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International Union of Operating Engineers Local 4
Annuity and Savings Plan

**Procedures and Policies for the Qualification and Interpretation
of Domestic Relations Orders**

Adopted by the Board of Trustees

April, 2007
(As revised August, 2016)

The Trustees of the International Union of Operating Engineers Local 4 Annuity and Savings Fund (the “Fund”) have adopted the following procedures and policies concerning the interpretation and qualification of Qualified Domestic Relations Orders (QDROs) issued with regard to the International Union of Operating Engineers Local 4 Annuity and Savings Plan (the “Plan”).

These procedures and policies are intended to clarify the current legislative requirements relating to QDROs, the steps the Fund will follow in qualifying and administering QDROs, and the way various QDRO provisions will be interpreted with respect to Plan provisions.

These policies shall become a part of the Plan and shall be incorporated therein by reference.

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SECTION 1: DEFINITIONS

Alternate Payee

An Alternate Payee, as that term is used in ERISA, means a spouse, former spouse, child, or other dependent of a Participant who is named in a QDRO and given the right to receive all or a portion of the Participant's benefits. A QDRO may name multiple and successor Alternate Payees. To qualify as an Alternate Payee, a child must be a dependent of the Participant. A child who is a dependent of the Participant's former spouse therefore would not qualify, nor would a child who is claimed as someone else's dependent for federal income tax purposes, including a child who claimed him- or herself as a dependent.

Domestic Relations Order (DRO)

A DRO is a judgment, decree, or order, including a court approval of a property settlement agreement, which provides child support, alimony, or property rights to a spouse, former spouse, child, or other dependent of a Participant. It must be made pursuant to state domestic relations law.

Individual Account

A Participant's Individual Account is the account established under the Plan for each Participant and includes his or her self-directed Investment Account and Transfer Account. The Transfer Account consists of amounts that have been contributed to the Plan on behalf of a Participant but not yet deposited to and invested through his or her self-directed Investment Account. The Participant's Individual Account balance as of a particular date is the sum of the market value of the Participant's Investment Account and the Transfer Account as of on such date. If the Participant has an outstanding loan balance, this could affect the amount available for transfer to the Alternate Payee.

Participant

A Participant is a person who has completed at least one Hour of Service on or after January 1, 1999 in employment for which a contribution is required to be made to the International Union of Operating Engineers Local 4 Annuity and Savings Plan. A person who did not complete an Hour of Service on or after January 1, 1999 became a Participant upon earning 165 Hours of Service in a Plan Year (i.e., calendar year).

Qualified Domestic Relations Order (QDRO)

A QDRO is a DRO that creates, recognizes, or assigns to the Alternate Payee the right to receive some portion of a Participant's benefits under the Plan, and that the Plan Administrator has determined meets the specific requirements contained in ERISA §206(d)(3) (29 USC §1056(d)(3)), and the Internal Revenue Code §414(p) (26 USC §414(p)). A DRO must be executed by a court before the Plan Administrator can formally deem it qualified, and must be deemed qualified by the Plan Administrator before it can become effective.

Required Beginning Date

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The Required Beginning Date is April 1 of the calendar year following the calendar year in which the Participant reaches age 70½. This is the date by which the Participant must begin receiving benefits.

Valuation Date

For the purpose of these QDRO Procedures, the “Valuation Date” is the date as of which the Participant’s Individual Account is to be valued for purposes of determining the amount payable to the Alternate Payee, as specified in the DRO. The Fund’s recordkeeper can generally determine the market value of a Participant’s Individual Account as of any date.

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SECTION 2: GENERAL INFORMATION FOR LEGAL COUNSEL, PARTICIPANTS, AND ALTERNATE PAYEES

Introduction

For many married Participants, their retirement plan benefits may represent a significant part of the couple's assets. If a Participant and his or her spouse are separating or divorcing they must divide up their marital property and reach a settlement. When retirement plan assets become part of a separation, divorce, or other domestic relation proceeding, a court may order that a share of a Participant's retirement benefits be awarded to an Alternate Payee. Under federal law this order is called a Qualified Domestic Relations Order ("QDRO"). A QDRO is a judgment, decree, or order (including the approval of a property settlement agreement) relating to child support, alimony, or marital property rights that is made under a state domestic relations law and that creates, recognizes, or assigns to an Alternate Payee the right to receive all or a portion of a Participant's benefits under a qualified pension, profit sharing, or stock bonus plan. ERISA §206(d)(3); Internal Revenue Code §414(p).

The International Union of Operating Engineers Local 4 Annuity and Savings Fund (the "Fund") may pay benefits directly to an Alternate Payee only in accordance with a Domestic Relations Order (DRO) that has been determined by the Plan Administrator to be qualified, i.e., a QDRO.

Legal Authority

A retirement plan generally cannot pay retirement benefits to anyone other than a plan participant unless the participant dies, or unless there is a QDRO. Internal Revenue Code (or "IRC") §414(p) and §206(d) of ERISA create an exception to this rule and permit the assignment of pension benefits to an Alternate Payee under a Qualified Domestic Relations Order. Compliance with a QDRO is not a prohibited assignment or alienation of benefits under ERISA or the Internal Revenue Code.

Role of the Plan Administrator

The Plan Administrator is responsible for administering the Plan. The Plan Administrator is the only individual who can approve and qualify a QDRO. The Plan Administrator is not a mediator in marital property disputes and will not give legal advice regarding domestic relations law or the division of marital property. The Plan Administrator will provide only factual information concerning a Participant's benefits and the terms of the Plan. Although a court will determine how to divide a Participant's retirement benefit, the Plan Administrator is responsible for reviewing a DRO and determining if it is qualified. The Plan Administrator will determine whether a DRO satisfies the requirements of a QDRO according to ERISA, the Internal Revenue Code, and the Plan. The Plan Administrator may communicate with the Participant, the Alternate Payee, or either party's attorney during this determination process. Because a QDRO is a legal document, the Plan Administrator may also request that the Plan's advisors review a DRO.

Plan Procedures Regarding a Domestic Relations Order

The Plan will comply with the following procedural rules upon notice or receipt of a DRO.

