

**IUPAT District Council No. 21 Annuity Fund
Qualified Domestic Relations Order Procedures**

The following procedures (the "Procedures") are to be used by the IUPAT District Council No. 21 Benefits Office (the "Administrator") in reviewing domestic relations orders ("DROs") of the IUPAT District Council No. 21 Annuity Fund (the "Plan") for satisfaction of the qualified domestic relations order ("QDRO") requirements set forth in Section 414(p) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 206(d)(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

RESPONDING TO DRO INQUIRIES

Upon receiving an inquiry from a participant, prospective alternate payee ("AP"), or his or her designated representative for information in connection with a potential QDRO, the Plan Administrator should:

- Confirm that the participant has benefits payable under the Plan;
- Place a hold on the participant's account;
- Provide a copy of these Procedures and the Plan's model QDRO to the participant, the AP, and/or their designated representatives; and
- Provide the information requested only if and to the extent it is relevant to drafting a DRO.

If the inquiry comes from a prospective AP or his or her designated representative and the information requested includes participant-specific information, such as the participant's account balance or last known address, the Plan Administrator shall require the individual to submit either:

- Written, notarized consent from the participant authorizing the Plan's release of the information to the AP or his or her designated representative; or
- A subpoena requiring the Plan to provide the requested information to the AP or his or her designated representative.

PLACING A HOLD ON A PARTICIPANT'S ACCOUNT

If the Plan Administrator receives notice from the participant, a prospective AP, or his or her designated representative, or if the Plan Administrator otherwise has a reasonable basis to believe, that a QDRO with respect to any portion of the participant's benefit under the Plan is forthcoming and will be submitted to the Plan, then the Plan Administrator shall:

- Place a hold on the participant's account; and
- Notify the participant or his or her designated representative that a hold has been placed on the participant's account.

The Plan Administrator shall have reasonable basis to believe that a QDRO is forthcoming if the Plan Administrator receives:

- A divorce decree or marital property settlement that provides for the participant's spouse or former spouse to receive a portion of the participant's benefit under the Plan;
- An order from a designated state child support agency providing for the assignment of a portion of the participant's benefit to the AP;
- A court order directing the plan to prohibit the payment of benefits to the participant pending further order from the court; or
- Other information sufficient to reasonably establish that a domestic relations proceeding is being initiated and the parties intend to prepare a DRO relating to the participant's benefits under the Plan.

Once the Plan Administrator has placed a hold on a participant's account, the participant shall not be permitted to receive a withdrawal or distribution with respect to any portion of the participant's account that may be subject to a potential QDRO. The hold on a participant's account shall remain in effect for a period not to exceed 18 months or, if earlier, upon receipt of any of the following:

- A court-certified copy of a court order (including a dissolution of marriage, final decree of divorce or a property settlement agreement incorporated into such order) that clearly states that the AP has waived his or her spousal rights to benefits, and includes all other information required in a QDRO to the extent applicable;
- An executed and notarized waiver of benefits from the AP;
- A complete original or court-certified copy of a court order lifting any restriction pertaining to the division of benefits; or
- A complete original or court-certified copy of an executed QDRO.

Removal of a hold on a participant's account does not imply that the AP is waiving his or her right to any portion of the participant's benefit under the Plan and the Plan Administrator shall again place a hold on the participant's account if the parties subsequently notify the Plan Administrator that they will be seeking a QDRO or the Plan Administrator subsequently has a reasonable basis to believe that a QDRO is forthcoming and will be submitted to the Plan.

RECEIVING A DRO

Upon receiving a DRO, the Plan Administrator shall take the following steps:

- First: Determine whether the DRO names as a participant an individual who is actually a participant in the Plan.
 - If the DRO does not identify a participant in the Plan, then the Plan Administrator should immediately notify the party who submitted the DRO that the individual identified as the participant is not a participant in the Plan and that the DRO will not be reviewed.
 - If the DRO identifies a participant in the Plan, then proceed to the second step.
- Second: Place a hold on the participant's account (if not already done) and determine

whether the DRO clearly identifies an AP who is to receive all or a portion of the participant's benefit under the Plan.

