

Frequently Asked Questions

Withdrawals and Distributions

1. When can I withdraw amounts from my plan account without penalty?

You may withdraw all or a portion from your rollover account at any time. However, you or the beneficiaries you designate are only eligible to receive the entire balance of your account, (including matching contributions, if applicable) in the following instances:

- When you reach age 59½
- If you terminate employment with your employer
- If you have a financial hardship

Withdrawals under these circumstances are subject to applicable state and federal income tax and, in some cases, a 10% early withdrawal penalty.

Generally, the earnings attributable to the Roth 401(k) contributions lose their tax-free status. In addition, like pre-tax 401(k) funds, if the distribution occurs before you reach age 59½, the taxable amount (i.e., the earnings) may be subject to a 10% early withdrawal penalty.

2. Can I withdraw money from my account after reaching age 59½ or if I have a financial hardship?

Yes, you may withdraw all or a portion of your account once you reach age 59½. If you have an immediate financial need created by severe hardship and you lack other reasonably available resources to meet that need (including a loan on your 401(k) account), you may be eligible to take a hardship withdrawal in the amount necessary to satisfy your financial need. Matching contribution accounts are not eligible for hardship withdrawal.

3. How do I take an in-service withdrawal?

If you are eligible to take an in-service withdrawal, you can check the amount available for withdrawal and make a request by clicking on the Distributions tab.

4. What circumstances meet the requirements for a hardship withdrawal?

A hardship withdrawal allows you to withdraw all or a portion of your account to meet certain financial needs when you lack other reasonably available resources to meet that need. Qualifying financial needs may include:

- Buying a principal residence
- Preventing eviction from or foreclosure on your principal residence
- Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under Section 165(i) of the Internal Revenue Code
- Paying for your or a dependent's college education
- Paying certain medical expenses
- Funeral expenses

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5. How do I request a hardship withdrawal?

Go to the Distributions tab and if you are eligible, select *Hardship*. (If you are not eligible, the Hardship option will not appear.) You will need to make sure that all required documentation is sent in.

6. Are there any fees when I take a withdrawal or distribution?

Yes. Insperity charges a \$50 processing fee for each withdrawal and distribution made from an account.

7. What happens to my account when I retire?

Your retirement is considered a termination of employment. The three options you have are leaving the money in the plan, rolling the money to another qualified plan or taking a lump sum (or a partial distribution if the plan allows). If your account has less than \$1,000 in it, you may not have the option to leave your money in the plan. Call the Insperity 401(k) Contact Center at 888-401-5273 to find out more.

8. Must I take mandatory distributions when I reach 70?

It depends on your circumstances:

- If you are actively employed when you reach age 70½ and do not own 5% or more of the company, then you do not have to take a distribution until you no longer satisfy both criteria.
- If you are terminated from service when you reach age 70½, you must take your first required minimum distribution (RMD) for the year you turn age 70½ and each year thereafter.
- If you are still actively employed and you own 5% or more of the company, you must take your first RMD for the year you turn age 70½ and each year thereafter.