

# Financial Emergency? Consider all your options.

Life happens and it can sometimes be unexpected and expensive. What do you do if you have a financial hardship, like unexpected expenses such as a medical issue or reduction in pay? How can you act quickly and still make sure you can pay in a way that doesn't derail your entire budget?

 **Before exploring these emergency options that could increase your debt, consider what else may be available to you, like a payment plan option or consolidation services.**



**Is this a medical emergency?** Consider using your Health Savings Account (HSA) or Flexible Spending Account (FSA) for qualified medical expenses if you have one. [LEARN MORE](#) If you don't have an HSA or FSA, don't have enough to cover the cost in full or this isn't health related, follow the path below.

Let's explore your options  **START HERE**

**Do you have a credit card with no balance that you feel confident you can pay off in one month to avoid interest charges?**

Consider using it. [LEARN MORE](#)

**Do you have access to a qualified Coronavirus (CARES Act) withdrawal? If so, to qualify:**

- You must have experienced severe financial loss due to Covid-19 (severe financial loss is specific to the participant (not the spouse))
- You, a spouse or a dependent has been diagnosed with covid-19 by a test that has been approved the CDC

(Plan rules and tax implications apply)

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**Do you have a 401(k) that you can take a loan from, and that you are confident you can pay back?**

Consider taking a 401(k) loan

(Continue to contribute to minimize the impact to your long-term savings goals). [LEARN MORE](#)

**Do you have an IRA but aren't eligible to take a penalty-free withdrawal from?**

Consider taking a non-qualified withdrawal (taxable and subject to a 10% IRS early withdrawal penalty). [LEARN MORE](#)

**Can you cover the amount with your 401(k)?**

Consider taking a hardship withdrawal (pay close attention to the rules and continue contributing to minimize the impact to your long-term goal).

**Do you have rainy day funds?**

Consider using available cash or money you've put aside in a separate account for emergencies.

If you participate in an Employee Stock Purchase Plan (ESPP) you may be able to withdraw your accumulated contributions.

**Do you have other non-retirement accounts?**

Consider using those accounts (e.g. brokerage accounts). If you have them, consider vested restricted stock, shares purchased in an ESPP, or vested in-the-money stock options.

**Do you have a retirement account that you are eligible to take a qualified withdrawal from?**

(e.g. 59.5 or older for IRA)

Consider taking it (pay close attention to the rules and continue contributing to minimize the impact to your long-term goal).

**Can you open or use an existing HELOC or personal loan that you feel confident you can pay back?**

Consider opening a Home Equity Line of Credit (HELOC) or personal loan (if a reasonable rate of 4% or less). [LEARN MORE](#)

**Do you have access to a qualified Coronavirus (CARES Act) loan? If so, to qualify:**

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  - You, a spouse or a dependent has been diagnosed with covid-19 by a test that has been approved the CDC
- (Plan rules and special repayment options may apply).

[LEARN MORE](#)

\* Availability dependent upon plan adoption.

This hierarchy was created with the goal of minimizing the adverse effects of an emergency withdrawal such as unexpected or unplanned taxes, penalties or impacts to other planning goals. This information is intended to be educational and is not tailored to the investment needs of any specific investor. Investing involves risk, including risk of loss.

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