



April 26, 2011

To the Board of Trustees:

The 403b retirement plan adopted by the Southwest Texas Junior College with Aspire Financial Services does not allow for a hardship withdrawal. Southwest Texas Junior College employees cannot access their 403b savings accounts unless they turn 59 ½ years of age or passes away.

However, Internal Revenue Service rules provide "safe harbors" for determining if a hardship distribution can be made to a 403b annuity savings account is on account of an "immediate and heavy financial need":

- Expenses for medical care previously incurred by the employee, the employee's spouse, dependents or beneficiary or is now necessary for these persons to obtain medical care;
- Costs directly related to the purchase of an employee's principal residence (excluding mortgage payments);
- Tuition, related educational fees and room and board expenses for the next 12 months of postsecondary education for the employee, or the employee's spouse, children, dependents or beneficiary of the employee;
- Payments necessary to prevent the eviction of the employee from the employee's principal residence or mortgage foreclosure;
- Funeral expenses for the employee, the employee's spouse, children, dependents, or beneficiary of the employee; or
- Certain damage repair expenses for the employee's principal residence.

In today's economic climate the Faculty Association believes that SWTJC employees should have access to their own savings funds when needed.

Therefore, the Faculty Association requests the Board of Trustees authorize Ana Dragoo, Human Resource Coordinator, to contact Aspire Financial Services to have the 'hardship withdrawal' option added to Southwest Texas Junior College's 403b plan.

Jeffrey Pomeroy  
President, SWTJC Faculty Association