IBEW LOCAL UNIONS **SAVINGS & SECURITY** PLAN
HARDSHIP WITHDRAWAL FORM

SECTION A - REGISTRATION (PLEASE PRINT)

Name: ______________________________ Social Security Number: ______________

Address: ______________________________

City, State, ZIP ______________________________

Daytime Telephone Number: ____________________ Date of Birth: ____________________

SECTION B - REASON FOR HARDSHIP WITHDRAWAL

Check one and attach evidence supporting reason for hardship, such as a bill, contract, eviction notice, etc.:

☐ Un-reimbursed medical expenses for my spouse, a dependent or myself.

☐ Purchase of my principal residence (excluding mortgage payments).

☐ Un-reimbursed expenses for the repair of damage to my principal residence (to the extent the expenses would qualify for the casualty deduction under Section 165 of the Internal Revenue Code).

☐ Tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for up to the next 12 months for me, my spouse, child(ren) or dependents.

☐ To prevent eviction from my principal residence or foreclosure on the mortgage of my principal residence.

☐ To pay for burial or funeral expenses for my deceased parent, spouse, child or dependent.

☐ Other. Insert Explanation: ______________________________

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SECTION C - WITHDRAWAL AMOUNT

☐ I wish to make a PARTIAL withdrawal in the amount of $ ______________________________

☐ I wish to make a COMPLETE withdrawal.

I understand that I must withdraw all other available funds and currently have a loan outstanding in the Plan in order for my hardship to be processed.

SECTION D - FEDERAL WITHHOLDING

The hardship withdrawal you receive from the Plan is subject to ordinary income taxation and, under certain circumstances, a 10% early withdrawal tax. The payment to you is not subject to federal income tax withholding. However, you may elect to have the early withdrawal tax withheld. If an election is NOT made, federal taxes will NOT be withheld. Please refer to the attached instruction sheet for more information.

Please indicate below whether or not you would like 10% of the payment withheld for federal income tax. Please check one of the following boxes:

☐ WITHHOLD Federal Income Tax

☐ DO **NOT** WITHHOLD Federal Income Tax

SECTION E - STATE WITHHOLDING

The hardship withdrawal you receive from the Plan may be subject to state income tax withholding requirements, depending on your state of residence. Please refer to the attached instruction sheet for more information. The following summarizes the withholding requirements:

If Federal income tax is withheld, State income tax is required for: AR, DE, IA, KS, MA, MD, ME, NC, NE, OK, VA, VT

There is no state income tax for: AK, FL, HI, NH, NV, SD, TN, TX, WA, WY

State income tax is elective for: AL, AZ, CA, CO, CT, GA, ID, IL, IN, KY, LA, MI, MN, MO, MT, ND, NJ, NM, NY, OH, OR, PA, RI, SC, UT, WI, WV and the District of Columbia

Not subject to state income tax if: $59^{1/2}$ years old, Death, Disability, QDRO or Terminated employee at least 55 years old: MS

Please check the appropriate box based on the information above:

☐ WITHHOLD State Income Tax for $ ______________________________ ☐ DO NOT WITHHOLD State Income Tax

SECTION F - EXECUTION

I certify that I have been provided a notice summarizing the Federal tax consequences of my withdrawal. I further certify that the information listed above and all attached documents are complete and true and that my immediate and heavy financial need cannot reasonably be relieved (1) through reimbursement or compensation by insurance or otherwise; (2) by liquidation of my assets; (3) by cessation of my contributions under the Plan; or (4) by other distributions or loans from the Plan or another plan maintained by my employer, or by borrowing from commercial sources on reasonable commercial terms in an amount sufficient to satisfy the need.

I understand that if approval for my hardship withdrawal is granted, I will be suspended from making contributions to the Plan for six (6) months from the withdrawal date.

____ ______________________________________

Participant's Signature Date

IBEW LOCAL UNIONS **SAVINGS & SECURITY** PLAN
HARDSHIP WITHDRAWAL FORM

INSTRUCTIONS

Use the attached Hardship Withdrawal Form if you wish to make a hardship withdrawal from the IBEW Local Unions Savings and Security Plan. Please read and follow these instructions in completing the necessary forms. A description of the Federal income tax consequences of your distribution is enclosed.