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Caution: If the Participant is receiving benefits through an annuity purchased on his behalf from an insurance company, the DRO cannot be qualified by the Plan Administrator, as the Plan has discharged its obligation to the Participant by purchasing the annuity and does not make or control the annuity payments. In such cases, **the parties should contact the insurance company to determine any available options regarding the annuity payments.** As such, **these QDRO Procedures generally will not address Participants in this situation.**

I. Determination

A. If the Alternate Payee or his or her attorney contacts the Plan Administrator for Plan information by phone or mail without submission of a DRO:

Step 1. Provide the requesting party with a QDRO Inquiry Packet, which includes the following:

- Summary Plan Description (SPD), also available on the Fund's website at www.local4funds.org (included upon request only)
- QDRO Procedures, which include answers to commonly-asked questions
- Model QDROs

B. If the Plan Administrator receives a draft (i.e., unsigned) DRO for review:

Step 1. Provide the following information to the Participant and Alternate Payee:

- (a) Written notice of receipt (within 30 days of receipt of draft DRO)
- (b) QDRO Inquiry Packet (if not previously sent), which includes the following:
 - Summary Plan Description (SPD), also available on the Fund's website at www.local4funds.org (included upon request only)
 - QDRO Procedures, which include answers to commonly-asked questions
 - Model QDROs

Step 2. (a) Set up a separate file for each Alternate Payee

(b) Add a notation on or include a copy of the DRO in the Participant's file

Step 3. Determine within a reasonable time frame whether or not the DRO would be qualified if it were a signed order.

- (a) Review the formula in the DRO for determining the Alternate Payee's benefit and determine if it is sufficiently specific.

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If the drafting attorney used one of the Model Orders, forward a copy to Fund Counsel and determine whether or not you will forward a copy to the Annuity Consultant for review. If the attorney has drafted his or her own order, forward a copy to Fund Counsel for review.

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- Step 4. Segregate or separately account for the portion of the Participant's benefit that would be immediately payable to the Alternate Payee if the DRO were qualified.

If the Participant is in pay status (i.e., receiving monthly payments from the Plan) when the Fund Office receives the DRO, segregate the portion of the Participant's benefit/benefit payments that would be payable to the Alternate Payee if the DRO were qualified and hold such portion in trust until the earlier of the date a final determination regarding the qualified status of the DRO is made or the date the 18-month period beginning on the date the DRO was received expires.

If the Participant is not in pay status as described above, separately account for amounts the Plan would be required to immediately pay to the Alternate Payee if the DRO were qualified. In other words, ensure that amounts that would be immediately payable to the Alternate Payee if the DRO were qualified are not paid to anyone else while the QDRO determination is pending. This separate accounting should begin on the first date a payment to the Alternate Payee would be required under the DRO if it were qualified, and should continue until the earlier of the date a final determination is made regarding the qualified status of the DRO or the date that is 18 months from the date such separate accounting began.

The Participant may not apply for a loan or distribution during the period a determination regarding a DRO is pending regardless of whether it is a Shared Payment or Separate Interest DRO.

If the Plan Administrator makes a final determination that the DRO is qualified within the applicable 18-month period described above, then all of the payments withheld from the Participant that would have been due to the Alternate Payee if the DRO had been immediately qualified must be paid retroactively to the first payment.

If a final determination is made that an Order is not a QDRO or if the issue cannot be resolved within the applicable 18-month period described above, then any segregated benefits must revert back to the Participant and any separate accounting of shall cease.

A final determination made after the end of the applicable 18-month period described above that an Order is a QDRO can be applied only prospectively.

- Step 5. Provide the Participant and Alternate Payee with written notice of the Fund's initial determination as to whether the draft DRO would be qualified if signed.

If the Fund initially determines a draft DRO would not be qualified, the Participant and Alternate Payee will be given a period of 90 days from the date of the initial determination in which to submit an appeal, a modified DRO, or a written request for additional time in which to respond for good cause shown (assuming the 18-month segregation period has not expired). The Fund will

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continue to segregate any benefits payable to the Alternate Payee for a period of 90 days from the date written notice of the determination is issued by the Fund Office (but not beyond the end of the 18-month period described in Step 4 above). If at the end of this 90-day period the parties have not appealed the Fund's determination, submitted a modified order, or requested additional time in which to respond, the Fund's initial determination shall become final and any segregated amounts shall be released to the appropriate party.

If the Fund initially determines a draft DRO would be qualified, if signed, the Participant and Alternate Payee will be given a period of 90 days from the date of the initial determination in which to submit an appeal, a modified DRO (e.g., if an interpretation stated in the Fund's determination demonstrates a provision in the Order does not properly reflect the parties' intent), a court-executed (i.e., signed) copy of the DRO, or a written request for additional time in which to respond for good cause shown (assuming the 18-month segregation period has not expired). The Fund will continue to segregate benefits payable to the Alternate Payee for a period of 90 days from the date written notice of the determination is issued by the Fund Office (but not beyond the end of the 18-month period described in Step 4 above). If at the end of this 90-day period the parties have not appealed the Fund's determination, submitted a modified order, submitted a court-executed (i.e., signed) copy of the Order, or requested additional time in which to respond, the Fund's initial determination pre-approving the draft DRO will expire, and will have the effect of a final determination that the DRO is not qualified.

C. If the Plan Administrator receives a final court-executed (i.e., signed) DRO:

- Step 1. Provide written notice to the Participant and the Alternate Payee within 30 days of receipt.
- Step 2. Determine whether the Plan Administrator has previously reviewed a draft of this DRO
 - If the DRO was not previously reviewed in draft form, follow Steps 1-4 of Part I.B and then go to Step 3B below.
 - If the DRO was previously reviewed in draft form, review the final DRO to verify that any requested changes were made and determine whether the DRO is a QDRO.
 - If the parties have either failed to make the requested changes or have made changes in addition to those requested, follow Steps 1-4 of Part I.B and then go to Step 3B below.
 - If the parties have made all requested changes and no additional changes, place a copy of the QDRO in the Participant's and each Alternate Payee's files. Go to Step 3A below.

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Step 3A. Provide the Participant and the Alternate Payee with notice of the Fund's written determination that the court-executed DRO is qualified.

The Participant and Alternate Payee will be advised of the Fund's final determination and any segregated amounts shall be released to the appropriate party. Payment to the Alternate Payee can commence at any time after the Alternate Payee has submitted an application and any required documentation.

Step 3B. Provide the Participant and Alternate Payee with written notice of the Fund's initial determination as to whether the court-executed DRO is qualified.

