

Northern California Electrical Workers Pension Trust
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**PROCEDURES FOR ADMINISTERING
DOMESTIC RELATIONS ORDERS (QDROs)**

Pursuant to the Employee Retirement Income Security Act, as amended ("ERISA"), the Board of Trustees of the Northern California Electrical Workers ("NCEW") Pension Trust adopts these procedures for administering domestic relations orders which affect the pension benefits of Participants in the NCEW Pension Plan and/or the San Francisco Electrical Workers ("SFEW") Retirement Savings Plan (formerly the NCEW Money Purchase Pension Plan). The Trust shall comply with a Qualified Domestic Relations Order ("QDRO") as required by ERISA.

A. PROCEDURE FOR HANDLING PROPOSED ORDERS OR INQUIRIES

1. Written Request of Plan Office. Inquiries and questions concerning the pension benefits of a current or former spouse, a child, or other Alternate Payee should be made in writing to the Plan Office at the address listed above. This includes a request to formally join the Plans in a dissolution/divorce proceeding (known as a Joinder Request) and/or submission of any proposed order for review. (If Trust legal counsel is already involved, the Joinder Request and related documents should be sent directly to his attention. Trust counsel's address is: Richard K. Grosboll, Neyhart, Anderson, Flynn & Grosboll, 44 Montgomery Street, Suite 2080 San Francisco, CA 94104-6702; phone: 415-677-9440, ext. 130).

A Participant or potential Alternate Payee may request of the Plans a determination of the Participant's interest in each Plan as of the date of separation or other applicable date.

2. Trust Counsel Review. In most instances, the Plan Office will forward to Trust legal counsel a Joinder Request, proposed order and any related correspondence or information relating to a pending dissolution or support order. Trust counsel has responsibility for filing a Notice of Appearance and for contacting the parties or their counsel regarding the Joinder Request or proposed order. Counsel may notify a Participant and/or his or her legal counsel regarding such Joinder request and/or inquiry and may provide information regarding a spouse's benefits. (In some instances, the

Plan Office will file the necessary response without assistance from Trust legal counsel.)

Trust counsel or the Plan Office will then furnish the spouse with information on the Participant's interest in the Plans as well as general information on the Plans. Trust counsel will make the final determination as to whether an order is a QDRO. The Pension Trust's practice is not to have Trust counsel sign any Order.

3. Submission of Final Order. The Plans are not required to follow a proposed order. Instead, the Plans will comply when the Plan Office receives a copy of the file-endorsed order (i.e., signed or stamped by the Judge) that has been approved by the Court. Thus, the parties should submit the final order to Trust counsel or the Plan Office immediately after Court approval.

4. Potential Distribution Upon Joinder. Upon being served with a Joinder Request, the Trust will not distribute a Participant's entire interest in the Plans, at least for a reasonable period, to allow time for preparation of a QDRO; however, the Plans are authorized to distribute a Participant's non-community property portion and one-half of the community property portion of a Participant's benefits unless a court orders otherwise or there are strong reasons to believe the potential Alternate Payee is seeking greater benefits than just the one-half portion of the community portion of the Participant's benefits. The Plan Office and Trust counsel shall have total discretion in interpreting orders, deciding whether a partial or total distribution should be made, and making any other QDRO decisions.

The parties may also agree upon a partial distribution to the Participant, or if a proposed order includes a specific amount to the Alternate Payee, the Plan may segregate that amount as provided in Section B.4 on page 5 herein below.

B. DETERMINING WHETHER ORDER IS A QUALIFIED ORDER

1. Qualified Domestic Relations Order. A Qualified Domestic Relations Order (QDRO) is a Court judgment, decree or order (including approval of a property settlement agreement) that (1) relates to the payment of child support, alimony or marital property rights to a spouse, former spouse, child or other dependent of a Participant (i.e., known as an "Alternate Payee") and (2) is made pursuant to a state domestic relations law.

An order is a QDRO if it (a) 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 to a Participant under the Plans, (b) specifies certain information as set forth in subsection 3 below, and (c) does not alter the amount or form of Plan benefits.

2. Compliance with ERISA. The Trustees shall comply with a QDRO as required by ERISA and any lawful regulations issued thereunder. The Trustees, through the Plan Office or legal counsel, will provide

Participants and Beneficiaries with these procedures upon request or when a Joinder request has been filed.

3. Contents of a Qualified Domestic Relations Order

a) Requirements for Both Plans. For an order to be a QDRO it must clearly specify at least the following information:

1) Name, social security number, dates of birth and last known address of the Participant and of each Alternate Payee covered by the Order, and the dates of marriage and separation (the Social Security Numbers may be provided by separate letter or other document for privacy reasons);

2) The Alternate Payee's amount or share (i.e. percentage or amount) of the Participant's interest in the Plans or a precise formula for determining such benefits;

3) The correct name of the Trust ("Northern California Electrical Workers Pension Trust");

4) The correct name of each Plan: "Northern California Electrical Workers Pension Plan" and the "San Francisco Electrical Workers Retirement Savings Plan (formerly the Northern California Electrical Workers Money Purchase Pension Plan)";

5) The date payments to the Alternate Payee are to commence and terminate.

