

**PENSION FUND FOR NURSING HOME AND
HEALTH CARE EMPLOYEES PHILADELPHIA and VICINITY
HARDSHIP DISTRIBUTION POLICY**

General

The Board of Trustees (the "Trustees" or the "Board") of the Pension Fund for Nursing Home and Health Care Employees Philadelphia and Vicinity (the "Fund") has adopted this Hardship Distribution Policy (the "Policy"). The purpose of the Policy is to establish the procedure by which hardship distributions are made to vested participants who have immediate and heavy financial needs. Capitalized terms not otherwise defined in this Policy shall have the meaning set forth in the Fund's plan document.

Hardship distributions are subject to the discretion of the Trustees. The Trustees have the ability to delegate the duties of processing the hardship withdrawal applications to the Fund Administrator to ensure that vested participants provide proper documentation of an immediate and heavy financial need and that distributions are made in a uniform and nondiscriminatory manner. The Board shall appoint a Hardship Distribution Committee consisting of at least one Union Trustee and one Employer Trustee to address application issues that arise between scheduled meetings such as an appeal from denial of a hardship application.

Hardship Distributions Purposes and Limitations

A hardship withdrawal will be authorized only if the distribution is to be used for one of the following purposes:

- 1) tuition costs (excluding room and board expenses) of the next twelve months of post-secondary education for the vested participant and his or her eligible dependents;
- 2) expenses for purchase of the vested participant's primary residence (excluding mortgage payments); or
- 3) payments needed to prevent eviction from vested participant's primary residence, or to prevent the foreclosure of the mortgage on your primary residence.

The amount of the distribution cannot exceed the lesser of the amount of indebtedness that vested participant is unable to pay in a reasonable time, or (50%) fifty percent of the vested Retirement Account as of the most recent Valuation Date.

Only one such withdrawal is permitted within a five-year period. The distribution is a taxable distribution and the amount vested participant receives will be reduced by taxes withheld. Additionally, in general, if vested participant is under age 59-1/2 the distribution will be subject to a 10% early withdrawal penalty tax. Hardship distributions shall be made in a single lump-sum.

Procedure

In order for a vested participant to be considered for a hardship distribution, he or she must complete a written hardship withdrawal application provided by the Fund. The application will not be considered complete unless and until all required documentation has been provided to the Fund and all applications are signed. As part of the application process, the vested participant must sign his or her name below the following statement:

"I represent that the distribution requested does not exceed the amount of my immediate and heavy financial need (including any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution).

I further represent that I have obtained all other currently available distributions under the Plan and any other qualified or nonqualified plan maintained by my employer.

I further represent that I have insufficient cash or other liquid assets reasonably available to satisfy my need."

Tuition

Where the vested participant is seeking a hardship distribution for tuition costs, an invoice from the post-secondary educational institution must be provided reflecting it is for the upcoming twelve-month period. Tuition costs cannot be paid for student loans or for tuition where the vested participant or eligible dependents have completed the coursework.

Purchase of Primary Residence

Where the vested participant is seeking a hardship distribution for the purchase of a primary residence, the vested participant should produce a copy of an Agreement of Sale and Closing Costs or other appropriate documentation and a mortgage approval showing the actual amount being financed.

Evictions

Where the vested participant is seeking a hardship distribution to prevent an eminent eviction from a primary residence, the vested participant must produce a copy of the pending complaint for eviction. A demand or "ten-day" letter from a landlord is not sufficient documentation of an eviction. If the vested participant is not a named defendant in the complaint for eviction, he or she must provide documentation to the satisfaction of the Fund that the property at issue in the complaint for eviction is his or her current primary residence.

Foreclosure

Where the vested participant is seeking a hardship distribution to prevent the foreclosure of the mortgage on a primary residence, the vested participant should produce a copy of a letter from the mortgage company demanding immediate settlement of payments in arrears or delinquency

and threat of foreclosure. The demand letter should include the amount of the delinquency and the deadline for payment.

The Trustees determination as to whether the vested participant has provided sufficient documentation of a hardship shall be final and binding.