- If the DRO does not identify an AP, then the Plan Administrator should immediately request the AP's name and contact information from the party who submitted the DRO.
- If the DRO identifies an AP, then proceed to the third step.
- Third: Notify the participant, AP, and/or their designated representatives that the Plan has received the DRO, a hold has been placed on the participant's account, and the Plan Administrator will contact the parties once the qualified status of the DRO has been determined. The notice should include a copy of these procedures.
- Fourth: Review the qualified status of the DRO as described below in "DETERMINING QUALIFIED STATUS OF DRO."

REVIEW OF DRO

The Plan may not accept any DRO, including a DRO that has been executed and issued by a court or state agency as a QDRO unless and until the Plan Administrator has reviewed the DRO and determined that it is qualified under Code Section 414(p) and ERISA Section 206(d)(3) as set forth below. During its review of a DRO, the Plan Administrator should request any additional information from the parties that the Plan Administrator determines is reasonably necessary to determine whether the DRO is qualified. The Plan Administrator should complete its review of a DRO as soon as administratively reasonable after receipt.

QDRO Requirements

To qualify as a QDRO, a DRO must:

- Be a judgment, decree, or order (including the approval of a property settlement agreement) issued under a state's domestic relations laws by a court or state agency (such as an administrative agency) with authority to issue such judgments, decrees, or orders under a state's domestic relations laws (including community property laws);
- Relate to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a participant; and
- Contain the:
 - Name of the Plan (or information that sufficiently identifies the Plan);
 - Full names and last known mailing addresses for the participant and AP;
 - AP's relationship (spouse, former spouse, child, or dependent) to the participant; and
- Amount or percentage of the participant's benefit awarded to the AP (the "AP's Interest") and the method for determining such amount or percentage; and

A DRO will not qualify as a QDRO if it requires the Plan to:

- Provide any type or form of benefit not otherwise provided under the terms of the Plan;
- Provide increased benefits determined on the basis of actuarial value;
- Pay any amount that is required to be paid to a different AP under another QDRO;
- Make any payment or take any action that is inconsistent with any federal or state law, rule, or regulation;
- Pay the AP's Interest in the form of a qualified joint and survivor annuity; or
- Change a participant's form of benefit if it is already in pay status.

Additional Administrative Provisions

A DRO should also specify the following but will not fail to qualify as a QDRO if it does not:

- Whether investment gains and losses are to be credited to the AP's Interest and, if so, how they are to be credited (e.g., the portion of earnings and losses attributable to the AP's Interest from the date on which it is segregated from the participant's account);
- How the AP's Interest will be segregated from the participant's account (e.g., pro rata from all investments and subaccounts comprising the participant's account, but excluding non-vested amounts and outstanding loan balances);
- The effect, if any, the participant's death will have on the AP's Interest;
- If the AP is the participant's former spouse, whether the AP is to be treated as the participant's surviving spouse with respect to any portion of the participant's death or surviving spouse benefits that are not otherwise included in the AP's Interest;
- What happens to the AP's Interest in the event the AP (i) dies before payment of the AP's Interest commences, and/or (ii) predeceases the participant; and
- When and in what form the AP's Interest is to be paid.

ACTION AFTER DETERMINING STATUS OF DRO

As soon as administratively feasible after determining a DRO's qualified status, the Plan Administrator must notify the parties (or their designated representatives) in writing of the determination.

If DRO Is Qualified

Executed DRO

If the Plan Administrator determines that a DRO is qualified and the DRO has been executed by a court or state agency, then the AP's Interest must be segregated from the participant's account as soon as administratively feasible after the determination and separately accounted for pending distribution. Investment earnings and losses should be credited to the AP's Interest to the extent provided for in the DRO. The AP's Interest should be distributed to the AP in accordance with the DRO and subject to the Plan's procedures for electing distributions.

Draft DRO

If the Plan Administrator determines that the DRO is qualified and the DRO is a draft, the hold on the participant's account should remain in place as described above in "PLACING A HOLD ON PARTICIPANT'S ACCOUNT" but distribution of the AP's Interest should not occur until such time as the Plan receives a copy of the DRO executed by a court or state agency.

