

## WHITMAN COLLEGE RETIREMENT PLAN (the “Plan”)

### SUMMARY OF MATERIAL MODIFICATIONS

The Plan has been amended to make certain changes as summarized below. This Summary of Material Modifications (SMM) is a supplement to the Summary Plan Description (SPD) for the Plan and modifies some of the information found in the SPD. These changes are currently in effect and became effective as of the date(s) stated in the Plan amendment, effective July 1, 2019. These changes affect the Plan’s hardship withdrawal provisions.

Please keep a copy of this SMM with your copy of the SPD. The Plan document governs if there are any discrepancies between this SMM and the Plan document.

Please contact Telara McCullough at [mcculltl@whitman.edu](mailto:mcculltl@whitman.edu) if you have questions.

#### **Hardship Withdrawals**

The Plan’s hardship withdrawal provisions have been revised as explained below:

A. Elimination of Six-Month Suspension Period: Under prior rules, if you took a hardship withdrawal, your salary deferrals (to the extent available under the Plan) were suspended for six months following the hardship withdrawal. The Plan has now been amended so that salary deferrals no longer automatically stop when you take a hardship withdrawal.

If you were in the middle of your six-month suspension period when this change became effective, your Employer adopted nondiscriminatory procedures about how and when to restart your salary deferrals. Please contact the person listed in earlier in this SMM for further information.

B. Loan Not Required: You are no longer required to take a Plan loan (to the extent available under the Plan) before taking a hardship withdrawal.

C. Hardship Withdrawal Reasons: A hardship distribution from amounts you contribute as Elective Deferrals will only be approved if you have an immediate and heavy financial need and the distribution is necessary to satisfy the need. The list of conditions that are considered heavy and immediate needs has been updated to (1) include expenses and losses (including loss of income) incurred on account of a disaster declared by the Federal Emergency Management Agency (FEMA); (2) payment of expenses for the repair of damage to your principal residence that would qualify as a casualty loss deduction; and (3) to clarify that certain expenses, if incurred by your primary beneficiary will also be considered to constitute a heavy and immediate need.

The following situations are considered heavy and immediate financial needs for purposes of hardship distributions under the Plan:

(a) medical expenses described in Code Section 213(d) that have already been incurred by you, your spouse, your dependents, or your primary Beneficiary or Beneficiaries, or that are necessary for these persons to obtain such medical care;

- (b) purchase (excluding mortgage payments) of your principal residence;
- (c) payment of tuition, related educational fees, and room and board expenses for the next twelve months of post-secondary education for you, your spouse, your children, your dependents, or your primary Beneficiary or Beneficiaries;
- (d) the payment of amounts necessary to prevent your eviction from your principal residence or the foreclosure on the mortgage of your principal residence;
- (e) payment of burial or funeral expenses for your deceased parent, spouse, child, dependent or primary Beneficiary or Beneficiaries;
- (f) expenses for the repair of damage to your principal residence that would qualify as a casualty loss deduction under Code Section 165 (determined without regard to Code Section 165(h)(5) and whether the loss exceeds 10% of the Participant's adjusted gross income);
- (g) expenses and losses (including loss of income) incurred by a Participant on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, provided the Participant's principal place of residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster; or
- (h) other circumstances as may be specified in regulations under the Internal Revenue Code.

D. Immediate and Heavy Financial Need Standard: To qualify for a hardship withdrawal, you must experience an immediate and heavy financial need for one of the qualifying financial hardship situations (see above). The withdrawal will be treated as necessary to meet an immediate financial need if:

1. the amount of the hardship withdrawal does not exceed the amount necessary to meet that immediate and heavy financial need, including amounts needed to pay any federal, state, or local income taxes or penalties associated with the withdrawal,
2. you take any other available distribution under the Plan or any other plan sponsored by the Employer, and
3. you represent in a manner acceptable to the Plan Administrator or its delegate that you do not have sufficient cash or other liquid assets to satisfy the financial need.

The Plan Administrator may rely on your written statements as to the existence of an immediate and heavy financial need and with respect to the unavailability of other sources of relieving that need, unless the Plan Administrator has actual knowledge to the contrary. Hardship withdrawals will be administered by the Plan Administrator in accordance with uniform and nondiscriminatory standards applicable to all Participants.

**WHITMAN COLLEGE**  
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