

**California Ironworkers Field Pension Trust
California and Vicinity Iron Workers Annuity Trust Fund**

Rules and Procedures for Administering
Qualified Domestic Relations Orders (QDRO's)

Federal law provides specific rules under which pension benefits can be paid to an "alternate payee" (a spouse, former spouse, child or other dependent) under a state domestic relations order. A domestic relations order is a judgment, decree, or order issued pursuant to a State domestic relations law that relates to the provision of child support, alimony payments, or marital property rights and that creates or recognizes the existence of an alternate payee's right to receive all or a portion of the benefits payable to a participant under a plan. If the domestic relations order meets the requirements under Federal law, the pension plan can accept the order as a Qualified Domestic Relations Order and pay benefits to the alternate payee.

Pension plans have the authority to determine whether a particular domestic relations order is in fact a QDRO. Trustees of the California Ironworkers Field Pension Trust and the California and Vicinity Iron Workers Annuity Trust Fund have adopted these rules for administering QDROs. Please contact the Fund Office if you would like any additional information such as a copy of the Summary Plan Description, the Plan Document, account statements, QDRO Frequently Asked Questions, or sample QDROs.

A. QDRO REQUIREMENTS

1. Required Provisions. For an order to be a QDRO it must clearly specify at least the following information:

- a. Name and last known mailing address of the participant and of each alternate payee covered by the Order;
- b. Correct name of the Plans;
- c. Either the dollar amount or percentage of the benefit to be paid to the alternate payee or the manner in which the amount is to be determined; and
- d. The number of payments or time period to which the order applies.

2. Prohibited Provisions. The order will fail to be a QDRO if it does any of the following:

- a. Requires the Plans to provide any type or form of benefit, or any payment option, not otherwise

provided under the Plans;

- b. Requires the Plan to provide increased benefits;
- c. Requires the payment of benefits to an alternate payee that are required to be paid to another alternate payee under a prior QDRO.
- d. Requires the Plans to provide benefits to the alternate payee in the form of a Joint and Survivor Annuity for the lives of the alternate payee and a subsequent spouse.

B. ADMINISTRATIVE HOLD ON PARTICIPANT'S BENEFITS

Upon receipt of written notice from a participant, spouse, former spouse or attorney of a dissolution of marriage, or otherwise stating that there is a competing claim on the participant's benefits, the Trust Fund Office shall place an administrative hold on the participant's account and shall not make any benefit distributions without further clarification. If a participant demands payment of his or her benefits because no QDRO is in effect, the Plans shall give the proposed alternate payee a reasonable period to seek a court order preventing such distribution. The Trustees and their delegates have absolute discretion to delay paying benefits when the Plans are on notice of a dissolution action or similar proceeding.

It is the responsibility of the parties to keep the Plans informed about the status of their property settlement and to resolve the matter without undue delay. The Plans may terminate an administrative hold and pay benefits under normal plan rules if the parties fail to submit a filed QDRO within a reasonable time.

C. EMPLOYEE/SPOUSE RESPONSIBILITY TO SEND COURT ORDER TO PLANS

Under federal law, a former spouse has no enforceable right to benefits under the Plans until the Plans are served with an order signed or stamped by the judge and filed with the Court Clerk, which meets the requirements described above. The former spouse's interest is not protected merely because the Plans have been joined, or because the Plans have been given notice of the spouse's claim, or because the Plans have approved a draft order.

The Plans have no duty to investigate whether a QDRO exists. As a reminder, the pension application includes questions about marital status and about prior court orders dividing the benefits. If the employee responds that there is no such order, the Plans will not inquire further unless it has received documents indicating that a QDRO exists.

D. PROCEDURE FOR HANDLING COURT ORDERS

1. Review by Plan Administrator and Plan Counsel. The Plans review all court-approved marital property settlements and other court orders potentially affecting pension benefits to determine whether they meet the requirements in Section A for acceptance as a QDRO. The Plans' Administrator makes the final determination whether an order meets the applicable requirements. The Plans' Administrator may seek the assistance of legal counsel in any review.

2. Notices to Participant and Alternate Payee. Within a reasonable period after receipt of a domestic relations order creating rights for an alternate payee, the Plans shall notify the participant and alternate payee of receipt of the order and the Plans' procedures for determining whether the order is qualified. The Plans' Administrator shall determine, within a reasonable amount of time after receipt of any such order, whether the order is a QDRO and shall notify the participant and the alternate payee of the determination. The Plan's Administrator may seek the assistance of legal counsel related to any notices.

3. Acceptance of Order as QDRO. If the order is accepted as a QDRO, the Plans will notify the parties that the order is qualified. The alternate payee will be entitled to receive his or her share of the benefit in accordance with Plan rules.

4. Rejection of Order. If the Plans reject the order, the rejection notice will identify the defects in the order. The participant or alternate payee may correct the defects and submit a revised order, or may appeal the rejection decision using the Plans' appeal procedure. Any appeal must be submitted within sixty (60) days after the rejection notice. If the Plans do not receive a timely appeal or revised court order, the Plan may pay benefits to the participant in accordance with the normal Plan rules, without notice to or consent by the alternate payee.

5. Limited Purpose of Plan Review of Order. The Plans do not review marital property settlements to determine whether they are fair or complete, or whether they comply with applicable state law. It is the responsibility of the parties to the divorce action and their attorneys, not the Plan, to ensure that community assets are identified and a fair division is accomplished under state law.

