

**PROCEDURES TO DETERMINE THE QUALIFIED STATUS OF DOMESTIC
RELATIONS ORDERS AND TO ADMINISTER DISTRIBUTIONS UNDER SUCH
QUALIFIED DOMESTIC RELATIONS ORDER**

**For IBEW Local 242 Members: Electrical Workers Pension Plan - Part B and IBEW
Local 242 401(k) Plan**

**For IBEW Local 294 Members: Electrical Workers Pension Plan – Part C and IBEW
Local 294 401(k) Plan**

I. Introduction.

The following Procedures are established in accordance with Section 414(p) of the Internal Revenue Code of 1986, as amended (the “Code”), Section 206(d) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the requirements of the Electrical Workers Pension Plan - Part B, Electrical Workers Pension Plan – Part C, IBEW Local 242 401(k) Plan and IBEW Local 294 401(k) Plan (each a “Plan” and collectively, the “Plans” or “Funds”). These Procedures are used to determine whether any judgment, decree, order or approved property settlement agreement, including a domestic relations order, received by the Plans is a Qualified Domestic Relations Order (“QDRO”) pursuant to the Code and ERISA.

II. Terms.

- a. *Alternate Payee.* An Alternate Payee may be, as set forth in Section 206(d)(3)(K) of ERISA and Section 414(p)(8) of the Code, a spouse, former spouse, child, or other dependent of a Participant who is recognized by a QDRO as having a right to receive all, or a portion of, the benefits payable under a plan with respect to the Participant. The Fund may also distribute benefits to a contingent alternate payee or payees if the QDRO provides for distribution to such contingent alternate payee(s), such contingent alternate payee(s) constitute an “alternate payee” as defined under ERISA and the Code and all required identifying information is provided to the Fund regarding such contingent alternate payee(s).
- b. *Domestic Relations Order.* A domestic relations order, or “DRO” is, as defined in Section 206(d)(3)(B)(ii) of ERISA and Section 414(p)(1)(B) of the Code, any judgment, decree, or order (including approval of a property settlement agreement and a notice or order from a governmental child support enforcement agency) that relates 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 is made pursuant to a State domestic relations law (including a community property law).
- c. *Proposed DRO.* The term “Proposed DRO” means a draft DRO, which has not been issued or entered by a court or other authorized body. A “Proposed DRO” is not a “DRO,” and the rules governing the Fund’s processing of Proposed DROs are separately described in Part V of these Procedures.

- d. *Qualified Domestic Relations Order.* The term “Qualified Domestic Relations Order” or “QDRO” means, as defined under Section 206(d)(3)(B)(i) of ERISA and Section 414(p)(1)(A), a DRO that (1) creates or recognizes the existence of an Alternate Payee’s right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under a pension plan, (2) meets statutory and other requirements set out herein.

Terms used, but not otherwise defined in these Procedures shall have the same meaning as those terms in the Plan(s), ERISA, and the Code.

III. **Components of a QDRO.**

The Fund is required to honor QDROs, as described in these Procedures, ERISA and the Code. The Fund is not required to honor any DRO or other document that does not constitute a QDRO or that does not comply with the terms of the Plan(s). Further, the Fund is not required to modify or reverse any payment, transaction, or application of funds that occurs prior to the Fund’s receipt of any document purporting to be a QDRO, and shall not be liable for any such payment, transaction, or application of funds.

In order to constitute a QDRO, the DRO must, at minimum, satisfy the following requirements:

- a. The DRO must create or recognize the existence of an Alternate Payee’s right to, or assign to an Alternate Payee the right to receive all or a portion of the benefits payable to a Participant;
- b. The DRO must be made pursuant to a State domestic relations law (including community property law);
- c. The DRO must relate to the provision of child support, alimony payments, or marital property rights for a Participant’s spouse, former spouse, child or other dependent;
- d. The DRO must clearly specify the:
 - i. Participant’s name, date of birth, Social Security No., and mailing address in the DRO or in a separate document;
 - ii. Alternate Payee’s name, date of birth, Social Security Number and mailing address in the DRO or in a separate document;
 - iii. Legal representative’s name and mailing address for Participant and Alternate Payee if any;
 - iv. The specific name of the Plan(s) to which the DRO applies (For 242 Participants and their spouses or ex-spouses: The Electrical Workers Pension Plan – Part B and the IBEW Local 242 401(k) Plan. For Local

