

**Wellington Retirement Solutions, Inc.**  
**HARDSHIP APPLICATION**

**PARTICIPANT INSTRUCTIONS:** Send a copy of your completed form & documentation to the Plan Sponsor for authorization.  
**QUESTIONS?** Contact Wellington at (800) 203-2670 or support@wellingtonhq.com.

**Step 1: Participant Information**

Plan Sponsor (Company Name): \_\_\_\_\_  
Your Name: \_\_\_\_\_ Social Security #: \_\_\_\_\_  
Address Line 1: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
Address Line 2: \_\_\_\_\_ Phone Number: \_\_\_\_\_  
City: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_  
State: \_\_\_\_\_ Zip: \_\_\_\_\_ Marital Status:  Single  Married

**Step 2: Hardship Event(s) & Amount**

- |  |                 |
|--|-----------------|
| 1. <input type="checkbox"/> Costs related to purchase a primary residence:   | \$ _____        |
| 2. <input type="checkbox"/> Prevent eviction or foreclosure on your primary residence:                               | \$ _____        |
| 3. <input type="checkbox"/> Repairs to your primary residence that would qualify as Casualty Loss (IRC 165):         | \$ _____        |
| 4. <input type="checkbox"/> Expenses and loss of income incurred by you on account of a federally-declared disaster: | \$ _____        |
| 5. <input type="checkbox"/> Medical expenses for you or your dependents which are not paid by insurance:             | \$ _____        |
| 6. <input type="checkbox"/> Tuition and related fees for you or your dependents within the next 12 months:           | \$ _____        |
| 7. <input type="checkbox"/> Burial or funeral expenses (spouse, child, parent or dependents):                        | \$ _____        |
| <b>Total Hardship Distribution needed for events indicated above:</b>  | <b>\$ _____</b> |

**Step 3: Tax Withholding Election**

Distributions treated as nonperiodic payments from your retirement account (excluding those from Roth accounts) are generally subject to federal (and possibly state) income tax. Even if you elect in writing not to have federal and/or state income tax withheld when permitted, you are liable for payment of federal and state income taxes on the taxable portion of your distribution. You may elect not to have federal income tax withholding apply to your distribution by entering 0% on the line below, and signing and dating this form. If you elect not to have withholding apply to your distribution, or if you do not have enough tax withheld, you may be responsible for payment of estimated taxes. You may also incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. For more information, see IRS Publication 575.

Notes:

- Hardship distributions from a retirement plan are treated as nonperiodic payments.
- Nonresident aliens are subject to a 30% tax withholding rate and must submit a valid IRS Form W-8BEN to obtain an available reduced tax treaty rate.

**Federal Income Tax Withholding:** 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% below. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its possessions.

Complete the line below if you would like a rate of withholding that is different from the default withholding rate (10%). See the Marginal Rate Tables on page 1 and the General Instructions on page 2 of the attached IRS Form W-4R. You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Instructions on how to best use them are included.

**(Optional) I want federal income tax withheld at the rate of \_\_\_\_\_%**

*If no amount is entered then the default withholding rate of 10% will apply. Tax withholding will reduce your check amount.*

**Note: The attached IRS Form W-4R is for information only. You are not required to complete the IRS Form W-4R.**

#### Step 4: Participant Authorization & Self-Certification

I certify that the information provided on this form and on any attached documents is true, correct, and complete to the best of my knowledge. I authorize Wellington Retirement Solutions, Inc. (WRS) to verify any or all information submitted. I acknowledge and agree that any false or misleading information submitted on this form may subject me to personal liability. Furthermore, WRS may exercise its rights against me if damaged by false or misleading information I submit. I certify that I am eligible for distribution of funds from the Plan. I am aware this distribution will increase my taxable income for the year. I understand that Schwab's Short-Term Redemption Fee applies to the sale of shares purchased within the last 90 days and that my mutual fund investments may have a Contingent Redemption Fee for funds sold within their designated timeframe. I certify that this withdrawal is necessary to satisfy the hardship described; that the amount requested is not in excess of the amount necessary to relieve the financial need; that the financial need cannot be satisfied from other resources reasonably available; and, that I have insufficient cash or other liquid assets to satisfy the need. I have read all the forms regarding the tax implications and penalties involved in taking a hardship withdrawal.

Participant Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

#### Step 5: Plan Sponsor Authorization

I certify the information given above is true and accurate to the best of my knowledge. I understand the participant's funds will be distributed per the instructions directed by the participant. In addition, I authorize the withdrawal and disbursement of this benefit according to the terms of this contract and "the Plan," and if elected, the recurring payment for the RMD of this participant. Further, by signing this form I am giving authorization to remit any federal and/or state tax withholdings and any fees incurred by the participant as a result of this distribution.

Signature of Plan Representative: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name of Representative: \_\_\_\_\_

**PLAN SPONSOR: Upload the completed form to [www.wellingtonhq.com](http://www.wellingtonhq.com) using the Documents menu.**

### IMPORTANT INFORMATION – READ BEFORE SUBMITTING A HARDSHIP APPLICATION

Please review the following information before submitting your Hardship Application to your employer.

