

HARDSHIP WITHDRAWAL FREQUENTLY ASKED QUESTIONS

Can I get money out of my retirement account if I already have a 401(k) loan or if I can't afford to pay back a loan?

Yes. The Zimbrick, Inc. Retirement Savings Plan allows participants to request a hardship withdrawal.

How much money can I take out?

Participants are limited to the amount of pre-tax contributions they have made to the Plan and cannot withdraw more than the amount needed to satisfy their immediate financial need, plus an amount to satisfy any taxes owed as the result of the withdrawal. Contact Diversified Investment Advisors, at 800-755-5801 to get the exact amount you have available.

How long does a hardship withdrawal process take?

The process takes approximately 2 weeks to complete. Please plan ahead!

What situations qualify for a hardship withdrawal?

1. The purchase of a principal residence for the Participant (excluding mortgage payments).
2. To prevent eviction or foreclosure from the Participant's principal residence.
3. Tuition and other educational expenses for the next semester or quarter of post-secondary education for the Participant, spouse or dependents.
4. Expenses for (or necessary to obtain) medical care of the Participant, spouse or dependents.
5. Payments for burial or funeral expenses for the Participant's deceased parent, spouse or dependent.
6. Expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under section 165.

Do I have to pay taxes on the hardship withdrawal?

Yes. The payment is subject to regular federal & state income taxes and a 10% federal early payment penalty tax if the participant is under age 59-1/2.

Can I continue contributing to the 401(k)?

No. Contributions to the Plan will be suspended for 6 months once the withdrawal is approved.

What form is required to request a hardship withdrawal?

Participants will need to complete a Hardship Withdrawal form. You will also need to provide documentation supporting your request. Married participants will need notarized spousal consent.

Where can I get the form?

Please contact Diversified Investment Advisors at 800-755-5801 or online at www.divinvest.com.

Your Summary Plan Description (SPD) has further details on hardship withdrawal requirements.