

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS  
LOCAL NO. 150 PENSION FUND**

**Administrative Procedures for Processing  
Qualified Domestic Relations Orders**

**Introduction**

By adopting these Qualified Domestic Relations Order ("QDRO") Procedures, the Board of Trustees ("Trustees") of the International Brotherhood of Electrical Workers Local No. 150 Pension Fund (the "Plan") revokes all previous rules and regulations relating to QDROs and any prior QDRO procedures under the Plan, or a predecessor plan. This document constitutes the Plan's written QDRO procedures. The Trustees delegate to the Plan Administrative Manager and/or Plan legal counsel the ministerial duties and responsibilities for implementing and maintaining these procedures, reviewing domestic relations orders and processing QDROs according to these procedures. This delegation is made pursuant to and in accordance with the provisions of the Plan. The Trustees, however, retain the final authority regarding these QDRO procedures, the review of domestic relations orders and the processing of QDROs.

The Plan is a defined benefit plan administered by the Board of Trustees consisting of Employer Trustees and Union Trustees. Benefits are subject to a vesting schedule as set forth in the Plan (and as summarized in the Plan's summary plan description ("SPD")). The Plan is qualified under Internal Revenue Code ("Code") section 401(a). In order to satisfy statutory requirements and maintain tax qualification status, the Plan provides that a participant's benefits are not subject to assignment or alienation, whether voluntary or involuntary. However, with respect to divorces and certain other domestic relations orders, an exception to this prohibition exists for payments of benefits to an "Alternate Payee" pursuant to a QDRO. The federal statutory requirements for a QDRO may be found both in the Employee Retirement Income Security Act ("ERISA") [29 U.S.C. § 1056(d)] and in the Code [26 U.S.C. § 414(p)].

The Plan will comply with the terms of a domestic relations order only if the order meets the requirements for a QDRO, as established by law and explained in these procedures. Parties seeking a QDRO may not rely on the Plan Administrative Manager, or any Plan delegates, for advice on which type or form of QDRO is most appropriate under any particular factual situation. The Plan will provide only factual information concerning a participant's benefits and the terms of the Plan. The parties should consult with their legal advisors regarding specific legal requirements for a QDRO.

The Plan's SPD, which is furnished to all Participants and which is available upon request to prospective Alternate Payees, can assist in preparing a Domestic Relations Order. In addition, either party may request a copy of the Plan's model form from the Plan (free of charge). The model QDRO is provided as a guideline to facilitate the process of securing a QDRO, but its use is not required.

There may be specific fact situations that would require revisions to the model language in order to create a QDRO.

### **Definitions**

1. **Alternate Payee.** An Alternate Payee is a Participant's spouse, former spouse, child or other dependent who is recognized by a Domestic Relations Order as having a right to receive all, or a portion of, the Participant's benefits payable under the Plan.
2. **Determination Period.** The Determination Period is the period during which the Domestic Relations Order is under review. The Determination Period begins when the Plan receives an Executed Order and ends no later than 18 months from that date.
3. **Domestic Relations Order.** A Domestic Relations Order is an order, decree, or judgment, including a court approved property settlement agreement that relates to the provision of child support, alimony payments or marital property rights and is issued under state or tribal domestic relations law.
4. **Draft Order.** A Draft Order is a Domestic Relations Order that the parties intend to constitute a QDRO, but has not been executed by the court.
5. **Earliest Retirement Age.** Earliest Retirement Age means the earliest date on which the Participant could begin receiving benefits under the Plan if the Participant terminated covered employment.
6. **Executed Order.** An Executed Order is a Domestic Relations Order that has been executed by a state or tribal court or similar authority.
7. **Participant.** A Participant is a participant under the Plan.
8. **Qualified Domestic Relations Order.** A Qualified Domestic Relations Order or "QDRO" is an Executed Order that satisfies the requirements of these QDRO Procedures.

### **QDRO Requirements**

To constitute a QDRO, the Executed Order must create or recognize an Alternate Payee's right to receive directly all or a portion of the benefits otherwise payable to a Participant. In addition, the Executed Order must answer the following questions:

1. **Which plan will pay?** The Executed Order must specifically and accurately name the Plan. If the Participant has accrued benefits under more than one plan, it is usually preferable to create a separate Executed Order for each plan under which benefits are to be divided, especially if different entities maintain and administer the plans.