If the draft DRO does not include the "Additional Administrative Provisions" described above in "REVIEW OF QDRO," then the Plan Administrator should request the parties (or their designated representatives) to revise the draft DRO to include those provisions before they submit it to the court or state agency for execution.

If DRO Is Not Qualified

The Plan cannot accept any DRO as a QDRO if the DRO is not qualified. Whether a DRO is a draft or has already been executed by a court or state agency, if it is determined that the DRO does not satisfy the QDRO requirements, then the Plan Administrator must provide written notice to the parties (or their designated representatives) that sets out, in an easily understood manner, the following:

- The specific reason(s) that the DRO is not qualified;
- The specific provisions of the Plan and/or DRO on which the determination is based;
- An explanation of any additional information that is necessary for the DRO to be qualified; and
- A description of the DRO provisions, if any, that must be inserted, deleted, or revised in order for the DRO to be qualified.

If the Plan Administrator determines that a DRO is not qualified and the DRO does not include the "Additional Administrative Provisions" described above in "REVIEW OF QDRO," then the Plan Administrator should request the parties (or their designated representatives) to revise the DRO to include those provisions before they submit it to the court or state agency for execution.

REVISED DRO OR REQUEST FOR REDETERMINATION

If, after the Plan Administrator has determined the qualified status of a DRO and the Plan notified the participant and AP (or their designated representatives) of the determination, the Plan receives either a revised DRO that purports to correct the deficiencies in the original DRO or a request for a redetermination with supporting information or comments, such revised DRO or request shall be treated as the receipt of a new DRO under these Procedures. If the Plan Administrator determines that the revised DRO or request for redetermination corrects the qualification deficiencies of the original DRO, then the Plan Administrator will proceed on the basis of the revised DRO or request.

DRO APPEALS AND WAIVERS

If the Plan Administrator determines that a DRO is not qualified, the participant and the AP both have the right to appeal the Plan Administrator's determination in accordance with the Plan's benefit claims and appeals procedures. The appeal must set forth the reason(s) for disagreement with the Plan Administrator's determination and include such documentation and information relevant to the claim.

ADMINISTRATIVE ACTIONS

The Plan Administrator must ensure that a DRO is reviewed within an administratively reasonable period of time after it has been received by the Plan. Under ordinary circumstances, this will be within 30 days after the Plan receives a DRO. The Plan Administrator shall keep a record of dates, documents, and actions, and copies of such documents, relevant to its review of a DRO, including, among other things:

- The DRO and any inquiries, correspondence, documentation, or other information relating to the DRO or potential QDRO received by the Plan, and the dates on which the foregoing were received;
- Written notifications, determinations, or other correspondence issued by the Plan Administrator to the participant, AP, or their designated representatives, and the dates on which the foregoing were issued; and
- Documentation, information, and records pertaining to the segregation and distribution of the AP's Interest, such as account statements, beneficiary designation(s), benefit election form(s), and other similar administrative records.

AMENDMENT TO PROCEDURES

The Plan's board of trustees (the "Board") has delegated to the Plan Administrator the authority to modify or amend these Procedures, in whole or in part, at any time and from time to time; provided, however, that the Board reserves the right to rescind such delegation at any time and for any reason, and the Board further retains the right to modify or amend these Procedures in its discretion. Unless otherwise required by law or applicable regulation, no amendment or modification of these Procedures shall cause the qualified or non-qualified status of a DRO under a previous determination of the Plan Administrator to be re-characterized.

COMPLIANCE WITH PLAN AND LEGAL REQUIREMENTS

The Plan Administrator shall interpret these Procedures in a manner consistent with applicable legal requirements and the terms of the Plan. To the extent the terms of the Plan and these Procedures conflict, the terms of the Plan shall control. Notwithstanding the foregoing or anything herein to the contrary, the Plan Administrator shall in all events take such actions as it determines are required or necessary for the Plan to comply with the requirements of Code Section 414(p), ERISA Section 206(d)(3), regulations issued thereunder, and applicable state laws.

LEGAL ADVICE

Nothing in these Procedures, the model QDRO, a DRO qualification determination, or other related documents is intended to constitute legal advice. In issuing such documentation or otherwise corresponding with a participant, AP, or their designated representatives, the Plan Administrator is not providing legal counsel or advice on which they may rely.