When presented with a final order, the Plans look only to see whether it contains language about retirement benefits which creates or recognizes the existence of an alternate payee's right to receive benefits payable by these Plans. Where such language is found, the Plans have a legal duty to determine whether or not the order is a QDRO under federal law, and to provide the notices described above.

The Plans have no duty whatsoever with respect to a marital property settlement unless the court order manifests an intent to divide benefits payable by the Plans. If there is no clear statement of such intent, the Plans will assume that the parties chose not to divide the benefits payable by the Plans. In such circumstances the Plans take no action and sends no notices. Subsequent benefit payments to the participant will be made under the terms of the Plans,

without notice to or consent by the former spouse. Examples of orders that will not trigger a notice to the former spouse or other potential alternate payee(s) are:

- a. Orders stating that the participant shall receive his or her entire account under the Plans;
- b. Orders omitting all reference to retirement benefits;
- c. Orders describing the disposition of other pension benefits without mentioning the Plans;
- d. Orders stating that there is no community property to be divided;
- e. Orders dissolving marriage without a formal property settlement.

6. Escrow for Determination Period. During any period in which the issue of whether a domestic relations order is a QDRO is being determined (by Plans' Administrator, Plan Counsel, a court or otherwise), the Plans may segregate the amounts that may be payable to the alternate payee during such period if the order is determined to be a QDRO. (Usually, this segregation is not necessary as the determination is made in a timely manner.) The Plans have full discretion to decide if this is necessary.

If the Plans determine that the order is not a QDRO or if eighteen months (18) have expired without a determination whether the order is qualified, benefits may be paid to the participant and his or her beneficiary as provided in the Plans.

7. Trustee Discretion. The Trustees or their delegates have full discretion to determine whether the Plans should comply with a proposed or final order. For old orders entered prior to ERISA (1974) or REA (1984), the Plans may (to the extent allowed by law) accept orders that do not technically meet all of the requirements of a QDRO.

To save the parties' legal fees and costs and to avoid the time involved with obtaining a new order or noticing a court hearing, the Plans may allow the parties to mutually agree on the interpretation of an order that is ambiguous or uncertain. The Plans, however, have total discretion in this area.

The Plans' decision to accept an order as a QDRO is not binding upon the Internal Revenue Service. The IRS may independently determine that an order previously accepted by the Plans is not a QDRO. If this occurs, payments made to an alternate payee pursuant to the order may be ineligible for favorable tax treatment.

8. Policy Prohibiting Plan Signature on Order. QDROs shall not be signed by any Plan representative. The purpose of this policy is to avoid any suggestion that the Plans have evaluated or endorsed the division of benefits in any manner except the limited review described above.

9. Commencement of Benefits to Alternate Payee.

Under the terms of the Pension Plan, benefit payments to an alternate payee under an order which the Plan has determined to be a QDRO may commence at any time after the participant becomes eligible for distribution of his or her entire account balance, whether or not the participant elects to begin receiving benefits.

Under the terms of the Annuity Plan, benefit payments to an alternate payee under an order which the Plan has determined to be a QDRO may commence at any time after at least thirty (30) days following the determination by the Plan that the submitted order is a QDRO.

10. Lump Sum Distribution. If the participant or alternate payee is entitled to a benefit of \$5,000 or less, such distribution shall be in one lump sum.

11. Dissolution Does NOT Revoke Designation of Spouse as Beneficiary. Under the Plans, a dissolution of marriage does not revoke any prior designation of the former spouse as the participant's beneficiary. After dissolution of marriage, the participant should file a new beneficiary card with the Plans.

E. PROCEDURE FOR HANDLING PROPOSED ORDERS OR INQUIRIES

1. Written Request for Information. Inquiries concerning the potential interest of a current or former spouse, child or other alternate payee should be made in writing to the Plan Administrator at the address above. A participant may ask the Plans for a determination of the participant's interest as of the date of separation or dissolution. Individual benefit information cannot be released to anyone other than the participant without either the participant's written consent or a subpoena.

2. Joinders, proposed court orders, subpoenas, other communications involving attorneys. The Plan Administrator will promptly forward to Plan Counsel any communications involving attorneys, including Joinder Requests, proposed orders, filed orders, and any related correspondence or information relating to a pending dissolution or support order, along with the information described in paragraph 1.

Plan Counsel will provide participants and beneficiaries with these QDRO Procedures, Frequently Asked Questions and sample QDROs. Participants and alternate payees are not required to use the sample orders. The sample orders are used simply to assist participants, alternate payees and their attorneys in understanding the Plans and to expedite the preparation of a QDRO. The Plans do not warrant that the sample order is appropriate in each instance.

3. Draft QDROs. The Plans' Administrator or in some cases Plan Counsel will review proposed orders (draft QDROs) and inform the parties whether a draft order meets the requirements for a QDRO and, if not, how to correct it. Anyone seeking to obtain a QDRO is strongly encouraged to submit the proposed order for review before it is signed by the judge and file-endorsed by the Court Clerk. This will avoid issuance of a non-qualified order with which the Plans cannot comply.

G. FREQUENTLY ASKED QUESTIONS AND SAMPLE QDROS

Attached are Frequently Asked Questions and sample QDROs. These are intended to assist employees, prospective alternate payees and their attorneys in preparing Qualified Domestic Relations Orders (QDROs). This language is currently being accepted by the Plans as meeting the requirements of a QDRO, although the language has not been challenged in court nor has a court definitively stated that it meets ERISA's standards for a QDRO.

Effective: _____