution will be subject to tax withholding calculated under federal tax law as single with no adjustments.

FOR FINANCIAL HARDSHIP DISTRIBUTIONS

The participant may select the amount of the federal tax withholding; however, if the participant does not choose a withholding amount by completing FORM W-4P, WITHHOLDING CERTIFICATE FOR PERIODIC PENSION OR ANNUITY PAYMENTS, 10% of the distribution will be withheld for federal taxes.

FOR SMALL BALANCE DISTRIBUTIONS

The participant may select the amount of the federal tax withholding; however, if the participant does not choose a withholding amount by completing FORM W-4R, WITHHOLDING CERTIFICATE FOR NONPERIODIC PAYMENTS AND ELIGIBLE ROLLOVER DISTRIBUTIONS, 10% of the distribution will be withheld for federal taxes.

FOR PAYMENTS TO NON-RESIDENT ALIENS

Federal law requires a minimum tax withholding of 30%.