



WITHDRAWAL FROM 403B RETIREMENT SAVINGS PLAN TERMS AND CONDITIONS

Withdrawals from your TIAA-CREF contracts are subject to the retirement plan provisions of the University of Delaware. Details of the retirement plan provisions are outlined below:

UNIVERSITY OF DELAWARE 403(B) RETIREMENT SAVINGS PLAN

In Service Withdrawals are available if:

- You have attained age 59 ½
- Disabled
- Experiencing a financial hardship

According to the Internal Revenue Service (IRS) regulations, a financial hardship is defined as an immediate and heavy financial need for which other resources are not reasonably available to meet the need.

The following guidelines are used in determining financial hardship:

- Medical expenses for you, your spouse or your dependents.
- The purchase of your primary residence.
- Payments required to prevent eviction or foreclosure.
- Expenses incurred as the result of certain casualty damage to your principal residence.
- Post Secondary Education expenses for the next semester or quarter for you, your spouse or dependent.
- Payments for burial or funeral expenses for your parents, spouse, child or dependent.

Note: in order to be eligible for a hardship withdrawal based on the criteria above, the expense must not have been previously paid. IRS rules do not allow hardship withdrawals to reimburse the participant for expenses that have already been paid. In addition, a participant must first exhaust all available loan and distributions from all plans of the employer before Hardship will be considered.

Post-Termination Withdrawals are allowed at any age.

IRS Tax Ramifications

Cash distributions you receive from your accounts will be taxable in the year the payment is made. Internal Revenue Service (IRS) regulations mandate that we withhold 20% from the gross distribution of any lump sum withdrawals from your employer retirement plans. This mandatory withholding does not apply if you roll the funds directly into another tax deferred retirement plan.

Hardship Withdrawals you receive from your accounts are also taxable in the year the payment is made. You can elect not to have taxes withheld at the time of payment, however if no election is made, we will withhold 10% from the gross distribution.

You should also be aware that withdrawals made from retirement plans prior to age 59½ are generally subject to an additional 10% IRS early withdrawal penalty tax, unless you meet one of the IRS exceptions to this tax rule. IRS exceptions to the penalty tax include:

- Being disabled
- Accumulations that were distributed to you as a beneficiary due to the original account holder's death.
- Use of the payments to cover medical expenses greater than 7.5% of your adjusted gross income.
- Termination of employment from the contributing institution in the year you turn 55 or older (*does not apply to an IRA*).
- Distributions you receive as a lifetime annuity income.
- Accumulations that were awarded to you as part of a divorce settlement via a Qualified Domestic Relations Order (QDRO).

The information provided is based upon our understanding of the law and IRS regulations. TIAA-CREF is not permitted to provide tax advice. As with any tax matter, we suggest that you seek the advice of your own tax advisor.