

**RE: MCPS Deferred Compensation (457(b)) Plan
Unforeseeable Emergency Withdrawal Letter of Instruction**

Dear Participant:

In accordance with your request for an unforeseeable emergency withdrawal from your account, enclosed is the Unforeseeable Emergency Request Form. A Disbursement Eligibility Certificate for this distribution request must be obtained from AIG Retirement Services Company and must accompany this request.

To establish an unforeseeable emergency and qualify for a withdrawal, the following conditions must apply.

1. The following reasons constitute an unforeseeable emergency under the plan:
 - Necessary medical expenses (for you, your spouse, children, and/or dependents) due to sudden and unexpected illness or accident that are unreimbursed by insurance.
 - Uninsured or underinsured casualty to or emergency major repair of your home or property due to theft, fire, flood or other natural disaster, where subject of loss is necessary for home habitability.
 - Funeral expense of family member.
2. You cannot reasonably relieve the amount of the need:
 - Through reimbursement or compensation by insurance or otherwise
 - By liquidation of participant's assets to the extent the liquidation would not itself cause severe financial hardship
 - By stopping deferrals under the Plan

The amount of the withdrawal may not exceed the amount of the financial obligation imposed upon you by the event that caused the unforeseeable emergency.

If your application is approved, the actual payment amount may vary from the amount initially requested. Variations may be due to market fluctuations. In this event, your unforeseeable emergency withdrawal will be processed at the lower amount.

Please note that some fund families assess redemption fees on distributions if shares are held for less than a designated period. The amount of fee charged may vary. Consult each fund's prospectus or call 1-800-922-9945 for more information. When you request a distribution from a fund that assesses a redemption fee, any redemption fee paid to the fund will be deducted from your requested distribution amount. The redemption fee paid to the fund is not treated as a distribution to you for tax purposes.



Tax Withholding

If your withdrawal application is approved, the money you will receive is not eligible for rollover and is subject to 10% federal tax withholding unless you elect zero tax withholding on the Unforeseeable Emergency Request Form. If your withdrawal application is approved, the money you will receive is not eligible for rollover. Your withdrawal also may be subject to state taxes. Federal withholding will apply only to the taxable portion of your distribution.

You should consult a tax adviser with specific questions about your personal situation if you are considering a withdrawal from your plan.

Gross Up for Taxes

If the amount needed to satisfy your unforeseeable emergency is less than the amount you have available, you may request that the amount of your unforeseeable emergency withdrawal be increased so that you have enough left to satisfy your financial need after taxes and penalties on the withdrawal. In this case, the estimated taxes and penalties will be added to the unforeseeable emergency amount. You will receive (1) the amount available, or (2) the grossed-up value, whichever is less.

Please note: On the Unforeseeable Emergency Request Form, you may elect either zero tax withholding or to gross up the withdrawal for federal and/or state taxes. If you elect both, your distribution cannot be processed.

Please review all materials carefully and complete the Unforeseeable Emergency Request Form. A Disbursement Eligibility Certificate for this distribution request must be obtained from AIG Retirement Services Company and must accompany this request. Make a copy of the signed form, the Disbursement Eligibility Certificate and return the original and the required supporting documentation to:

Regular Mail

T. Rowe Price Retirement Plan Services
Special Attn.: Forms Enclosed
P.O. Box 17215
Baltimore, Maryland 21297-1215

Overnight/ Express Mail

T. Rowe Price Retirement Plan Services
Mail Code: 17215
4515 Painters Mill Road
Owings Mills, Maryland 21117-4903

If your unforeseeable emergency request is approved, the withdrawal will be processed and a check will be mailed to your address of record approximately two business days after the funds have been redeemed from your account. If the request is denied, you will be notified. A confirmation letter will be mailed to your address of record detailing the type of withdrawal and payee information.

If you have any questions, please contact T. Rowe Price at 1-800-922-9945. Representatives are available Monday through Friday between 7 a.m. and 10 p.m. eastern time. For TDD access, call 1-800-521-0325. You may also access your account by visiting the T. Rowe Price *my*RetirementPlan Web site at rps.troweprice.com, available 24 hours a day.

Sincerely,

T. Rowe Price Retirement Plan Services

**MCPS Deferred Compensation (457(b)) Plan
Unforeseeable Emergency Request Form**

**Participant
Information**

Name _____ Social Security Number _____
Street Address _____
City, State, ZIP Code _____
Daytime Phone Number _____ Evening Phone Number _____ Date of Birth _____

**Unforeseeable
Emergency Request**

I hereby request a withdrawal of \$ _____ from the above plan due to the unforeseeable emergency indicated below. This amount should be equal to the amount of your immediate need.

1. I certify that my unforeseeable emergency withdrawal request is for the reason checked below:
- Necessary medical expenses (for you, your spouse, children, and/or dependents) due to sudden and unexpected illness or accident that are unreimbursed by insurance.
 - Uninsured or underinsured casualty to or emergency major repair of your home or property due to theft, fire, flood or other natural disaster, where subject of loss is necessary for home habitability.
 - Funeral expense of a family member.
2. I certify that the amount I have requested as an unforeseeable emergency withdrawal is no larger than the amount of my immediate need described in 1 above. I further certify that I cannot reasonably relieve the amount of need:
- Through reimbursement or compensation by insurance or otherwise
 - By liquidation of participant's assets to the extent the liquidation would not itself cause severe financial hardship
 - By stopping deferrals under the Plan

Income Tax Withholding

Unforeseeable emergency withdrawals are not eligible for rollover. Therefore, the plan is required to withhold 10% from your unforeseeable emergency withdrawal as a credit against your federal taxes unless you elect not to have federal withholding. Federal withholding will apply only to the taxable portion of your withdrawal. There will be no withholding if your taxable payments for the year are less than \$200.