2. Who will receive the benefits? The Executed Order must include the name and last known mailing address (including zip code) of the Participant and the Alternate Payee. The parties may also designate a representative for receipt of copies of notices and plan information. For purposes of administration and benefit distribution, the Executed Order should also contain the dates of birth and social security numbers for the Participant and the Alternate Payee. The parties should provide their social security numbers and dates of birth in a separate writing for privacy purposes.
3. What is the purpose of the Executed Order? The Executed Order should identify its purpose (*i.e.*, whether the order relates to alimony, child support or marital property) as well as the relationship of the Alternate Payee to the Participant, not only for proper determination as to whether the Executed Order is a QDRO, but also for tax purposes.
4. How much will be paid? The Executed Order must clearly specify the amount or percentage of benefits payable from the Plan to the Alternate Payee or the exact manner in which the Alternate Payee's benefit is to be determined. Please refer to the Plan's SPD for a description of the available benefits under the Plan.

Reference to benefit division formulas set forth in named court cases is not sufficient. The Executed Order must give specific details regarding the proposed division, including a specific assignment date. If the formula is based on benefits accrued during marriage, the Executed Order must specify the date of marriage and the date of divorce. A formula should measure a Participant's benefit in the Plan in terms of "years or partial years of benefit service" and not by periods of employment.

An Executed Order using a separate interest approach (described below) must specifically state whether the Alternate Payee will be entitled to share in post-retirement increases, post-divorce benefit increases or early retirement subsidies paid to the Participant, if any.

- (a) Post-Retirement Increases. The Plan assumes the Alternate Payee will not share in post-retirement increases (including cost-of-living increases or other economic improvements), if any, based on the Alternate Payee's award of benefits in the Executed Order, unless the Executed Order specifically states otherwise.
- (b) Post-Divorce Benefit Increases. The Plan assumes the Alternate Payee will not share in additional benefits earned after the date of divorce or in post-divorce benefit rate increases unless the Executed Order specifically states otherwise.
- (c) Early Retirement Subsidy. If the Alternate Payee begins receiving benefits under the Executed Order on or after the Participant's annuity starting date, the Alternate Payee will share in any early retirement subsidy, unless the Executed Order specifies otherwise. If the Alternate Payee begins receiving benefits under

the Executed Order before the Participant retires, the Alternate Payee's benefit will take into account only the present value of benefits, disregarding any early retirement subsidy. The Alternate Payee's benefit will not be recalculated to include a share of the early retirement subsidy if the Participant retires after the Alternate Payee and receives a subsidy unless the Executed Order specifically provides the Alternate Payee will share in the early retirement subsidy and that the Alternate Payee's benefit shall be recalculated to include a portion of the subsidy.

For Executed Orders using a shared interest approach (described below), the Plan will assume that the Alternate Payee will share in post-divorce benefit increases, post-retirement increases and early retirement subsidies (if any) unless the Executed Order specifically states otherwise or the parties use a formula based on benefits accrued during marriage.

The Executed Order cannot require the Plan to provide increased benefits, determined actuarially, to the Alternate Payee. In addition, the Executed Order cannot require payments to an Alternate Payee that were previously awarded to another Alternate Payee under an earlier QDRO.

5. When and how will the benefit be paid? The Executed Order must specify the timing and form of the Alternate Payee's benefit. There are two types of QDROs: separate interest and shared payment. Under either type of QDRO, the Alternate Payee must elect to receive benefits; the Plan will not automatically distribute the Alternate Payee's benefit (with a limited exception for small benefits—refer to the SPD for more information).
  - (a) Separate Interest. Under a "separate interest" QDRO, the Alternate Payee has the right to elect the timing and form of benefit as provided by the Plan; this will determine the number or period of payments. Under the Plan, the Alternate Payee may elect to commence benefits on or after the date the Participant attains his or her Earliest Retirement Age or the date the Plan Administrator issues a formal written determination that the Executed Order is a QDRO, if later. Payments must begin to the Alternate Payee no later than the required beginning date specified by the Plan (refer to the SPD for more information). The Plan does not permit an Alternate Payee to retroactively commence benefits. Therefore, the Alternate Payee's annuity starting date cannot precede the date the Alternate Payee applies for benefits under the Plan.