If the Fund initially determines a court-executed (i.e., signed) DRO is not qualified, the Participant and Alternate Payee will be given a period of 90 days from the date of the initial determination in which to submit an appeal, a modified DRO, or a written request for additional time in which to respond for good cause shown (assuming the 18-month segregation period has not expired). The Fund will continue to segregate any benefits payable to the Alternate Payee for a period of 90 days from the date written notice of the determination is issued by the Fund Office (but not beyond the end of the 18-month period described in Step 4 above). If at the end of this 90-day period the parties have not appealed the Fund's determination, submitted a modified order, or requested additional time in which to respond, the Fund's initial determination shall become final and any segregated amounts shall be released to the appropriate party.

If the Fund initially determines a court-executed (i.e., signed) DRO is qualified, the Participant and Alternate Payee will be given a period of 90 days from the date of the initial determination in which to submit an appeal, a modified DRO (e.g., if an interpretation stated in the Fund's determination letter demonstrates a provision in the Order does not properly reflect the parties' intent), or a written request for additional time in which to respond for good cause shown (assuming the 18-month segregation period has not expired). The Fund will continue to segregate benefits payable to the Alternate Payee for a period of 90 days from the date written notice of the determination is issued by the Fund Office (but not beyond the end of the 18-month period described in Step 4 above). If at the end of this 90-day period the parties have not appealed the Fund's determination, submitted a modified order, or requested additional time in which to respond, the Fund's initial determination shall become final and any segregated amounts shall be released to the appropriate party. If the DRO is determined to be a QDRO, payment to the Alternate Payee can commence before the end of the 90-day period only upon the written consent of both parties to the Fund's interpretation of the Order.

Step 4. If there has been a final determination that the DRO is qualified, go to Parts II and III.

II. Annuity Estimate (If either party has requested an estimate of an annuity form of payment)

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- Step 1. Gather information and send a request to the Annuity Consultant for a benefit calculation estimate once a court-executed (i.e., signed) order is received.
- Step 2. Include information regarding the calculation estimate, if any, in a letter to the Participant and Alternate Payee.

III. Benefit Payment

- Step 1. Once a DRO is determined to be a QDRO, forward a beneficiary designation form and change of address forms to the Alternate Payee.
- Step 2. When the Alternate Payee returns the completed forms, follow the same administrative process for the Participant.

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SECTION 3: PREPARATION OF A QDRO

Information Requests

Upon written or oral request made in connection with a domestic relations proceeding, the Plan Administrator will provide prospective Alternate Payees with the QDRO Inquiry Packet, which includes the Summary Plan Description (if specifically requested, otherwise available on the Fund's web site at www.local4funds.org), QDRO Procedures, and Model QDROs.

Upon written request made in connection with a domestic relations proceeding, the Plan Administrator will provide the Participant's Individual Account balance as of the Valuation Date or such other date as requested by the parties and one estimate of an immediate annuity.

Testimony

Neither the Plan Administrator nor its designee will serve as an expert witness with regard to the benefits provided under the Plan.

Form of Order

Section 5 includes Model QDROs prepared to assist the Alternate Payee's and/or the Participant's legal counsel in drafting DROs that will be acceptable to the Plan. The Model QDROs shall be provided to the appropriate parties in accordance with the procedures outlined in Section 2. They are not intended to provide legal advice nor do they cover all situations. Additionally, the parties are not required to follow the models.

Allocating a Portion of a Participant's Benefit

For a DRO to meet the requirements of a QDRO, it must clearly specify the portion of the Participant's Individual Account balance that is assigned to the Alternate Payee, either as a dollar amount or a percentage of the Participant's Individual Account balance as of a specified date.

Requirements of a QDRO

To be qualified by the Plan Administrator (and meet the terms of ERISA and the Internal Revenue Code), a DRO must satisfy the following requirements:

1. The DRO must be a judgment, order, decree, or approval of a property settlement agreement made pursuant to state domestic relations law.
2. The DRO must relate to the provision of child support, spousal support, or marital property rights to a spouse, former spouse, child, or dependent of the Participant.
3. The DRO must create or recognize the existence of the eligible Alternate Payee's right, or must assign to the Alternate Payee the right, to receive all or part of the Participant's benefits under the Plan for a specified period of time.

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4. The DRO may not require the payment of any type, form, option, or amount of benefit other than that allowed under the Plan.
5. The DRO must not require the Plan to provide increased benefits (determined on the basis of actuarial value).
6. The DRO must not require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another DRO previously determined to be a QDRO.
7. The DRO must specify:
 - a. the name and last known mailing address of the Participant and the name and mailing address of each Alternate Payee;
 - b. the amount or percentage of the Participant's benefits to be paid to the Alternate Payee, or the formula by which that amount is to be determined, including, if applicable, how benefits will be affected in the event of the Participant's or Alternate Payee's death both before and after payments to either party have commenced;
 - c. the number of payments or period to which the Order applies; and
 - d. each retirement plan to which the Order applies.
8. The DRO must not allow an Alternate Payee to receive his or her share of benefits in the form of a joint and survivor annuity with a subsequent spouse.
9. The DRO must not allow or require a Participant to change his or her benefit elections if he or she is in pay status at the time the DRO is accepted as a QDRO.

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SECTION 4: QUESTIONS AND ANSWERS – UNDERSTANDING A QDRO

What is a Domestic Relations Order (“DRO”)?

A DRO is a finalized executed judgment, decree, order, or approval of a property settlement agreement issued by a state court in a domestic relations matter (typically a dissolution of marriage), which grants rights to an Alternate Payee in the retirement benefits of a Participant. The Alternate Payee may be a spouse, former spouse, child, or other dependent of the Participant. The law is very strict in protecting the benefits of Participants from creditors, bankruptcy, and other third parties. A DRO is one of the very few situations under which a Participant’s retirement benefits may be assigned to someone other than the Participant.

What is a Qualified Domestic Relations Order (“QDRO”)?

A QDRO is a DRO that creates, recognizes, or assigns to the Alternate Payee the right to receive some portion of a Participant’s benefits under the Plan, and that the Plan Administrator has determined meets the specific requirements contained in ERISA §206(d)(3) (29 USC §1056(d)(3)) and Internal Revenue Code §414(p) (26 USC §414(p)). A DRO must be both court-executed and deemed qualified by the Plan Administrator before it can become effective.