6) Upon the death of the Participant or Alternate Payee, the survivor shall promptly notify the Trust of such death and each party will advise the Pension Trust of any address change.

7) That the order does not:

a) Require the Plans to provide any type or form of benefit, or any option, not otherwise provided under the Plan;

b) Require the Plans to provide increased benefits (determined on the basis of actuarial value); and

c) Require payments to an Alternate Payee that are required to be paid to another Alternate Payee under a prior QDRO or requires the payment of benefits earned after the dissolution and which are or may be community property of a new spouse.

The order should repeat the language in this subsection 7.

b) Requirements for NCEW Pension Plan. Regarding the NCEW Pension Plan, the order should specify:

- 1) The Pension Credits earned during the marriage;
- 2) The method of determining the Alternate Payee's pension or a specific amount (including the date the value of the Pension Credits should be determined, such as the date of separation or otherwise); and
- 3) That the Alternate Payee may select any benefit option provided in the Plan.

c) Standard Provisions for the San Francisco Electrical Workers Retirement Savings Plan. For the SFEW Retirement Savings Plan, the order should specify:

- 1) The value of the community property portion of the Participant's interest as of a specified date (preferably as of the most recent quarterly statement);
- 2) The value of the Alternate Payee's share of the Participant's community property interest in the Plan (in most instances, one-half of the amount in 1) above minus \$250.00, which is the alternate payee's share of the QDRO fee assessed by the Plan);
- 3) That the Alternate Payee's share will be segregated and an account established in such Alternate Payee's name;
- 4) That the Alternate Payee will have total control over the account established in said Payee's name, including the right to designate Beneficiaries, to the extent allowed by the benefit option selected and other applicable plan provisions.
- 5) That the Participant will have total control over his remaining interest in the Plan and that the Alternate Payee will not have any right to his portion, including as a future Beneficiary before or after his death (unless he subsequently designates her as a Beneficiary).
- 6) That the Plan assesses a fee of \$500.00 to review, approve and implement the QDRO, said fee to be shared equally by the parties unless otherwise provided in the court order.

d) Optional Requirements. Although not specifically required by ERISA, the order may contain the following provisions:

1) Earnings and Expenses. That the Alternate Payee will be entitled to future earnings (and asset appreciation) minus any expenses (and asset depreciation).

2) Distribution Even If Participant Working. If the Participant works past the Plan's earliest retirement date or date the Participant could otherwise be entitled to commence receiving benefits, the order may provide that the Alternate Payee is entitled to receive his or her portion of the Participant's Plan benefits at that time. (Otherwise, he or she would have to wait until the Participant terminates his or her employment and files a pension application to be entitled to a benefit.)

3) Disability. Disability benefits are left to the discretion of the parties; however, as a general rule, the Plan's practice is that disability benefits which commence prior to early retirement age are not subject to division, without a court order.

4) Surviving Spouse Designee. If the Participant dies before retirement, the Alternate Payee is to be considered the surviving spouse for purposes of the Preretirement Survivor Annuity or any death benefits, but only to the extent of the one-half interest in the community property portion of such benefits.

4. Escrow for Determination Period

This section is included to comply with specific provisions of ERISA; however, usually segregation of an Alternate Payee's interest in an escrow account is not necessary because the Trust's QDRO determination is completed in a timely manner.

During a period in which the question of whether a domestic relations order is a QDRO is being determined (by the Plan Office, legal counsel, a court or otherwise), the Plans may segregate in a separate account or in an escrow account the amounts that would be payable to the Alternate Payee during such period if the order is determined to be a QDRO.

If the Plan Administrator determines that the order is not a QDRO or, after the eighteen-month period has expired, has not resolved the issue of whether the order is qualified, the segregated amounts may be paid to the Participant and his or her Beneficiary as set forth in the Plans.

5. Notice to Participants of Domestic Relations Order

Within a reasonable period after receipt of a proposed order affecting a Participant's interest in the Plans, Trust counsel will notify the parties whether the order is a QDRO.

The Plans' claims and appeal procedure applies to a determination whether an order is a QDRO, the interpretation of such an order, and any other related issue.

Trust counsel and the Plan Office have total discretion in reviewing such orders. In particular, for orders entered prior to 1985, Trust counsel and/or the Plan office have even greater authority to exercise discretion in deciding whether a formal QDRO is necessary if such pre-1985 order does not technically meet the requirements of a QDRO. Trust Counsel is authorized to seek the parties' agreement on an interpretation of an order to avoid the expense of returning to court and to expedite the matter.

6. Lump Sum Distribution/Age 70½ Requirement

If the Participant or Alternate Payee is entitled to a benefit of \$5,000 or less from a Plan, such distribution shall be in one lump sum.

Benefits must commence to the Alternate Payee no later than April 1 of the year following the later of the date the Alternate Payee attains age 70½ or the date the Participant retires.

7. Time Period to Submit Order.

An Alternate Payee and his or her attorney may not unreasonably delay the process of obtaining a QDRO or delay payments to the Participant by failing to cooperate. After 18 months has passed from the earliest contact by the Alternate Payee, the Plans may make a full distribution to the Participant if a final order has not been received.