The Alternate Payee may elect to receive a distribution in any form permitted under the Plan for Alternate Payees, except a joint and survivor annuity with his or her subsequent spouse. Additionally, the Executed Order may not require any

type or form of payment not otherwise provided under the Plan. Please refer to the Plan's SPD for additional information on the forms of benefit available under the Plan.

- (b) Shared Payment. Under the "shared payment" approach, the Participant elects the form of benefit and the Alternate Payee shares a portion of each payment. The Executed Order must specify when payments to the Alternate Payee begin and end. Benefits cannot begin prior to the later of the commencement of distributions to the Participant or the date the Plan receives an Executed Order that it determines to be a QDRO.

If the Participant is already in pay status at the time an Executed Order is entered, then the Executed Order must take the form of a shared payment. The Executed Order cannot name the Alternate Payee as the Participant's surviving spouse for purposes of the joint and survivor annuity, unless the Alternate Payee was named the surviving spouse at the time of the Participant's annuity starting date.

- 6. What will happen when the Participant dies? The Executed Order must specify what happens in the event of the Participant's death. The consequences of the Participant's death depend on which approach the Executed Order follows.

- (a) Separate Interest Approach. If the Participant dies before attaining Earliest Retirement Age, the Alternate Payee's separate interest award shall be null and void. The Alternate Payee will not receive any benefits under the Executed Order, unless the Alternate Payee is designated as the Participant's surviving spouse for purposes of the qualified preretirement survivor annuity.

If the Participant dies on or after attaining Earliest Retirement Age, the Participant's monthly benefit, if any, will automatically terminate. In that event, the Participant's death will not affect the Alternate Payee's separate interest award.

- (b) Shared Payment Approach. The Participant's benefits will end when the Participant dies (subject to any applicable death benefits). No further payments are available to the Alternate Payee unless the Alternate Payee was designated as the Participant's surviving spouse for purposes of the qualified joint and survivor annuity. If the Participant is not yet in pay status, no further payments will be available to the Alternate Payee unless the Executed Order specifically designates the Alternate Payee as a surviving spouse for all or part of the qualified preretirement survivor annuity, as a surviving spouse for the qualified joint and survivor annuity, and/or as a beneficiary for an optional form of payment.

7. What will happen when the Alternate Payee dies? The Executed Order must specify what happens in the event of the Alternate Payee's death. The consequences of the Alternate Payee's death depend on which approach the Executed Order follows.
- (a) Separate Interest Approach. If the Alternate Payee dies before commencing benefits, the Alternate Payee's awarded benefit will be considered null and void, and the benefit will revert to the Participant. If the Alternate Payee dies after commencing benefits, the Alternate Payee's benefit will not be restored to the Participant. Once the Alternate Payee enters pay status, any death benefit payable will depend on the form of distribution that the Alternate Payee has elected.
  - (b) Shared Payment Approach. If the Alternate Payee dies before the Participant enters pay status, the benefit awarded the Alternate Payee is deemed null and void, and the full amount will be restored to the Participant, including any rights to naming a survivor annuitant or beneficiary. If the Alternate Payee dies after the Participant goes into pay status, any payments to the Alternate Payee will end and the full amount of the monthly benefit payment will be restored to the Participant. The Participant cannot, however, name a new survivor annuitant or change his benefit. The Alternate Payee cannot name a beneficiary to receive his or her share of the benefit payment.
8. What happens to the Participant's existing beneficiary designation? The Participant's designation of his or her (former) spouse as a beneficiary is automatically void upon legal dissolution of marriage (*e.g.*, divorce). The Participant may re-designate his or her former spouse as his or her beneficiary after the date the marriage legally terminates.
9. What will happen if the Participant is not vested when he or she separates from service? Vesting of the Alternate Payee's benefit is dependent upon vesting of the Participant's benefit. The Alternate Payee's benefit shall vest as and when the Participant's benefits vest. If the Participant terminates covered employment before benefits are vested, the Alternate Payee will not be entitled to a benefit from the Plan.

