

CALIFORNIA IRONWORKERS FIELD PENSION TRUST

FREQUENTLY ASKED QUESTIONS

The responses to the frequently asked questions below are intended to give general guidance. The information provided may not reflect the specific facts and circumstances of every situation. If you have a specific question please contact the Plan administrator for a response tailored to your situation.

1. Who must obtain a QDRO?

Generally, a pension plan cannot pay benefits to anyone other than the participant in the plan. A QDRO allows a pension plan to pay benefits to an alternate payee. An alternate payee can be a spouse, former spouse, child or other dependent of the participant. Most commonly, the participant and his/her spouse will get divorced and the spouse will be awarded a portion of the participant's pension benefits. For the spouse to receive the benefits awarded to her in the divorce, a QDRO must be obtained.

A QDRO creates or recognizes an alternate payee's right to receive all or a portion of the benefits payable with respect to a participant in a pension plan. The order must relate to the provision of child support, alimony payments, or marital property rights for the benefit of an alternate payee.

2. Can an alternate payee begin receiving benefits before the participant separates from service or begins receiving benefits?

Yes, an alternate payee can begin receiving benefits at any time after the earliest date on which the participant would be eligible for a distribution under the Plan. The alternate payee must provide an application for benefits. (See Paragraph 13 of the Sample QDRO)

The alternate payee will not be entitled to receive any subsidies offered to a participant for early retirement unless and until the participant actually retires and is eligible for such a subsidy. (See Paragraph 6 of the Sample QDRO). For an alternate payee to receive a pro rata share of the early retirement subsidy awarded to the participant the QDRO must contain a provision providing for such.

If a participant has retired under a disability pension, then the alternate payee can apply for his or her QDRO benefits at that time, but the benefit will be based on the actual credits earned by the participant, be actuarially reduced based on the alternate payee's age and will not include any disability subsidy.

Example: Participant Joe is age 55 and still working, but qualifies for a service pension. He is divorced, and his ex-wife Sue has obtained a QDRO which awards her 50% of Joe's benefits earned during their marriage plus any applicable subsidy. Sue decides to apply for her benefits now. Since Joe is still working, no subsidy is available for Sue at this time. She will be entitled to regular benefits under the Plan subject to reduction. If Joe retires 2 years later, and qualifies for a service pension, Sue's monthly benefit amount

will be recalculated to include the share of the subsidy stated in the QDRO. If Joe returns to work after retirement, the subsidy is suspended.

3. If the participant has already started receiving benefits can a QDRO still be obtained?

Yes, an alternate payee can obtain a QDRO even if the participant has started receiving benefits from the Plan. However, the QDRO will be applied on a prospective basis. Generally, payment of the alternate payee's share will commence the first of the month following the Pension Plan's receipt of a proper QDRO and the alternate payee's retirement application. (See Paragraph 11 of the Sample QDRO).

4. If the participant has already started receiving benefits what benefits are available for an alternate payee?

Once a participant has elected a benefit option and has begun receiving benefits, the election cannot be changed. The alternate payee's benefit must be paid in accordance with the Participant's previously-elected form of distribution. (See Paragraph 11 of the Sample QDRO).

5. What happens if the participant dies before retirement and before the commencement of payments to the alternate payee pursuant to the QDRO?

If the alternate payee is not already receiving his or her share pursuant to the QDRO and the participant dies before retirement, the alternate payee will receive his or her share of the pre-retirement survivor annuity or lump sum payable on the participant's behalf, so long as the QDRO awards such pre-retirement survivor annuity and the alternate payee is deemed a surviving spouse. The alternate payee must submit a retirement application and payments will begin when first payable pursuant to the Plan. (See Paragraph 15 of the Sample QDRO).

6. Should I use this sample order if I am a retiree? Should I use this sample order if I am still working or have not retired?

This Sample QDRO can be used if you are a retiree or are still working or are not working but have not retired. The sample covers both retirees and any participants who have not yet retired.

The sample uses language that divides the community property portion of the benefits equally between both spouses. The sample order is provided as a courtesy, it is not required that you use the sample form. Please note that a 50-50 division is not legally required and does not necessarily accomplish the best result for every situation. The parties should always consult their own attorneys before agreeing to this form, and the attorneys should adopt and revise the language where appropriate. Moreover, the sample contains provisions that are optional or which involves choices that the parties may want to modify. The Plan takes no position on these specific provisions.