If you do not have enough federal withholding from your withdrawal, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

You may elect to gross up the withdrawal to help pay taxes and penalties you may owe on the withdrawal. The amount of the withdrawal you requested will be increased, so that after those taxes are paid, you will be left with the amount needed to satisfy your financial hardship. You will receive (1) the amount available, or (2) the grossed-up value, whichever is less.

Please note: You may elect either zero tax withholding OR to gross up the withdrawal for taxes but not both. If both are selected, your distribution cannot be processed.

Withholding Option

You may elect not to have withholding apply to your withdrawal by checking the box below.

Federal tax withholding will be 10% unless you elect otherwise.

I elect no federal taxes to be withheld.

You may also elect not to have state taxes withheld; however, they will be withheld in any event to the extent required by law.

I elect no state taxes to be withheld.



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Unforeseeable Emergency Request Form**

Gross-Up Election

Check off those amounts to be grossed up.

- 10% federal income tax.
- State income tax (will be withheld to the extent required by law in your state of residency).

Payment Information

- Please send check to my address of record.
- Please send wire to: *

Wire Information:

Bank name: _____

ABA number
(nine digits): _____

Account name: _____

Account number: _____

Further credit to: _____

Participant account
name: _____

Note: YOU MUST ATTACH A VOIDED CHECK WITH YOUR DISTRIBUTION PAPERWORK. To wire funds to a personal bank account, you must be listed as an owner of that account. The bank account registration on the voided check will be used to confirm wiring instructions and to confirm that you are listed as an owner of the bank account.

By signing this form, you agree that if a voided check is not attached, T. Rowe Price is not required to send the distribution proceeds by wire and may instead, in T. Rowe Price's sole discretion and without prior notice to you, send the proceeds by check to the address of record.

***Please check with your bank or financial institution; there may be a fee for accepting wires.**

Participant's Signature

Date

Participant's Signature



UNFORESEEABLE EMERGENCY WITHDRAWAL DOCUMENTATION REQUIREMENTS

YOU ARE RESPONSIBLE FOR THE FOLLOWING REQUIREMENTS THAT APPLY TO ALL UNFORESEEABLE EMERGENCY WITHDRAWALS.

THESE REQUIREMENTS APPLY TO ALL UNFORESEEABLE EMERGENCY WITHDRAWALS

- Your reason for unforeseeable emergency must be immediate in nature and a heavy financial burden.
- You must take all other withdrawals and/or nontaxable loans allowed under the plan before applying for a unforeseeable emergency withdrawal.

YOU ARE ALSO RESPONSIBLE FOR THE REQUIREMENTS THAT APPLY TO YOUR SPECIFIC UNFORESEEABLE EMERGENCY REASON. YOUR UNFORESEEABLE EMERGENCY WILL NOT BE PROCESSED WITHOUT THE APPROPRIATE SUPPORTING DOCUMENTATION.

UNREIMBURSED MEDICAL EXPENSES

Medical expenses unreimbursed by insurance plans incurred by you for you, your spouse, or your qualifying dependents will be considered for this unforeseeable emergency. You will need to provide proof of the amount due and proof that the amount due is your responsibility.

- Proof of Amount Due** - provide a current statement from the medical provider that states the amount due and date due.

AND

- Proof That Amount Due Is Your Responsibility** - provide **ONE** of the following:
 - Statement from the medical provider that shows payment made by your insurance company and that the amount due is your responsibility
 - Statement from your insurance company indicating what portion is your responsibility
 - Written verification, provided by the Benefits Administrator, confirming what portion of the amount due is the participant's responsibility (to be used only in extreme situations when documentation is difficult)

PAYMENT FOR FUNERAL EXPENSES

Payment for burial or funeral expenses for your deceased parent, spouse, children or qualifying dependents (as defined in Code Section 152, without regard to the income limits of Section 152(d)(1)(B)). You will need to provide proof of the amount due and proof that the amount is your responsibility.

- Proof of Amount Due** - provide an invoice or letter from institution showing amount due and date due

AND

- Proof That Amount Due Is Your Responsibility** - provide the following:
 - **Proof of Death** – A copy of the death certificate
 - **Proof of Required Relationship** – Statement from you
 - **Proof of Dependent (if not the employee's parent, spouse or child)** – Under Code Section 152, a qualifying dependent (other than a parent, child or spouse) is an individual who bears a certain relationship to you AND for whom you provide more than one-half of the individual's support. Provide statement from you or a copy of your federal income tax return for the prior year showing that you claimed the individual as a dependent and a statement that you continue to provide over one-half of the qualifying individual's support for the current year.



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EXPENSES FOR REPAIR OF DAMAGE TO PRINCIPAL RESIDENCE

Expenses for the repair of damage to your principal residence caused by fire, storm or other casualty that would qualify for the casualty deduction under Code section 165 (without regard to whether the loss exceeds 10% of your adjusted gross income). To qualify for the casualty deduction, the amount of the loss must exceed \$100, must **not** be reimbursed by insurance or otherwise and must not exceed the lesser of your adjusted basis in the residence or the fair market value of the property destroyed (i.e., the fair market value of the residence immediately before the casualty reduced by the fair market value immediately after the casualty). Principal residence is a single-family home, townhouse, condominium, mobile home, or co-op in which the employee resides.

Proof of Amount Due – Invoice or estimate from contractor indicating nature of repair and cost
AND

Proof of Casualty Event – Photographs, Statement from you of the casualty event
AND

Proof of Deductibility (lesser of basis or value of property destroyed) – Statement of deductibility provided by you, statement of basis provided by you or by accountant, valuations immediately before and after casualty provided by appraiser