- 294 Participants and their spouses or ex-spouses: The Electrical Workers Pension Plan – Part C and the IBEW Local 294 401(k) Plan);
- v. The dollar amount or percentage of the Participant’s benefits to be paid to the Alternate Payee (or the manner such amount or percentage is to be determined) as of a specific date, referred to as the “valuation date;”
 - vi. The number of payments or period to which the DRO applies. Most commonly, there is one lump sum payment.
- e. The DRO must not require the Plan to provide:
- i. Any type or form of benefits, or any option, not otherwise provided under the Plan(s);
 - ii. Actuarially increased benefits; or
 - iii. Benefits to an Alternate Payee which are required to be paid to a prior Alternate Payee under another DRO previously determined to be a QDRO.
- f. The Alternate Payee has a separate right to receive his or her portion of the Participant’s benefits, at a time and in a form chosen by the Alternate Payee, subject to the following:
- i. The QDRO must specify the portion of the Participant’s accrued benefit as of a valuation date to be allocated to the Alternate Payee.
 - ii. The QDRO may permit the Alternate Payee to receive a lump sum distribution as soon as administratively feasible following the earlier of: (1) the Participant attains age 50, or (2) the Participant has a “Termination of Service” from employment as that term is defined in the Plan. “Termination of Service” means that the Participant is no longer employed in the electrical trade or craft within the geographic jurisdiction of his home local, is no longer a member of his home local and no contributions have been received by the Plans for 36 consecutive months. **Please note: depending on the age of the Participant or whether the Participant has terminated from service the Alternate Payee may not have immediate access to his or her portion of the Participant’s benefits.**
 - iii. The Alternate Payee may roll over his or her assigned interest into a qualified retirement plan or individual retirement income account.
 - iv. The Alternate Payee may designate a beneficiary if the Alternate Payee does not elect to have their assigned interest distributed or the QDRO or Plan restricts the earliest date upon which the Alternate Payee may receive a distribution of his or her assigned interest (see ii above).
 - v. The Alternate Payee may not elect to have benefits paid in the form of a joint and survivor benefit with a subsequent spouse as the designated beneficiary.
 - vi. The QDRO must specify that payments to the Alternate Payee must begin no later than the latest date permitted by § 401(a)(9) of the Internal Revenue Code.

IV. Proposed DROs

The term “Proposed DRO” means a draft DRO, which has not been issued or entered by a court or other authorized body. The parties are encouraged to submit a Proposed DRO to the Fund before submitting it to court to be entered as a DRO. If the parties submit to the Fund a DRO that has already been entered by a court, and the Fund identifies changes that are required in order for the DRO to qualify as a QDRO, the parties may be required to submit an amended DRO to the court to be entered. A Proposed DRO will be treated as “Notice of a DRO” as explained in Part VI, below.

The Fund will advise whether a Proposed DRO submitted by a party or a legal representative would be a QDRO if submitted to the Fund as an actual DRO, and if any changes should be made. The parties must submit a copy of a DRO for final approval after it has been entered by the court. The copy provided to the Fund should bear an original court stamp. If not provided, the Fund shall require a copy with an original court stamp.

V. Receipt of Written Notice of a DRO.

The Fund applies different rules depending on whether it receives notice of a DRO (including a Proposed DRO) or a court-entered DRO. These rules do not apply to receipt of non-written communications, and oral communications are insufficient to trigger any action by the Fund, other than a request for these Procedures.

If the Fund receives written notification that (i) a QDRO is being sought, or (ii) any other written document that states that the parties intend to obtain a QDRO, or any other written document that explicitly states that the parties intend to obtain a judgment, decree, or order that creates or recognizes the existence of an Alternate Payee’s right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to the Participant from the Fund, a hold will be placed on such Participant’s relevant accounts for a reasonable period of time to permit the Participant and/or Alternate Payee to obtain a DRO. The hold will prevent distributions. The hold may be extended on written consent of the parties provided to the Fund.

Upon written request, the Fund will provide to Participants and each individual who may be entitled to benefits under the Plans copies of these Procedures and the Plans’ Summary Plan Descriptions.

VI. Receipt of DRO.

Upon receipt of a DRO, the Fund will promptly send to the Participant, the Alternate Payee or their designated representatives copies of the following items:

- a. Notice that the DRO was received by the Fund;
- b. A copy of these Procedures; and
- c. Summary Plan Descriptions.

The Plan Administrator will not distribute the Participant's benefits from the Plan(s) while the status of the DRO is being determined.

The Fund shall continue to account separately for such amounts until the earlier of the date the Fund determines whether the DRO is qualified or the expiration of eighteen (18) months from the date the first payment would have been due had the DRO been a QDRO. If, within eighteen months, the DRO is determined not to be a QDRO or no such determination is made, for any reason, any amounts separately accounted for with respect to any Alternate Payee will be designated to the Participant as if there had been no DRO.

VII. Determination of Qualification.

Within a reasonable period after receipt of the DRO, the Fund will determine whether the DRO is a QDRO (or would be a QDRO if entered with a court) and notify the parties as described below.

- a. *Determination Letter* – The parties' designated legal representatives, if any, or, if no such designation has been made, the Participant, all Alternate Payees, or any counsel for these parties of which the Fund has notice, will receive a copy of the Determination Letter, which shall consist of the following:
 - i. If the Fund determines that the DRO is a QDRO, the letter may outline the Fund's understanding of the DRO as to its provisions and effect.
 - ii. If the DRO is found to be deficient, the notice will state in what respect the DRO is deficient, and how it may be amended to qualify under the law and the terms of the Plan(s).
 1. The parties will then have an opportunity to revise the DRO to meet the Plan(s) requirements and resubmit within the 18-month segregation period. The Fund will not make any distribution from the Participant's account during the 18-month segregation period to ensure the protection of the rights of both parties.
 2. If a revised DRO is not received within the 18-month segregation period then the Fund will return the Participant's account to an unrestricted status.
 3. A determination that a DRO is a QDRO will have only prospective application if it is made after the end of the 18-month segregation period beginning on the date on which the first payment would be required under the DRO.