INSTRUCTIONS:

Complete the Hardship Withdrawal Form and any related forms that apply. Once you have completed the forms, return them to the Plan Administrator:

Scarborough Alliance Corporation
One Bridge Street, Suite 70
Irvington, New York 10533

If you need assistance or have any questions, please call Scarborough Alliance Corporation at (800) 223-7608 or (914) 591-9200. Our fax number is (914) 591-8801.

WHEN A WITHDRAWAL WILL BE PAID

Withdrawals are processed every Friday. If the Plan Administrator receives your completed withdrawal form by 12 noon Eastern Time the Friday of one week, your check will be mailed the Friday of the following week. The Plan Administrator must approve your hardship withdrawal and reserves the right to request additional information from you.

The minimum amount of a withdrawal is $200.

WHAT MONEY IS AVAILABLE FOR WITHDRAWAL

Pre-Tax Contribution Account. You may withdraw amounts from your Pre-Tax Contribution Account if you are at least age 59½ or in the event of Hardship. Before receiving a withdrawal on account of Hardship, you must first have withdrawn all other available funds and have taken all available loans from the Plan and any other plan of your employer, or demonstrate that such a loan would not alleviate the Hardship. Earnings on Pre-Tax Contributions which accrue after December 31, 1988 cannot be withdrawn. The Plan Administrator is authorized to determine whether a Hardship exists and may request evidence of Hardship. *You will be suspended from making Pre-Tax Contributions for six (6) months following a Hardship withdrawal by your employer.*

TAX CONSEQUENCES OF YOUR WITHDRAWAL

Federal Income Tax

Hardship distributions, of 401(k) deferrals, made after January 1, 2000 are not subject to the 20% mandatory federal income tax withholding. Participants receiving hardship distributions after this date may elect to waive withholding or have the normal 10% federal withholding apply. If you are under age 59½, the taxable portion of your withdrawal may subject to a 10% Federal penalty tax. The taxable portion of a withdrawal does not include any after-tax contributions that you made to the Plan. Enclosed is a notice describing in further detail the tax consequences of a withdrawal from the Plan. We urge you to consult your own tax advisor regarding your particular tax situation.

State Income Tax

If Federal income tax is withheld, State income tax is required for: AR, DE, IA, KS, MA, MD, ME, NC, NE, OK, VA, VT

There is no state income tax for: AK, FL, HI, NH, NV, SD, TN, TX, WA, WY

State income tax is elective for: AL, AZ, CA, CO, CT, GA, ID, IL, IN, KY, LA, MI, MN, MO, MT, ND, NJ, NM, NY, OH, OR, PA, RI, SC, UT, WI, WV and the District of Columbia

Not subject to state income tax if: 59½ years old, Death, Disability, QDRO or Terminated employee at least 55 years old: MS

TAX INFORMATION RELATING TO **LUMP-SUM DISTRIBUTIONS** AND **AMOUNTS ELIGIBLE FOR ROLLOVER**

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS
This notice contains information you will need before you decide how to receive your benefits from the IBEW Local Unions Savings and Security Plan (the "Plan").

SUMMARY
A payment from the Plan that is eligible for "rollover" can be taken in two ways. You can have ALL OR ANY PORTION of your payment either (1) PAID IN A "DIRECT ROLLOVER," or (2) PAID TO YOU. A rollover is a payment of your Plan benefits to your individual retirement arrangement (IRA) or to another employer plan. This choice will affect the tax you owe.

If you choose a DIRECT ROLLOVER:

• Your payment will not be taxed in the current year and no income tax will be withheld.
• Your payment will be made directly to your IRA or, if you choose, to another employer plan that accepts your rollover.
• Your payment will be taxed later when you take it out of the IRA or the employer plan.

If you choose to have your Plan benefits PAID TO YOU:

• You will receive only 80% of the payment, because the plan administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes.
• Your payment will be taxed in the current year unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59_, you also may have to pay an additional 10% tax.
• You can roll over the payment by paying to your IRA or to another employer plan that accepts your rollover within sixty days of receiving the payment. The amount rolled over will not be taxed until you take it out of the IRA or employer plan.
• If you want to roll over 100% of the payment to an IRA or an employer plan, YOU MUST FIND THE MONEY TO REPLACE THE 20% THAT WAS WITHHELD. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and not rolled over.

