

Hardship withdrawals from the Lowe's 401(k) Plan

In certain cases of financial distress, a withdrawal from a retirement plan can be used to cover specific expenses, such as a pending foreclosure or eviction, or excessive medical bills. Known as a hardship withdrawal, this money does not need to be repaid. Keep in mind income taxes will be assessed and you may be liable for an early withdrawal penalty if you are under age 59½. While a hardship withdrawal may be helpful in the short term, it may seriously damage your long-term retirement financial plan. **You should consider a hardship withdrawal only as a last resort.**

Hardship withdrawal requirements

Hardship withdrawals are allowed based on an immediate and heavy financial need. Under the terms of Lowe's 401(k), an immediate and heavy financial need has been defined as:

- Your purchase of your primary residence (excluding mortgage payments)
- Extraordinary, unreimbursed medical expenses incurred by you, your spouse, or dependents
- Tuition, room and board, and related educational fees for the next 12 months of post-secondary education for you, your spouse, children, or dependents
- Amounts necessary to prevent your eviction from, or foreclosure on, your primary residence
- Funeral expenses for immediate family members
- Repair of damage to your principal residence resulting in a casualty loss

A hardship withdrawal must be for a minimum of \$1,000 and can include money from your employee contributions and, if applicable, your rollover contributions, and/or ESOP diversification account. A hardship withdrawal cannot include money from your company matching contributions and, if applicable, your Performance match account and/or ESOP account.

Important considerations

A hardship withdrawal will not be considered necessary unless you have already obtained all available withdrawals allowed under this plan. In addition, the amount of the withdrawal cannot exceed the amount necessary to meet your immediate financial need and any applicable taxes and penalties resulting from the withdrawal. If a hardship withdrawal is granted, you will also be prohibited from making contributions to the 401k Plan for a period of 6 months. Your contributions will automatically restart after the suspension period ends unless you request otherwise on the Hardship Withdrawal Form.

NOTE: If your request for a hardship withdrawal is granted, your contributions will be suspended for the next six (6) months in the Lowe's 401(k) Plan, the Employee Stock Purchase Plan (ESPP), and any non-qualified deferred compensation plans in which you participate (e.g., Benefit Restoration Plan (BRP), Cash Deferral Plan (CDP)). Unless you make a change to your 401(k), BRP, or CDP deferral elections during your suspension period, at the end of your suspension period your salary deferral(s) will resume at the percentage(s) in effect when you took the hardship. If you were a participant in the ESPP, you will need to enroll during the next ESPP enrollment period following your six month suspension period – you will not be automatically enrolled in the ESPP.



How to request a hardship withdrawal

You can request a Hardship Withdrawal Form by calling the Wells Fargo Benefits Helpline at **1-888-728-3123**. In order to reduce the chance of a delay in processing your request for a hardship withdrawal from your Lowe's 401(k) Plan, please remember to do all of the following:

1) Verify the amount you have available for withdrawal using one of these options:

- a. Logon to your account through **www.myloweslife.com** (My Lowe's Life > My Wealth > Wealth Related Quick Links > 401(k) > 401(k) at Wells Fargo)
- b. Contact a Lowe's Client Service Representative at **1-800-728-3123**

Reminder:

- The minimum amount allowed for a hardship withdrawal is \$1000
- Only your own contributions can be withdrawn for a hardship
- The amount available can fluctuate daily due to market conditions

2) Collect the following documentation which must accompany your hardship request. The documentation varies by applicable hardship reason

Purchase Primary Residence

- Signed sales contract for purchase of your home (purchase price, address, buyer and seller signature and actual closing date)
Purchases not involving a realtor need to be notarized
- If you are building a home, request must include a valid construction loan and purchase agreement
- Requests for secondary/vacation homes will not be accepted
- Requests for reimbursement of funds already paid will not be accepted

Payment of College Tuition for you or a dependent

- Copy of outstanding invoice for tuition, room and board, if applicable, dated within past 60 days
- Tuition invoice can be for the current or future semester
- Book receipts must be from the past 60 days and accompanied with student schedule
- Off campus housing can only be paid for current semester and 12 months into the future
- Proof of dependency is required, if applicable
- Request to repay student loans will not be accepted

Pay for Funeral Expenses

- Statement of funeral expense costs for immediate family member (spouse, parent, child or dependent) within past 60 days
- Copy of death certificate
- Request for reimbursement of funds already paid will not be accepted
- Proof of dependency is required, if applicable

Repairs for Damage to Participants Residence

- Copy of estimate from a licensed contractor for repairs required due to a natural disaster (floods, storms, hurricane, and tornado, as defined by the IRS)
- Estimate must contain description of damage and be dated within 60 days
- Insurance settlement statement required

Avoid Foreclosure/Eviction

- Eviction or foreclosure notice on business letterhead or notarized if it is typed or written by landlord
- Eviction or foreclosure notice must contain amount due, address and date and be dated within 30 days
- Proof of residence (if address does not match participant's address)

Pay Medical Expenses not covered by insurance for you or a dependent

- Copies of medical bills issued to you for services provided within 60 days, regardless of date of service (documentation needs to include insurance coverage details)
- Prescription receipts will be reimbursed for prescriptions bought within past 60 days
- For medical/dental expenses to be incurred within 60 days, submit a signed treatment plan from your medical/dental office that includes expected insurance coverage and the date that the treatment is scheduled to begin
- Collections bills must show medical creditor and be dated within past 60 days
- Proof of dependency is required, if applicable

Once received in good order, your hardship application will be reviewed and processed as soon as possible. You will be contacted by Wells Fargo Retirement Services by phone or in writing if additional documentation is required.



Go to mylowesbenefits.com for more information.