In summary, the Executed Order should address all contingencies as comprehensively as possible. If an Executed Order that would otherwise meet the requirements of a QDRO contains an ambiguity, the Administrative Manager may resolve the ambiguity by written agreement of the Participant and Alternate Payee and/or their legal counsel.

#### **Draft Orders or Written Notice of an Executed Order**

The Plan allows parties to submit a Draft Order for review prior to obtaining an Executed Order. The Plan has the discretion to take action as necessary (*e.g.*, place a hold on the Participant's benefits)

upon receipt of a Draft Order to protect the Alternate Payee's potential benefits pending receipt of an Executed Order, provided the Participant is not already in pay status. The Plan also may take such actions if it receives notice that a Participant's benefits may be subject to a QDRO (for example, receiving a copy of a divorce decree). The Plan will revoke any such action if it does not receive an Executed Order within a reasonable period of time (generally no longer than 60 days) after it receives the Draft Order or other written notice of a potential QDRO.

When the Plan receives a Draft Order, the Plan Administrative Manager will provide comments to the designated legal counsel or party submitting the Draft Order, which will explain whether the Draft Order would qualify as a QDRO if entered by the court. However, the Plan cannot make a final determination regarding whether a Draft Order constitutes a QDRO until it receives a certified copy of an Executed Order.

If the Participant is in pay status at the time the Plan receives a Draft Order, benefits to the Alternate Payee may be awarded only on a prospective basis following the date the Plan receives an Executed Order.

#### **Administrative Procedures for Determination of Qualified Status of an Executed Order**

The Plan will follow these administrative procedures when it receives an Executed Order:

1. Place a "Hold" on Participant's Benefits. If the Participant has not entered into pay status when the Plan receives an Executed Order, the Plan has the discretion to take such action as necessary to protect the Alternate Payee's potential benefits pending its final decision concerning the Executed Order.

If the Participant is in pay status, as soon as administratively feasible following receipt of the Executed Order the Plan shall suspend and separately account for any benefits that would have been payable to the Alternate Payee during the Determination Period.

2. Acknowledgement of Receipt. The Plan Administrative Manager will notify the Participant and Alternate Payee (with copies to any respective legal counsel) when it receives an Executed Order and will send a copy of these procedures. This notice may be combined with the Plan's determination as to the qualified status of the Executed Order. If the parties have not yet submitted a certified copy of the Executed Order, the Plan Administrative Manager will request the certified copy. **An Executed Order cannot be approved as a QDRO until the Plan receives a certified copy.**
3. Determine Qualified Status. Within a reasonable time following receipt of a certified copy of the Executed Order, the Plan will determine whether the Executed Order is a QDRO. The Plan may request that legal counsel review the Executed Order.

- (a) Executed Order is a QDRO. If the Plan determines that the Executed Order satisfies all of the requirements for a QDRO, the Plan Administrative Manager will:
- (1) Notify the Participant, Alternate Payee and respective legal counsel that the Executed Order is a QDRO and describe how the Administrative Manager will interpret the terms of the QDRO;
  - (2) Notify the Participant, Alternate Payee and respective legal counsel with regard to the procedure to request a review of the Plan's interpretation or determination;
  - (3) Take such steps as are necessary to see that the QDRO is enforced, subject to the review period and procedures described below; and
  - (4) Release any withheld payments to the proper party as soon as administratively feasible after the review period expires and the Alternate Payee is entitled to take a distribution.

The Alternate Payee should contact the Plan Administrative Manager to complete any forms necessary to process the Alternate Payee's benefits. As noted above, the Alternate Payee must elect to receive benefits; the Plan will not automatically distribute the Alternate Payee's benefit.

- (b) Executed Order is not a QDRO. If the Plan determines that the Executed Order is not a QDRO, the Plan Administrative Manager will notify the Participant, the Alternate Payee and respective legal counsel, in writing. This notice will explain why the Executed Order is not qualified and will reference specific Plan provisions and/or applicable law. In addition, the Plan will provide the parties with the portion of these Procedures that identifies how they can request a review of the determination.

