



Financial Resources Sheet

In times of financial emergencies, take the time to add up all of your financial resources, both the conventional and unconventional. The chart below can get you started. You may discover you have more resources as you proceed.

Financial Resources	Potential Value
Life Insurance (Cash Value)	\$
Home Equity Loan Available credit line	\$
Savings Bonds	\$
401k*	\$
Other	\$
Total	\$

Monthly cash flow

Spending Reduction	\$
Income Increase	\$
Debt Consolidation	\$
House Refinancing Monthly savings	\$

***401k Hardship Distribution**

The IRS defines "financial hardship" as the need to withdraw money: Hardship distributions of 401k funds are generally allowed for financial hardship, which may include the following reasons,

- to pay college tuition for yourself or a dependent, provided it's due within the next 12 months
- to make a down payment on a primary residence
- to pay unreimbursed medical expenses for you or your dependents
- to prevent foreclosure or eviction from your home

However, you may still have to pay the 10% premature distribution penalty unless you can prove you are truly in dire straits. All applicable federal, state and local income taxes are also due on the amount you withdraw.

Your employer may require you to provide financial records to prove the need for a hardship withdrawal.

Section 72t may allow you to invade your 401K before you reach the age of 59 ½ without incurring the 10% penalty tax, however, there could be other negative results. As always, contact a qualified tax advisor before taking any action.