1. IRS regulations allow hardship withdrawals only from employee contributions; you will not be able to make any withdrawals from your employer's contributions.
2. A hardship withdrawal is allowed only if you have an immediate and heavy financial need, and if all other reasonably available resources have been exhausted. Your resources shall include: savings and checking accounts, and assets of your spouse and minor children that are reasonably available.
3. You must certify that the need cannot be relieved through reimbursement or payment by insurance or other means, by reasonable liquidation of assets if the liquidation itself would not cause an immediate and heavy financial need, by stopping deferrals under the Plan, or by other distributions or loans from the Plan, other plans, or by borrowing from commercial sources on reasonable terms, unless loan payments would cause a heavy financial need.
4. IRS regulations provide for hardship withdrawals if they are made on account of an immediate and heavy financial need of the participant for the following reasons: payment of medical expenses not paid by insurance for the participant or dependents; payment of tuition and related education expenses, for the next 12 months of post-secondary education for the participant or dependents; purchase of the participant's primary residence (does not include mortgage payments); payment of amounts necessary to prevent the eviction of the participant from the participant's primary residence or foreclosure on the mortgage of the participant's primary residence; or other immediate and heavy financial needs.
5. The distribution requested cannot exceed the amount needed to meet the immediate and heavy financial need. The amount needed may include amounts necessary to pay federal and state income taxes or penalties resulting from this distribution.
7. Withdrawals are treated as taxable income and are subject to federal and state taxes. The funds may also be subject to a 10% federal penalty if you are less than age 59½.
8. Hardship withdrawals are not eligible for rollover.
9. Schwab's Short-term Redemption Fee (8% of proceeds from redemption up to \$49.99 for each fund redeemed) may be charged on the redemption of funds purchased through Schwab's Mutual Fund OneSource service that have been held for 90 days or less, except Schwab Funds, which may charge a separate redemption fee, and certain other funds with no transaction fee. Please refer to Schwab' Short-Term Redemption Policy at [www.schwab.com](http://www.schwab.com) for more information. The mutual fund companies may have separate short-term redemption policies; please refer to the funds' prospectuses for details. By submitting your Hardship Application you agree to pay any short-term redemption fees imposed by Charles Schwab & Co., Inc. Mutual fund companies may have an additional contingent redemption fee. Contact the Charles Schwab PCRA hotline at (888) 393-7272 to determine if your account is subject to any redemption fees.

Please visit <http://www.irs.gov/Retirement-Plans/Retirement-Plans-FAQs-regarding-Hardship-Distributions> for more information.

**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.**

**2023**

<b>1a</b> First name and middle initial	Last name	<b>1b</b> 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.

<b>2</b> 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)	<b>2</b>	%
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<b>Sign Here</b>	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](http://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.

**2023 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.

<b>Single or Married filing separately</b>		<b>Married filing jointly or Qualifying surviving spouse</b>		<b>Head of household</b>	
<i>Total income over—</i>	<b>Tax rate for every dollar more</b>	<i>Total income over—</i>	<b>Tax rate for every dollar more</b>	<i>Total income over—</i>	<b>Tax rate for every dollar more</b>
\$0	<b>0%</b>	\$0	<b>0%</b>	\$0	<b>0%</b>
13,850	<b>10%</b>	27,700	<b>10%</b>	20,800	<b>10%</b>
24,850	<b>12%</b>	49,700	<b>12%</b>	36,500	<b>12%</b>
58,575	<b>22%</b>	117,150	<b>22%</b>	80,650	<b>22%</b>
109,225	<b>24%</b>	218,450	<b>24%</b>	116,150	<b>24%</b>
195,950	<b>32%</b>	391,900	<b>32%</b>	202,900	<b>32%</b>
245,100	<b>35%</b>	490,200	<b>35%</b>	252,050	<b>35%</b>
591,975*	<b>37%</b>	721,450	<b>37%</b>	598,900	<b>37%</b>

\* If married filing separately, use \$360,725 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 2023, 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: (a) qualifying “hardship” distributions, and (b) distributions required by federal law, such as required minimum 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 \$60,000 without the payment. Step 1: Because your total income without the payment, \$60,000, is greater than \$58,575 but less than \$109,225, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$80,000, is greater than \$58,575 but less than \$109,225, 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 \$24,850 but less than \$58,575, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$62,500, is greater than \$58,575 but less than \$109,225, the corresponding rate is 22%. The two rates differ. \$16,075 of the \$20,000 payment is in the lower bracket (\$58,575 less your total income of \$42,500 without the payment), and \$3,925 is in the higher bracket (\$20,000 less the \$16,075 that is in the lower bracket). Multiply \$16,075 by 12% to get \$1,929. Multiply \$3,925 by 22% to get \$863.50. The sum of these two amounts is \$2,792.50. This is the estimated tax on your payment. This amount corresponds to 14% of the \$20,000 payment (\$2,792.50 divided by \$20,000). Enter “14” 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.