What is the First Step in Drafting a QDRO? Why is Understanding the Type of Retirement Plan Important in Deciding How to Divide the Participant’s Retirement Benefits?

The first step in drafting a QDRO is to identify the type of retirement plan in which the Participant is participating. The International Union of Operating Engineers Local 4 Annuity and Savings Plan is a multiemployer, defined contribution plan. The Plan provides retirement benefits to employees covered by a collective bargaining agreement that requires employers to make contributions on their behalf. In addition to the required employer contributions, Participants may elect to make pre-tax contributions in lieu of receiving taxable income. The Plan will also accept certain eligible rollover distributions, as defined in §402(c)(4) of the Internal Revenue Code. An employee is vested in his or her Individual Account immediately upon becoming a Participant in the Plan.

Because the Plan is a defined contribution plan, a QDRO divides money held in the Participant’s Individual Account. Unlike a defined benefit plan, the value of the benefits held in the Participant’s Individual Account can be definitely determined as of a particular date and there is generally no need or requirement to actuarially adjust the Alternate Payee’s assigned benefit to his or her lifetime.

It is strongly suggested that prior to formulating a Domestic Relations Order, the parties and their legal counsel review the Participant’s retirement status and eligibility for benefits with the Fund Office. The Alternate Payee or his or her legal counsel, or the QDRO preparer, may make a written request to the Fund Office for information about the Participant’s retirement status, such as whether he or she has begun receiving benefits in the form of monthly installment payments or through the purchase of an annuity. The Fund Office cannot provide specific information about a Participant, such as the balance of his or her Individual Account, by telephone. The Fund Office will provide the Alternate Payee, his or her legal counsel, or the QDRO preparer with the balance

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of the Participant's Individual Account as of the Valuation Date or such other date as the parties request (including information about any outstanding loan balance) once at no charge, and one benefit estimate of an immediate annuity at no charge, but only upon written request. The cost of preparing any additional benefit estimates will be passed along to the requesting party. If the Fund is on notice that a QDRO may be issued or submitted concerning a particular Participant, and within a reasonable period (not to exceed 90 days) after the Participant's death the Fund Office has not received a DRO with regard to the Participant, the Fund will pay any benefits that are payable with respect to the deceased Participant in accordance with the terms of the Plan. Thereafter, notwithstanding the receipt of any DRO with regard to the Participant, the Fund will not modify or reverse any payments made as a result of the Participant's death.

How May the Participant's Retirement Benefit Be Divided?

There are two primary methods of dividing a Participant's retirement benefit.

A QDRO must specify how a Participant's retirement benefits are to be apportioned between the Participant and the Alternate Payee. There are two primary methods of dividing the Participant's retirement benefits: the **Separate Interest Method** and the **Shared Payment Method**.

Description of the Separate Interest Method

The Separate Interest Method awards a portion or all of the retirement benefits held in a Participant's Individual Account to an Alternate Payee. The Separate Interest Method essentially takes the whole benefit that the Participant has accumulated as of a specified date or over a specific period of time as described in the Domestic Relations Order, and creates two separate benefits. In contrast to the Shared Payment Method (discussed below), the Separate Interest Method grants the Alternate Payee a separate entitlement to a benefit under the Plan. Likewise, the Participant then receives the remaining portion of his or her retirement benefit as a separate entitlement. The Separate Interest Method allows an Alternate Payee to receive his or her benefits in a different form and over a different period than the Participant. The Alternate Payee will have all rights to which he or she is entitled under the Plan to direct the investment of his or her account and to apply for loans and distributions.

The Separate Interest Method should be used unless the Participant is already receiving monthly installment payments from the Plan or payments under an annuity purchased through an insurance company. If the Participant is receiving monthly installment payments, the parties must use the Shared Payment Method. If the Participant is receiving annuity payments, the parties need to contact the insurance company.

A QDRO that uses the Separate Interest Method must indicate the dollar amount or percentage (as of a specific date) of the Participant's Individual Account balance to which the Alternate Payee is entitled. The Alternate Payee's assigned benefit will be drawn in pro rata shares from among all of the Participant's investment accounts (in other words, if 10% of the Participant's Individual Account is invested in a particular alternative, 10% of the Alternate Payee's assigned benefit will be drawn from that alternative). A QDRO should also specify whether or not the Alternate Payee is entitled to any interest and investment earnings or losses attributable to his or her assigned benefit between the date of division and the date the Alternate Payee's separate account is

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established. If a QDRO is silent, the Plan will assume that the Alternate Payee's share should be adjusted for interest and investment earnings or losses for the period between the division date and the date the Alternate Payee's separate account is established. In the event there are any outstanding loans on the Participant's Individual Account, the Order should also address their bearing, if any, on the determination of the Alternate Payee's assigned benefit. If the QDRO is silent, the Plan will calculate the Alternate Payee's assigned benefit after the outstanding loan balance has been subtracted from the Participant's Individual Account Balance.

ERISA requires that a QDRO specify the time period or number of payments to which it applies. When the Separate Interest Method is used, this requirement may be satisfied by stating when payments to the Alternate Payee are to begin and end. To the extent permitted by the QDRO, the Plan provides that payments to an Alternate Payee may begin as soon as practicable following the last to occur of: (1) the Plan Administrator's determination that the DRO is a QDRO; (2) the Fund's receipt of a copy of the court-approved QDRO; and (3) the Alternate Payee's filing of an application for benefits. Payments to the Alternate Payee will continue under the terms of the Plan and in accordance with the form of payment elected by the Alternate Payee.

It is not necessary that the Order indicate the specific form in which benefits are to be paid to the Alternate Payee; however, if the Order does not so indicate, it should contain language stating that the Alternate Payee can elect to receive his or her portion of the benefit in any form available under the Plan, with the exception of a joint and survivor annuity payable with a subsequent spouse. Under the Plan, these excluded benefit options include the 50% Joint and Survivor Annuity and the 75% Optional Joint and Survivor Annuity. The Participant, however, retains all rights to elect any form of payment available under the Plan including a joint and survivor annuity with a subsequent spouse, if applicable.

