

## **STAR PLUS 403(b) Hardships & Loans January 1, 2009**

Broward Health has amended the STAR PLUS 403b plan document to comply with the new Internal Revenue Service (IRS) rules and regulations which are effective January 1, 2009. The major changes impacting employees are related to hardships and loans.

### **Hardships**

Hardship distributions shall be approved only in the event that the Participant experiences an immediate and heavy financial need, and the amount of any such distribution shall be limited to the amount needed to satisfy the financial need.

Only one (1) hardship distribution shall be permitted in any twelve (12) consecutive month period (previously BH allowed for two hardships in 12 months). Once approved, employees will then be suspended from making elective deferrals to the Plan for the six (6) months period following the approval date of the hardship.

Hardships from the Star Plus 403(b) plan will be limited to the following six reasons (there are no exceptions to these regulations per IRS rules):

1. Immediate and unexpected medical expenses which were not reimbursed by the Participant's health plan;
2. Costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Participant;
3. Payments of tuition and related educational fees for the next twelve (12) months of post-secondary education for the Participant, spouse, children or dependents;
4. Payments necessary to prevent the eviction of the Participant from his or her principal residence due to foreclosure of the Participant's principal residence;
5. Payments of burial or funeral expenses for the Participant's deceased parent, spouse, children or dependents;
6. Expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Code Section 165. i.e. (fire/storm)

### **Loans**

Load provisions has been updated such that a participant may not have more than one loan outstanding at any time (previously there was no limit).

1. Loans may be taken from deferrals or from employer contributions (after becoming 100% vested.)
2. The maximum amount of a loan shall not exceed the lesser of 50% of the total vested account balance, or \$50,000.
3. The minimum loan amount is one thousand dollars.
4. The maximum term of repayment shall be 5 years except that the maximum term of repayment of a loan for the purchase of a principal residence shall be 10 years.
5. Interest may be charged by the Vendor in addition to set up and maintenance fees.

There is no change to the 457(b) Plan or PL Hardship Policy. In 2008, the Tuition Reimbursement Hardship requirement was changed such that hardship reimbursement is only approved when the university/school does not have a deferred payment plan.

Please see your Regional Human Resources Department if you have additional questions.  
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