



HAWAII ELECTRICIANS ANNUITY FUND

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RULES FOR HARDSHIP DISTRIBUTIONS TO PARTICIPANTS OF THE HAWAII ELECTRICIANS ANNUITY FUND

Section 1. Purpose of Hardship Distribution.

Hardship Distributions to Participants will be made only for the following:

a. Emergencies:

- 1) Funeral Expenses for deceased spouse, child, or parent of Participant where expenses exceed any death benefits which may be payable;
- 2) Medical Expenses for the Participant, spouse or dependent children, which exceed any benefits payable by any medical insurance by at least \$100;
- 3) Catastrophic Expenses caused by fires, floods, accidents, or earthquakes, which exceed the Participant's cash reserves and any financial assistance that the Participant may qualify for from any aid program.

b. Other Hardship Needs:

- 1) Education Expenses for a Participant's physically or mentally handicapped dependent children not covered by any government aid program for such children;
- 2) Food, Clothing, Rental, and Medical Expenses if an unemployed Participant or his dependents do not qualify for unemployment or welfare assistance;
- 3) Payments necessary to prevent the eviction of the Participant from the Participant's principal residence or the foreclosure of the mortgage on that principal residence.

Section 2. Hardship Distribution Conditions

a. Hardship Distribution Amount

The amount of a Hardship Distribution shall not exceed the lesser of \$25,000 or 50% of the portion of a Participant's Accumulated Share attributable to Contributions due to Fiscal Years beginning on or after October 1, 1996 (less any current loan balances).

b. Hardship Distribution Frequency

A Hardship Withdrawal will be allowed no more than twice during the 5 Fiscal Year period ending with the Fiscal Year of application.

c. Application

The Participant shall fill out an application form and shall provide the Trustees with all of the information and documentation required by the Trustees as proof of the amount and reason for the Hardship Withdrawal. Such application shall require the consent of the Participant's spouse, if applicable.

The Trustees or their appointed representatives may approve the distribution of a Hardship Withdrawal to the Participant if warranted by the documents provided by the Participant.

d. Hardship Distribution Checks

All Hardship Distribution checks will be made payable to the Participant.

Section 3. Restrictions.

No Hardship Distributions may be made for business or investment purposes or any other purposes except as outlined in Section 1. Any Participant who fraudulently applies for and obtains a Hardship Distribution shall be subject to prosecution as provided by law.

Section 4. Partial Invalidity.

If any portion of these rules is deemed invalid under any applicable law, the remaining rules shall continue to apply.