One consequence of using the Separate Interest Method is that if the Alternate Payee dies after his or her separate account is established (i.e., after the Fund Office receives an approved, court-executed QDRO), the Alternate Payee's share will not revert to or otherwise increase the amount of the Participant's benefit unless the Order so specifies. Any benefits payable upon the death of the Alternate Payee would be payable to the Alternate Payee's designated beneficiary or, if none, to his or her estate. In addition, the Participant's death, regardless of its timing, has no effect on the payment of the Alternate Payee's benefit under the QDRO. This is because the Alternate Payee's benefit is treated as completely severed under a Separate Interest QDRO.

If the Alternate Payee dies while a signed DRO is under review by the Fund, the Fund will make a determination. If the signed DRO is determined to be qualified, the Fund will administer it in accordance with its terms, including, if applicable, provisions concerning a successor Alternate Payee, as described below. If the Fund determines the signed DRO is not qualified, or if the Alternate Payee dies while a draft DRO is under review, the Fund will notify the Participant and the deceased Alternate Payee's representative of its initial determination, following which the parties will have 90 days to submit a signed, and if necessary revised, DRO or a written request for additional time for good cause shown. If the Fund does not receive a signed QDRO or request for additional time by the end of the 90-day period, the Alternate Payee's share will revert to the Participant.

Individuals qualified to be successor Alternate Payees include a spouse, former spouse, child, or

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other dependent of the Participant. The Alternate Payee's estate cannot be named in the QDRO as a successor Alternate Payee. To name a successor Alternate Payee, the Order must state his or her name, address, date of birth, and relationship to the Participant.

Description of the Shared Payment Method

If the Participant is already receiving monthly installment payments from the Plan when the Order is submitted for review, the parties MUST use the Shared Payment Method. The Shared Payment Method gives the Alternate Payee a share of the Participant's monthly payments, which can be expressed as either a fixed dollar amount per month or a percentage of the Participant's monthly payments. If the Participant is not already receiving monthly payments from the Plan when the DRO is established, the Order should use the Separate Interest Method instead. If the Participant is already receiving monthly payments under an annuity purchased through an insurance company, the parties need to contact the insurance company.

Under the Shared Payment Method, the Alternate Payee has no right to choose the form in which the benefit will be paid. The Alternate Payee's benefit will be paid in the form elected by the Participant (i.e., up to 120 monthly installments).

ERISA requires that a QDRO specify the period of time or number of payments to which it applies. The Order can provide the Alternate Payee with a benefit payable for a specified number of payments, until a date certain, or until the occurrence of a triggering event (e.g., until a child reaches maturity or until the Alternate Payee remarries), provided, however, that in any case the shared payment to the Alternate Payee will cease upon the earlier of the end of the elected payment period or the Participant's death. If payments to the Alternate Payee are to cease based on a triggering event, notice must be provided to the Fund Office of the event's occurrence before the Fund will be required to act.

Under the Shared Payment Method, an Alternate Payee has no right to name a surviving beneficiary. If the Alternate Payee dies before the Participant, then the Alternate Payee's share will revert to the Participant unless the Order names a successor Alternate Payee. Individuals qualified to be successor Alternate Payees include a spouse, former spouse, child, or other dependent of the Participant. The Alternate Payee's estate cannot be named in the QDRO as a successor Alternate Payee. To name a successor Alternate Payee, the Order must state his or her name, address, date of birth, and relationship to the Participant.

How Are Benefits Allocated?

For a Domestic Relations Order to be qualified, it must clearly specify how benefits are to be apportioned between the Participant and the Alternate Payee. This is most commonly done by awarding the Alternate Payee a percentage of the Participant's Individual Account balance determined as of a specified date, e.g., the date of divorce. It can also be done by awarding a fixed dollar amount to the Alternate Payee determined as of a specified date.

If the Participant has already begun receiving distributions from his or her Individual Account, a QDRO may not require that any of those prior payments be returned to the Plan for any reason. For example, if the Participant elects to receive his or her Individual Account balance in a single

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lump sum before the Plan has notice of a proposed QDRO, the Order may not give the Alternate Payee rights to any part of that lump sum. A QDRO may, however, establish an Alternate Payee's right to all or part of a future balance, if any, in the Participant's Individual Account.

It is up to the parties, together with their counsel and subject to the approval of the court, to choose an appropriate fixed dollar amount or percentage of the Participant's benefit to be paid to the Alternate Payee that suits their needs.

The Plan Administrator's job is to determine whether the formula in the Order is specific and clear enough that the Plan can calculate the amount to be paid to the Alternate Payee. Orders that do not provide for a definitely determinable amount to be paid to the Alternate Payee will be rejected. The Plan is NOT a defined benefit plan. Therefore, formulas that are based on or refer to a Participant's "pension credits" or "actuarial adjustment" of the Alternate Payee's assigned benefit are inappropriate and should not be used.

In the event there are any outstanding loans on the Participant's Individual Account, the Order should address their bearing, if any, on the determination of the Alternate Payee's assigned benefit. If the QDRO is silent, the Plan will calculate the Alternate Payee's assigned benefit after the outstanding loan balance has been subtracted from the Participant's Individual Account balance.

When Can the Alternate Payee Begin to Receive Benefits?

Separate Interest QDRO

Payments to an Alternate Payee may begin, at the election of the Alternate Payee and to the extent provided by a QDRO, as soon as practicable following the last to occur of:

- The Plan Administrator's determination that the DRO applicable to the Alternate Payee is a QDRO;
- The Fund's receipt of a copy of the court-approved QDRO; and
- The Alternate Payee's filing of an application for benefits in writing and in a form and manner prescribed by the Board of Trustees.

Unlike a QDRO applicable to a defined benefit plan, a QDRO issued with regard to this Plan does not have to, and should not, require the Alternate Payee to wait until the Participant reaches "Earliest Retirement Age" to start receiving benefits. Orders that require an Alternate Payee to do so will be rejected. The Alternate Payee is also not required to start receiving his or her benefits when the Participant commences benefits. The Alternate Payee must, however, commence his or her benefits no later than the Participant's Required Beginning Date (April 1 following the Calendar Year in which the Participant attains age 70½).

The Alternate Payee must submit a separate application before he or she will begin receiving benefits. The Fund will make a determination of the Alternate Payee's entitlement to benefits, advise him or her in writing, and forward the documents necessary to commence payment of benefits.

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Shared Payment QDRO

As noted above, if the Participant is receiving benefits through an annuity purchased on his behalf from an insurance company, the DRO cannot be qualified by the Plan as it has discharged its obligation to the Participant with respect to the benefit used to purchase the annuity and does not make or control the annuity payments. The parties should contact the insurer to determine any available options regarding the annuity payments.