ADDITIONAL INFORMATION

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER
II. DIRECT ROLLOVER
III. PAYMENT PAID TO YOU
IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to an IRA or to another employer plan that accepts rollovers. Your Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution. The following types of payments CANNOT be rolled over:

NONTAXABLE PAYMENTS. In general, only the "taxable portion" of your payment is an eligible rollover distribution. If you have made "after-tax" employee contributions to the Plan, these contributions will be nontaxable when they are paid to you, and they cannot be rolled over. (After-tax employee contributions generally are contributions you made from your own pay that were already taxed.)

PAYMENTS SPREAD OVER LONG PERIODS. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments made that are made at least once a year and that will last for:

• Your lifetime (or your life expectancy), or
• Your lifetime and your beneficiary's lifetime (or your life expectancy), or
• A period of ten years or more.

REQUIRED MINIMUM PAYMENTS. beginning the year you reach 70 1/2, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

II. DIRECT ROLLOVER

You can choose a direct rollover of all or any portion of your payment that is an "eligible rollover distribution," as described above. In a direct rollover, the eligible rollover distribution is paid directly from the Plan to an IRA or another employer plan that accepts rollovers. If you choose a direct rollover, you are not taxed on a payment until you later take it out of the IRA or the
employer plan.

DIRECT ROLLOVER TO AN IRA. You can open an IRA to receive the direct rollover. (The term "IRA," as used in this notice, includes individual retirement accounts and individual retirement annuities.) If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to an IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA, you may wish to consider whether the IRA you choose will allow you to move all or a part of your payment to another IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on IRAs (including limits on how often you can roll over between IRAs).

DIRECT ROLLOVER TO A PLAN. If you are employed by a new employer that has a plan, and you want a direct rollover to that plan, ask the administrator of that plan whether it will accept your rollover. An employer plan is not legally required to accept a rollover. If your new employer's plan does not accept a rollover, you can choose a direct rollover to an IRA.

DIRECT ROLLOVER OF A SERIES OF PAYMENTS. If you receive eligible rollover distributions that are paid in a series for less than ten years, your choice to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

III. PAYMENT PAID TO YOU

If you have the payment made to you, it is subject to 20% income tax withholding. The payment is taxed in the year you receive it unless, within sixty days, you roll it over to an IRA or another plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

INCOME TAX WITHHOLDING

MANDATORY WITHHOLDING. If any portion of the payment to you is an eligible rollover distirbution, the Plan is required by law to withhold 20% of that amount. This amount is sent to the IRS as income tax withholding. For example, if your eligible rollover distribution is $10,000, only $8,000 will be paid to you because the Plan must withhold $2,000 as income tax. However, when you prepare your income tax return for the year, you will report the full $10,000 as a payment from the Plan. You will report the $2,000 as tax withheld, and it will be credited against any income tax you owe for the year.

VOLUNTARY WITHHOLDING. If any portion of your payment is not an eligible rollover distribution but is taxable, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. To elect out of withholding, ask the Plan Administrator for the election form and related information.

SIXTY-DAY ROLLOVER OPTION. If you have an eligible rollover distribution paid to you, you can still decide to roll over all or part of it to an IRA or another employer plan that accepts rollovers. If you decide to roll over, YOU MUST MAKE THE ROLLOVER WITHIN SIXTY DAYS AFTER YOU RECEIVE THE PAYMENT. The portion of your payment that is rolled over will not be taxed until you take it out of the IRA or the employer plan.

You can roll over up to 100% of the eligible rollover distribution, including an amount equal to the 20% that was withheld. If you choose to roll over 100%, you must find other money within the sixty-day period to contribute to the IRA or the employer plan to replace the 20% that was withheld. On the other hand, if you roll over only the 80 that you received, you will be taxed on the 20% that was withheld.

EXAMPLE: Your eligible rollover distribution is $10,000, and you choose to have it paid to you. You will receive $8,000, and $2,000 will be sent to the IRS as income tax withholding. Within sixty days after receiving the $8,000, you may roll over the entire $10,000 to an IRA or employer plan. To do this, you roll over the $8,000 you received from the Plan, and you will have to find $2,000 from other sources (your savings, a loan, etc.). In this case, the entire $10,000 is not taxed until you take it out of the IRA or employer plan. If you roll over the entire $10,000, when you file your income tax return you may get a refund of the $2,000 withheld.

