

New steps from previous process

Loan Processing Steps for Loans from VALIC

1. Employee requests application forms from VALIC (We recommend calling the voice response unit (VRU) at 1-800-448-2542 rather than downloading the forms directly from the website. The VRU can then perform step #2 below with the employee.)
2. VALIC does “pre-qualification” with employee, reviewing forms, discussing payment amounts and amortization schedule, and reviewing instructions
3. VALIC sends forms to employee with some fields pre-filled
4. Employee sets up appointment to meet with employer to review alternate provider status (employer reviews Alternate Provider Decision Grid and determines eligibility and information-sharing requirements)
5. Employee completes forms
6. Alternate Provider Steps, subject to employer-employee pre-screening interview in #4 above:
 - a. If employee has funds invested in alternate provider, employee submits Supplemental Form(s) to alternate provider(s) for completion
 - b. Alternate provider(s) return completed Supplemental Form to employee
 - c. Employee submits application and Supplemental Form(s) to employer
 - d. Employer reviews application, confirms Supplemental Form information by contacting alternate provider, certifies review and confirms employment status
7. Employee submits loan forms to VALIC for processing
8. VALIC processes loan, including preparing loan disbursement check for employee and amortization schedule for repayment
9. VALIC sends check and amortization schedule to employee, and amortization schedule to ARP office
10. ARP office notifies employer of loan disbursement and sends copy of amortization schedule to employer
11. Employer begins payroll deductions from employee paycheck per amortization schedule
12. Upon payment in full, VALIC notifies ARP office of final payment
13. ARP office notifies employer of satisfaction of final loan payment
14. If employee has had excess loan repayment deductions, VALIC will refund excess directly to employee via check

Hardship Distribution Steps for Distributions from VALIC

1. Employee requests hardship distribution forms from VALIC (We recommend calling the voice response unit (VRU) at 1-800-448-2542 rather than downloading directly from the website. The VRU can then perform step #2 below with the employee.)
2. VALIC does “pre-qualification” with employee, reviewing forms and instructions
3. VALIC sends forms to employee with some fields pre-filled
4. Employee sets up appointment to meet with employer to review alternate provider status (employer reviews Alternate Provider Decision Grid and determines eligibility and information-sharing requirements)
5. Employee completes forms and gathers supporting documentation to support reason for hardship

6. Alternate Provider Steps, subject to employer-employee pre-screening interview in #4 above:
 - a. If employee has funds invested with alternate provider, employee submits Supplemental Form(s) to alternate provider(s) for completion
 - b. If alternate provider(s), alternate provider(s) return completed Supplemental Form to employee
 - c. Employee submits application with supporting documentation for hardship reason and Supplemental Form to employer
 - d. Employer reviews application, confirms Supplemental Form information by contacting alternate provider, certifies review and confirms employment status
7. Employee submits hardship distribution forms to ARP office for review
8. ARP office reviews supporting documentation for hardship reason and approves if in compliance with legal plan and IRS regulations
9. ARP office submits approved hardship application and documentation to VALIC for processing
10. VALIC processes hardship distribution including preparing hardship check for employee and notifying ARP office of distribution
11. ARP office notifies employer to cease all employee and employer match contributions to all plans for six months on behalf of employee (if employee is employed by more than one participating employer, ARP office notifies all employers to cease contributions)

Loan Processing Steps for Loans from other providers (not VALIC)

1. Employee requests application forms from other provider
2. Other provider sends forms to employee
3. Employee completes forms (including Supplemental Form of other provider, if required)
4. Other provider may need to contact employer for VALIC information-sharing data (and employer may need to contact ARP office for information)
5. Employee submits application forms to other provider for processing
6. Other provider processes loan, including preparing loan disbursement check for employee and amortization schedule for repayment
7. Other provider sends check to employee and amortization schedule to employer
8. Employer begins payroll deductions from employee paycheck per amortization schedule
9. Upon payment in full, other provider notifies employer of final payment

Hardship Distribution Steps for Distributions from other providers (not VALIC)

1. Employee requests hardship distribution forms from other provider
2. Other provider sends forms to employee
3. Employee completes forms (including Supplemental Form of other provider, if required) and gathers documentation to support reason for hardship
4. Other provider may need to contact employer for VALIC information-sharing data (and employer may need to contact ARP office for information)
5. Depending on other provider's process, either employer or other provider will review supporting documentation to confirm compliance with IRS code reasons
6. Employee submits application forms to other provider for processing
7. Other provider processes hardship distribution including preparing hardship check for employee and notifying employer of distribution
8. Employer suspends all employee and employer match contributions to all plans for six months