Otherwise, upon receipt of a Shared Payment DRO, the Plan will begin to segregate amounts that would be payable to the Alternate Payee if the Order were immediately determined to be a QDRO. Payments will begin to the Alternate Payee the month after the Plan has both received a court-certified copy of the Order and approved it as a QDRO. (If the Order is determined to be a QDRO within 18 months after it was received, the Alternate Payee will also receive any amounts that were segregated while the QDRO determination was pending.)

Are Distributions to the Alternate Payee Eligible to Be Rolled Over?

Yes, to the extent a distribution to the Alternate Payee is an Eligible Rollover Distribution as defined by the Plan, the Alternate Payee may elect to “roll over” those funds in accordance with the Plan terms. Examples of distributions that are not eligible for rollover include:

- Regular periodic payments spread over a period of ten or more years or over the life or life expectancy of the Alternate Payee (or joint lives or life expectancies of the Participant and Alternate Payee);
- Required minimum distributions made after the Participant has reached age 70½ or died;
- Hardship withdrawals;
- Corrective distributions of contributions that exceed limitations under tax law; and/or
- Loans treated as deemed distributions (typically because the loan was defaulted due to missed payments).

When Do Payments to the Alternate Payee Stop?

Separate Interest QDRO

Under a Separate Interest QDRO, the Alternate Payee may be given the right to elect any benefit option available under the Plan, except for a joint and survivor annuity with a subsequent spouse. These options include a lump sum distribution of the Alternate Payee’s separate account balance. Once the Alternate Payee has elected the form in which benefits are to be paid (as authorized by the QDRO), payments will be made to the Alternate Payee in accordance with the terms of the benefit option chosen by the Alternate Payee.

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Shared Payment QDRO

Under a Shared Payment QDRO, the monthly benefit payments made to the Alternate Payee may cease based on a stated date or triggering event within the terms of the QDRO or when the Participant's benefit payments cease. A Participant's benefit may cease due to: 1) death of the Participant; or 2) distribution of the Participant's entire benefit. In no event may monthly benefit payments to the Alternate Payee under a Shared Payment QDRO continue beyond the death of a Participant, unless the Participant designates the Alternate Payee as his or her beneficiary under the Plan.

What Happens in the Event of the Alternate Payee's Death?

Separate Interest QDRO

➤ Prior to commencement of the Alternate Payee's benefits

If the Alternate Payee dies before receiving any distribution from his or her separate account, the Alternate Payee's benefits will be paid to the beneficiary designated by the Alternate Payee or to the Alternate Payee's estate if there is no designated beneficiary.

➤ After commencement of the Alternate Payee's benefits

If the Alternate Payee dies after distribution of his or her account has commenced, any remaining balance in the Alternate Payee's account will be paid to the beneficiary designated by the Alternate Payee, or to the Alternate Payee's estate if there is no designated beneficiary. If the Alternate Payee elected to receive monthly installment payments or an annuity purchased through an insurance company, death benefits provided under the form of payment elected by the Alternate Payee, if any, will be payable to his or her beneficiary in accordance with the terms of that form of payment and the Plan.

Shared Payment QDRO

After the Alternate Payee's death, the Alternate Payee's share of the Participant's benefit payments shall revert to the Participant, unless the QDRO names a successor Alternate Payee.

What Happens in the Event of the Participant's Death?

Separate Interest QDRO

The Fund will treat the Alternate Payee's assigned benefit under a Separate Interest QDRO as completely severed from the Participant's benefit, meaning the Participant's death will not affect the Alternate Payee's right to his or her assigned benefit, regardless of whether the Alternate Payee has begun to receive payments at that time.

Shared Payment QDRO

After the Participant's death, the Alternate Payee's right to a share of the Participant's monthly benefit payments under the QDRO will terminate. The Alternate Payee will receive no further

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payments from the Plan unless the Participant has named the Alternate Payee as his or her beneficiary.

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SECTION 5: MODEL ORDERS

The models set forth below are provided to assist practitioners in drafting a Domestic Relations Order that is qualified within the meaning of Section 206(d)(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and Section 414(p) of the Internal Revenue Code of 1986, as amended (the “IRC”). They are not intended to be used as forms and will not apply in every situation.

Where text appears underlined and in brackets, it is intended to act as a placeholder for specific information, e.g., [date]. Where text appears in brackets only, it is intended to represent an alternative option, e.g., whether a different gender pronoun is appropriate or whether to include a particular substantive provision. In some places, optional substantive provisions are marked in italics, e.g., *Option #1*, although the options shown do not represent the universe of possibilities.

Model QDRO 1 is a Separate Interest QDRO intended to be used where the Participant is not already receiving monthly installment payments from the Plan. Model QDRO 2 is a Shared Payment QDRO intended to be used as a model where the Participant is already receiving monthly installment payments, in which case use of the Shared Payment Method is required.

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4. **Participant Information:** The name, last known mailing address, date of birth, and last four digits of the social security number of the “Participant” are:

Name: [_____]

Address: [_____]

The Participant’s Date of Birth and Social Security Number appear in a separate addendum.

5. **Alternate Payee Information:** The name, last known mailing address, date of birth, and last four digits of the social security number of the “Alternate Payee” are:

Name: [_____]

Address: [_____]

The Alternate Payee’s Date of Birth and Social Security Number appear in a separate addendum.

The Alternate Payee has the duty to notify the Plan Administrator in writing of any changes to his [her] mailing address subsequent to the entry of this Order.

6. **Date of Marriage and Divorce:** The Participant and the Alternate Payee were married on [date] and were granted a divorce on [date].

7. **Assignment of Benefits to Alternate Payee:** This Order assigns a portion of the Participant’s Individual Account to the Alternate Payee as a separate entitlement. Payment of the Alternate Payee’s portion of the benefit will be made directly to the Alternate Payee.

8. **Formula for Determining Alternate Payee Benefit:**

Option #1 (fixed dollar amount): This Order assigns to the Alternate Payee as his [her] sole and separate property an amount equal to [_____] Dollars (\$[XXX.XX]) from the Participant’s Individual Account balance under the Plan as of [e.g., the date of divorce] (i.e., the Valuation Date), plus investment gains and losses and expenses attributable to his [her] interest from such date until the date of the Alternate Payee’s separate account is established.