If, on the other hand, you roll over only $8,000, the $2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the $2,000 withheld. (However, any refund is likely to be larger if you roll over the entire $10,000.)

ADDITIONAL 10% TAX IF YOU ARE UNDER AGE $59^{11}/_{42}$. If you receive a payment before you reach age $59^{11}/_{42}$ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax does not apply to your payment if it is (1) paid to you because you separate from service with your employer during or after the year you reach age 55, (2) paid because you retire due to disability, (3) paid to you as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), or (4) used to pay certain medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

SPECIAL TAX TREATMENT. If your eligible rollover distribution is not rolled over, it will be taxed in the year you receive it. However, if it qualifies as a "lump-sum distribution," it may be eligible for special tax treatment. A lump-sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you because you have reached age 59_ or have separated from service with your employer (or, in the case of a self-employed individual, because you have reached age $59^{11}/_{42}$ or have become disabled). For a payment to qualify as a lump-sum distribution, you must have been a participant in the Plan for at least five years. The special tax treatment for lump-sum distributions is described below.

TEN-YEAR AVERAGING IF YOU WERE BORN BEFORE JANUARY 1, 1936. If you receive a lump-sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "ten-year averaging" (using 1986 tax rates) instead of five-year averaging rules (using current tax rates). Like the five-year averaging rules, ten-year averaging often reduces the tax you owe.

CAPITAL GAIN TREATMENT IF YOU WERE BORN BEFORE JANUARY 1, 1936. In addition, if you receive a lump-sum distribution and you were born before January 1, 1936, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan (if any) taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump-sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump-sum distributions that you receive in that same year. If you have previously rolled over a payment from the Plan (or certain other similar plans of the employer), you cannot use this special tax treatment for later payments from the Plan. If you roll over your payment to an IRA, you will not be able to use this special tax treatment for later payments from the IRA. Also, if you roll over only a portion of your payment to an IRA, this special tax treatment in not available for the rest of the payment. Additional restrictions are described in IRS Form 4972, which has more information on lump-sum distributions and how you elect the special tax payment.

EMPLOYER STOCK OR SECURITIES. There is a special rule for a payment from the Plan that includes employer stock (or other employer securities). To use this special rule, (1) the payments must qualify as a lump-sum distribution, as described above (or would qualify except that you do not yet have five years of participation in the Plan), or (2) the employer stock included in the payment must be attributable to "after-tax" employee contributions, if any. Under this special rule, you may have the option of not paying tax on the "net unrealized appreciation" of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the employer stock while it was held by the Plan. For example, if employer stock was contributed to the Plan account when the stock was worth $1,000 but the stock was worth $1,200 when you received it, you would not have to pay tax on the $200 increase in value until you later sold the stock.

You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the stock. The stock (including any net unrealized appreciation) can be rolled over to an IRA or another employer plan either in a direct rollover or a rollover that you make yourself.

If you receive employer stock in a payment that qualifies as a lump-sum distribution, the special tax treatment for lump-sum distributions described above (such as five-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.

IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses who are "alternate payees." You are an alternate payee if your interest in the plan results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation. Some of the rules summarized above also apply to a deceased employee's beneficiary who is not a spouse. However, there are some exceptions for payments to surviving spouses, alternate payees, and other beneficiaries that should be mentioned.

If you are a surviving spouse, you may choose to have an eligible rollover distribution paid in a direct rollover to an IRA or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to an IRA but you cannot roll it over to an employer plan. If you are an alternate payee, you have the same choices as the employee. Thus, you can have the payment paid as a direct rollover or paid to you. If you have it paid to you, you can keep it or roll it over yourself to an IRA or to another employer plan that accepts rollovers. If you are a beneficiary other than the surviving spouse, you CANNOT choose a direct rollover, you CANNOT roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is not subject to the additional 10% tax described in Section III above, even if you are younger than age $59^{1}/_{2}$.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump-sum distributions and the special rule for payments that include employer stock, as described in Section III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump-sum distribution if the employee met the appropriate age requirements, whether or not the employee had five years of participation in the Plan.

HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarizes only the Federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor BEFORE you take a payment of your benefits from the Plan. Also, you can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office or by calling 1-800-TAX-FORMS.