If the Plan determines that an Executed Order is not a QDRO, the Participant and Alternate Payee shall have 60 days, or such longer period as granted by the Plan and communicated in writing to the parties, to provide a revised Executed Order. If the Plan does not receive a revised Executed Order within such period, or any notice that the parties are pursuing a revised Executed Order, the Plan's determination of the Executed Order as not qualified will stand. The Plan will revoke any "hold" on the Participant's benefits. The Plan also shall release any withheld payments to the Participant.

If the parties revise and resubmit the Executed Order to the Plan after the applicable period, the Plan will treat the revised Executed Order as a new Executed Order subject to these administrative procedures.



- (c) Determination After 18 Months. If, at the end of the 18-month period, the issue as to whether the order is a QDRO is not resolved, the Plan Administrator will release any hold on the Participant's benefit, and any withheld amounts will be paid to the Participant in accordance with the provisions of the Plan and applicable law. If the Plan Administrator determines that an Executed Order is a QDRO more than 18 months after the determination period has begun, the QDRO will apply on a prospective basis only.
4. Board of Trustees' Ratification. The Board of Trustees will ratify all actions taken under these procedures at its scheduled meetings or will delegate QDRO review authority to a committee.

#### **QDRO Fees**

The Administrative Manager shall apply a separate, one-time QDRO processing fee equal to the full amount of the actual legal and actuarial fees incurred by the Plan in reviewing and approving the QDRO. The Administrative Manager will deduct the fee as follows:

1. The Administrative Manager will segregate the Alternate Payee's award from the Participant's benefit pursuant to the Executed Order and these procedures.
2. Unless the QDRO provides for a different allocation, the Administrative Manager will deduct the fee equally from the Participant's and Alternate Payee's initial payment(s) (*i.e.*, 50% of the fee from each) when payments commence to each party, unless the Alternate Payee is awarded 100% of the Participant's benefit, in which case the entire fee will be deducted from the Alternate Payee's payment(s).

#### **Request for Review**

Payment to the Alternate Payee will not be made before the end of the 60-day review period described below unless the Participant and Alternate Payee agree, in a notarized writing, to waive the review period and file such waiver with the Administrative Manager.

If any interested person disputes the Plan's determination that the Executed Order is or is not a QDRO or disputes the Plan's interpretation of the Executed Order's provisions, such person should file a written request for review with the Plan within 60 days of the date of the determination letter. The request for review must:

1. State the ground(s) for the request for review;
2. Refer to the pertinent provision or provisions of the Plan, ERISA or the Code on which the request for review is based;

3. State the argument(s) and authority (if any) supporting each ground for the request for review; and
4. Include any pertinent documents or comments the person desires to submit in support of the request for review.

Within a reasonable time after an interested person files a timely request of review, the Administrative Manager shall notify all interested persons of the request.

The Board of Trustees will make a decision at its first quarterly meeting following receipt of the request for review (unless the request is received within 30 days of the meeting, in which case the request will be considered at the second scheduled quarterly meeting). If there are special circumstances requiring a delay, the decision may be made at the third quarterly meeting following receipt of the request for review. The Administrative Manager will contact the parties if postponement is required. The Board of Trustees will advise the parties of its decision in writing five days after a decision has been made.

The decision shall be communicated in writing to all interested persons, and shall include the specific reasons for the decision, references to the appropriate provisions of the Plan, ERISA, or the Code, notify the parties of their right to access and copy (free of charge) all documents, records and other information relevant to the claim, and notify of the right to bring a civil action under ERISA.

No Participant or Alternate Payee may commence legal action to challenge the determination of the status of an Executed Order, the interpretation of an Executed Order or the amount of benefits payable under the terms of the Executed Order, until he or she has exhausted all review procedures under the Plan. All legal actions must be brought within 180 days of the date the Board of Trustees notifies the parties of a denial on review.

Additional information on the review procedures and requirements is available in the Plan's SPD.

### **For More Information**

Inquiries and Draft or Executed Orders submitted for review should be directed to the following address:

Board of Trustees of the International Brotherhood of Electrical Workers  
Local No. 150 Pension Fund  
c/o TIC International Corporation  
6525 Centurion Drive  
Lansing, MI 48917-9275  
(517) 321-7502