Option #2 (percentage amount): This Order assigns to the Alternate Payee as his [her] sole and separate property an amount equal to [_____] Percent ([XX]%) of the Participant’s Individual Account balance under the Plan, determined as of [e.g., date of divorce or Order] (i.e., the Valuation Date), plus investment gains and losses and expenses attributable to his [her] interest from such date until the date the Alternate Payee’s separate account is established.

Option #3 (marital portion): This Order assigns to the Alternate Payee as his [her] sole and separate property an amount equal to [_____] Percent ([XX]%) of the difference between the Participant’s Individual Account balance under the Plan as of [date of divorce] and the Participant’s Individual Account balance under the Plan as of [date of marriage],

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plus investment gains and losses and expenses attributable to his [her] interest from [date of divorce] until the date the Alternate Payee's separate account is established.

As soon as administratively possible after this Order is court-executed and approved as a

NOTE: The sample formulas presented above are those commonly used in Domestic Relations Orders. The parties are not required to use any of these sample formulas. To be qualified, however, the Order must contain one clear formula that instructs the Plan Administrator how to determine the Alternate Payee's portion of the Participant's benefit. If the Participant has an outstanding loan balance, the Order should address whether and how that will affect the calculation of the Alternate Payee's assigned benefit.

QDRO, the Alternate Payee's assigned benefit shall be withdrawn from the Participant's Individual Account and invested in a separate account under the Plan that is maintained for the benefit of the Alternate Payee. The Alternate Payee's assigned benefit shall be withdrawn in pro rata shares from among all of the Participant's investment alternatives.

After the Alternate Payee's separate account is established pursuant to the above provision, the Alternate Payee shall have the same authority to direct the investment of the amounts held in such separate account, in accordance with Plan terms, as the Participant has with respect to amounts held in the Participant's account.

9. Form of Payment to Alternate Payee:

Option #1: The Alternate Payee may elect to receive his [her] assigned benefit in any one of the benefit distribution options permitted under the terms of the Plan, other than a joint and survivor annuity with a subsequent spouse.

Option #2: The Alternate Payee shall receive his [her] assigned benefit in the form of [a lump sum payment, partial lump sum payments, 120 or fewer monthly payments, a single-life annuity purchased through an insurance company].

10. Form of Payment to Participant: The Participant may elect any form of payment available to him [her] under the Plan for the portion of his [her] Individual Account not assigned to the Alternate Payee under this Order. This entitlement includes the right to elect a joint and survivor annuity with a subsequent spouse.

11. Commencement and Duration of Payments to Alternate Payee: The Alternate Payee may choose to begin receiving his [her] assigned benefit at any time following the later of:

- (a) the Plan Administrator's determination that this Order is a QDRO;
- (b) the Fund's receipt of a copy of the court-approved QDRO; and

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- (c) the Alternate Payee's filing of an application for benefits in writing in a form and manner prescribed by the Plan.

Notwithstanding the above, the Alternate Payee shall commence his [her] share of the benefits no later than the Participant's Required Beginning Date. The Alternate Payee shall continue to receive his [her] benefits until the Alternate Payee's entire benefit has been distributed under the terms of the benefit option elected by the Alternate Payee.

12. **Death of Participant:** The death of the Participant, either before or after commencement of payments to the Alternate Payee, shall have no effect on the Alternate Payee's assigned benefit.
13. **Death of Alternate Payee:** At the death of the Alternate Payee, the remainder of the Alternate Payee's account will be paid to his [her] designated beneficiary or, if none, to his [her] estate in accordance with the terms of the Plan and, if applicable, the form of payment elected by the Alternate Payee.
14. **Federal Tax Reporting:** For purposes of federal income tax reporting, any Alternate Payee who is the spouse or former spouse of the Participant shall be treated as the distributee of any distribution or payment made to the Alternate Payee under the terms of this Order and, as such, will be required to pay the appropriate federal income taxes on such distribution or payment. The Plan Administrator will issue a Form 1099-R to the Alternate Payee at the end of each calendar year and report such income to the Internal Revenue Service under the Alternate Payee's name and social security number.
15. **Inadvertent Payment(s) to Plan Participant or Alternate Payee:** In the event that the Plan Administrator inadvertently pays to the Participant any benefits that are assigned to the Alternate Payee pursuant to the terms of this Order, the Participant shall immediately return such payments to the Plan Administrator. Upon receipt of repayment, the Plan Administrator shall issue an amended Form 1099-R to the Participant so that the Participant is not liable for any income taxes associated with the Alternate Payee's assigned share of the benefits. In the event that the Plan Administrator inadvertently pays to the Alternate Payee any benefits that are to remain with the Participant pursuant to the terms of this Order, the Alternate Payee shall immediately return such payments to the Plan Administrator. Upon receipt of repayment, the Plan Administrator shall issue an amended Form 1099-R to the Alternate Payee so that the Alternate Payee is not liable for any income taxes associated with the Participant's share of the benefits.
16. **Savings Clause:** This Order is not intended to, and shall not be construed in such a manner as to require the Plan:
 - (a) to pay any benefits not permitted under the Code or ERISA;
 - (b) to provide any type or form of benefit or option not otherwise provided under the terms of the Plan;
 - (c) to require the Plan to provide increased benefits, determined on the basis of

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actuarial value; or

- (d) to require the payment of any benefits to the Alternate Payee that are required to be paid to another alternate payee under another order that was previously deemed to be a QDRO.

17. **Right To Amend:** It is the intention of the parties that this Order continue to qualify as a QDRO under the Code and ERISA, as either may be amended from time to time, and that the Plan Administrator reserve the right to reconfirm the qualified status of the Order at the time benefits become payable hereunder. The Court shall retain jurisdiction to establish and/or maintain the status of this Order as a QDRO.

SO ORDERED, this ____ of _____, 20__.

JUDGE

Plan Participant

Counsel for Plan Participant
Name/Firm _____
Address _____

Alternate Payee

Counsel for Alternate Payee
Name/Firm _____
Address _____

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ADDENDUM

The Participant's Date of Birth is _____.

The Participant's Social Security Number is ____-__-____.

The Alternate Payee's Date of Birth is _____.

The Alternate Payee's Social Security Number is ____-__-____.