VIII. Effect of Determination of Qualified Status of DRO.

- a. *Alternate Payee as Beneficiary* – upon a determination that a DRO is a QDRO, any Alternate Payee(s) named in the QDRO will be treated as a Beneficiary of the Fund for all purposes, including ERISA’s disclosure requirements.
- b. *Taxation* – Under the Code, if an Alternate Payee is a spouse or former spouse of the Participant, payments are subject to taxation to the Alternate Payee. If the payment is made pursuant to a QDRO for child support or if the Alternate Payee is the child or dependent of the Participant, payments are subject to taxation to the Participant.
- c. *Application* – For a separate interest QDRO, the Alternate Payee must apply for benefits at the time and in the manner prescribed in the Plan(s) and the QDRO. In such cases, the Fund will provide the Alternate Payee with a description of the available benefit form options at the time of the Alternate Payee’s application.

IX. Miscellaneous.

- a. *Sample QDRO* - The Fund has developed a model QDRO, which is included as an appendix to these QDRO Procedures and provide a sample to the parties of an acceptable DRO. Participants and Alternate Payees are not required to use the model QDRO. However, use of the appropriate sample may expedite the process of determining the qualified status of the DRO. Please note that the Fund’s provision of the model QDRO is not and shall not be construed to be the provision of legal, financial or other advice to the parties.
- b. *QDRO Limitations* - Language should be included in the QDRO to make clear that the QDRO cannot require that the Fund:
 - i. Provide any type or form of benefit , or any option, not otherwise provided under the Plan(s);
 - ii. Provide increased benefits; or
 - iii. Pay benefits to an Alternate Payee which is required to be paid to another Alternate Payee under another order previously determined to be a QDRO.
- c. *Payment Error* – In the event that the Fund inadvertently pays to the Participant any benefits that are assigned to Alternate Payee pursuant to the terms of a QDRO, the Participant shall immediately reimburse Alternate Payee to the extent that Participant has received such benefit payments, and shall pay such amounts so received directly to the Alternate Payee within ten (10) days of receipt. In the event that the Fund inadvertently pays to Alternate Payee any benefits that are assigned to Participant pursuant to the terms of the QDRO, Alternate Payee shall immediately reimburse Participant to the extent that Alternate Payee has received

such benefit payments, and shall forthwith pay such amounts so received directly to Participant within ten (10) days of receipt. If either party receives a payment in error that is not due the other party, the erroneous payment shall be returned to the Fund within ten (10) days of receipt.

- d. *Changes to QDRO* – Each party to the QDRO, and counsel, must advise the Fund of any change in his or her contact or identifying information. Any changes to the benefits payable must be effectuated through a subsequent DRO (*see Subsequent DRO, below*)
- e. *Timing of the DRO* – The Fund shall not determine that a DRO is not a QDRO solely because of the time it is issued. For instance, the Fund shall not determine that a DRO is not a QDRO solely because the Participant has died. However, if the Participant dies, and the Fund has not received “written notice of a DRO” or a DRO, it shall pay any benefits without regard for any DRO that may exist and shall not be liable for any such payments.
- f. *Subsequent DRO* – If, after a DRO has been received by the Fund (before it is determined to be qualified), a new DRO with respect to the same parties is received modifying the earlier DRO, the second DRO shall supersede the first DRO. If the first DRO has been determined to be a QDRO, the second DRO will have only prospective effect upon its qualification. The ability of a subsequent DRO to modify an earlier DRO may be limited once either party takes a distribution or begins receiving an annuity.
- g. *Legal representatives* – The Participant and any Alternate Payee may designate (in writing to the Fund) a representative for receipt of copies of any documents that are sent to them pursuant to these Procedures. If so designated, copies of documents will be sent to the legal representatives, and all future correspondence under these Procedures will be directed to the legal representatives. If there is no such designation but the Fund is aware of a legal representative of record, correspondence will be sent to the Participant and Alternate Payee, with a copy to the legal representative(s).
- h. *Additional Information* – The Fund may request the Participant and/or the Alternate Payee(s) to furnish any documents and information the Fund deems necessary in its sole discretion.
- i. *Contact information* – If no address is given in the DRO for mailing of any document sent under these Procedures, the Fund shall mail it to the last known addresses of the Participant and the Alternate Payee(s).
- j. *Disclaimer* – In all cases, the terms of the Plans shall determine any party’s eligibility for benefits and the amount of such benefits. The benefits payable are governed by the Plans, which is subject to change or termination at any time. All

benefit payments are subject to the actual terms and conditions of the Plans in effect when a party applies for benefits.