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Medway, MA 02053-0680

4. **Participant Information:** The name, last known mailing address, date of birth, and last four digits of the social security number of the “Participant” are:

Name: [_____]

Address: [_____]

The Participant’s Date of Birth and Social Security Number appear in a separate addendum.

5. **Alternate Payee Information:** The name, last known mailing address, date of birth, and last four digits of the social security number of the “Alternate Payee” are:

Name: [_____]

Address: [_____]

The Alternate Payee’s Date of Birth and Social Security Number appear in a separate addendum.

The Alternate Payee has the duty to notify the Plan Administrator in writing of any changes to his [her] mailing address subsequent to the entry of this Order.

6. **Assignment of Benefits to Alternate Payee:** This Order assigns a share of the monthly benefit payments that the Participant is currently receiving to the Alternate Payee. Payment of the Alternate Payee’s share of the monthly benefit will be paid directly to the Alternate Payee.
7. **Formula for Determining Alternate Payee’s Benefit:** From the monthly benefits otherwise payable to the Participant, this Order assigns to the Alternate Payee an amount equal to [fixed dollar amount or percentage] of such benefit payments.

<p>NOTE: The Alternate Payee may receive all or a portion of payments made by the Plan to the Participant under the 120-or-fewer monthly payment option only. If the Participant has elected to receive payments in the form of an annuity, the Order cannot be qualified by the Plan.</p>

8. **Form of Payment to Alternate Payee:** The Alternate Payee shall receive his [her] benefit as a share of each payment to which the Participant is entitled. The Alternate Payee shall receive his [her] benefit in the same form of payment elected by the Participant under the Plan.
9. **Commencement and Duration of Payments to Alternate Payee:** The Alternate Payee shall begin to receive his [her] share of the Participant’s benefits in the month following the month in which the Plan Administrator determines that the Order is qualified and receives a court-certified copy of the Order.

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Option #1: The Alternate Payee shall continue to receive his [her] share of the benefits for the remainder of the payment period, or until his [her] death or the death of the Participant, if earlier.

Option #2: The Alternate Payee shall continue to receive his [her] share of the benefits until [date], or until the end of the payment period, his [her] death, or the death of the Participant, if earlier.

Option #3: The Alternate Payee shall continue to receive his [her] share of the benefits until [contingent event, e.g., the Alternate Payee remarries], or until the end of the payment period, his [her] death, or the death of the Participant, if earlier.

NOTE: In order to be qualified, the Order must specify when the Alternate Payee may begin to receive his or her assigned benefit and when such payments will cease. If the Participant is already receiving benefits at the time the QDRO is established (as is the case under this Model QDRO), the Alternate Payee will begin to receive his or her share of the Participant's benefit as soon as administratively feasible. If the Participant has not yet started receiving benefits at the time the QDRO is established (under a Shared Payment QDRO for a Participant not yet in pay status), then the Alternate Payee will begin to receive his or her share of the Participant's benefit on the same date as the Participant starts receiving his or her benefit. As set forth in the above QDRO Procedures, the Alternate Payee may in some circumstances receive a retroactive payment of amounts withheld from the Participant while the QDRO determination was pending. The shared payment to the Alternate Payee must cease upon the Participant's death or earlier if the Order so specifies (e.g., until a date certain or upon the occurrence of a triggering event such as the Alternate Payee's remarriage). Upon the Participant's death, the Alternate Payee will receive no further payments unless he or she is designated as the Participant's beneficiary under an optional form of payment that provides a survivor benefit.

10. **Death of Alternate Payee:** If the Alternate Payee predeceases the Participant, the Alternate Payee's portion of the Participant's benefits shall revert to the Participant.
11. **Federal Tax Reporting:** For purposes of federal income tax reporting, any Alternate Payee who is the spouse or former spouse of the Participant shall be treated as the distributee of any distributions or payments made to the Alternate Payee under the terms of this Order and, as such, will be required to pay the appropriate federal income taxes on such distribution. The Plan Administrator will issue a Form 1099-R to the Alternate Payee at the end of each calendar year and report such income to the Internal Revenue Service under the Alternate Payee's name and social security number.
12. **Inadvertent Payment(s) to Plan Participant or Alternate Payee:** In the event that the Plan Administrator inadvertently pays to the Participant any benefits that are assigned to

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the Alternate Payee pursuant to the terms of this Order, the Participant shall immediately return such payments to the Plan Administrator. Upon receipt of repayment, the Plan Administrator shall issue an amended Form 1099-R to the Participant so that the Participant is not liable for any income taxes associated with the Alternate Payee's assigned share of the benefits. In the event that the Plan Administrator inadvertently pays to the Alternate Payee any benefits that are to remain with the Participant pursuant to the terms of this Order, the Alternate Payee shall immediately return such payments to the Plan Administrator. Upon receipt of repayment, the Plan Administrator shall issue an amended Form 1099-R to the Alternate Payee so that the Alternate Payee is not liable for any income taxes associated with the Participant's share of the benefits.

13. **Savings Clause:** This Order is not intended to, and shall not be construed in such a manner as to require the Plan:

- (a) to pay any benefits not permitted under the Code or ERISA;
- (b) to provide any type or form of benefit or option not otherwise provided under the terms of the Plan;
- (c) to require the Plan to provide increased benefits, determined on the basis of actuarial value; or
- (d) to require the payment of any benefits to the Alternate Payee that are required to be paid to another alternate payee under another order that was previously deemed to be a QDRO.

14. **Right To Amend:** It is the intention of the parties that this Order continue to qualify as a QDRO under the Code and ERISA, as either may be amended from time to time, and that the Plan Administrator reserve the right to reconfirm the qualified status of the Order at the time benefits become payable hereunder. The Court shall retain jurisdiction to establish and/or maintain the status of this Order as a QDRO.

SO ORDERED, this ____ of _____, 20__.

JUDGE

Plan Participant

Counsel for Plan Participant

Name/Firm _____

Address _____

The following is provided for helpful informational purposes only and should not be construed or relied on as legal advice provided by the Fund or the Board of Trustees.

Alternate Payee

Counsel for Alternate Payee
Name/Firm _____
Address _____

The following is provided for helpful informational purposes only and should not be construed or relied on as legal advice provided by the Fund or the Board of Trustees.

ADDENDUM

The Participant's Date of Birth is _____.

The Participant's Social Security Number is ____-__-____.

The Alternate Payee's Date of Birth is _____.

The Alternate Payee's Social Security Number is ____-__-____.