

SOUTHWEST CARPENTERS PENSION TRUST (“PLAN”)

Written Procedure for Processing Qualified Domestic Relations Orders (“QDROs”)

I. GENERAL DEFINITIONS

A. “Domestic Relations Order”

A “domestic relations order” (“DRO”) is a judgment, decree, or order (including approval of a property settlement agreement) that:

- (1) relates to provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a Plan participant, and
- (2) is made pursuant to a state domestic relations law (including a community property law.)

B. “Qualified Domestic Relations Order”

A “qualified domestic relations order” (“QDRO”) is a DRO, as defined above, which meets all the following criteria:

- (1) the order 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 the Plan; and
- (2) the order specifies the following information: (a) the name and last known mailing address (if any) of the Plan participant; (b) the name and mailing address of each alternate payee covered by the order; (c) the amount or percentage of the participant’s benefits to be paid to each alternate payee, or the manner in which such amount or percentage is to be determined; (d) the number of payments or period of time to which the order applies; and (e) each Plan to which the order applies; and
- (3) the order (a) does not require the Plan to provide any form or type of benefit, or any option, not otherwise provided under the Plan; (b) does not require the Plan to provide increased benefits; and (c) does not require the payment to an alternate payee of benefits that are required to be paid to a different alternate payee under another order previously determined to be a QDRO.

C. “Alternate Payee”

An “alternate payee” is any spouse, former spouse, child, or other dependent of a Plan participant who is recognized by a DRO as having a right to receive all or a portion of the benefits payable under the Plan with respect to a participant.

II. ADMINISTRATIVE PROCEDURE

In the case of any DRO received by the PLAN, its “qualified” status under the Employee Retirement Income Security Act (“ERISA”) and the Internal Revenue Code shall be determined under the following procedures:

If the Administrator is on written notice that a Participant’s benefit may be subject to a QDRO or that a QDRO is forthcoming, and the Participant’s benefit is not already in pay status, the Administrator will take such actions as are necessary and administratively feasible to maintain the status of the Participant’s accrued benefit pending a final decision concerning the QDRO. For example, the Administrator may place the Participant’s benefit under administrative suspension so that the Participant will not be eligible to obtain any distributions from the Plan. If a copy of a domestic relations order is not received within a reasonable period of time, depending on the circumstances, the actions taken by the Administrator will be revoked. If a domestic relations order is received within a reasonable period of time, it will be processed in accordance with these procedures. The 18-month period referred to below will commence only after a domestic relations order is actually received; any period of administrative suspension referred to in this paragraph will not be included within such 18-month period.

Promptly upon receiving a DRO (or proposed DRO), the Administrator will (1) notify the concerned Participant and any alternate payee of the receipt by the Plan of the DRO and of this procedure, and (2) refer the DRO to the Pension Department for the PLAN to make a recommendation, and the Administrator will render a decision as to the “qualified” status of the DRO within a reasonable period of time.

Promptly upon determination made by the Administrator as to the status of the DRO, the concerned Participant and each alternate payee (or any representative designated by an alternate payee by written notice to the Administrator) shall be furnished a copy of such determination.

The notice of determination shall state that the Administrator will commence any payments currently due under the Plan to the person or persons entitled thereto, depending on the Administrator's determination as to the "qualified" status of the DRO, after the expiration of a period of 60 days commencing on the date of the mailing of the notice unless prior thereto the Administrator receives notice of the institution of legal proceedings disputing the determination. The Administrator shall, as soon as practical after such 60-days period, ascertain the dollar amount currently payable to each payee pursuant to the Plan and DRO and, if the DRO is "qualified," disburse such amount.

During any period in which the issue of whether a DRO is a QDRO is being determined, the Administrator will segregate in a separate account of the Plan or in an escrow account amounts, the percentage specified on the DRO, which would have been payable to the alternate payee during such period assuming the Order was qualified. The participant will receive the percentage specified in the DRO during such period. After the DRO is deemed "qualified," an accounting will be made with an adjustment (including any interest thereon) in the event the amount distributed is different than the amount ultimately specified in the QDRO. If within 18-months after the amounts are segregated the DRO is determined not to be a valid QDRO, or the status of the DRO has not been finally determined, amounts held in the Plan (including any interest thereon) shall be paid to the person or persons who would have been entitled to such amounts if there had been no DRO. Any determination thereafter that the DRO is a QDRO shall be applied prospectively only.

III. QDRO CHECKLIST

For a Court Order to qualify as a QDRO under Code Section 414(p) and ERISA, the Court Order should contain the following information:

- (1) Is the order a domestic relations order?
 - An order is a domestic relations order if it is a judgment, decree, order or approval of a property settlement that:
 - *Relates to the provision of child support, alimony payments or marital property rights to a spouse (present or former), child or other dependent of a plan participant and
 - *Is made pursuant to a state domestic relations law, including a community property law.
 - Note: A property settlement agreement that has not been approved by a court is not a domestic relations order.

- (2) Does the order contain the name and last known mailing address of the participant?

- (3) Does the order contain the name and last known mailing address of each alternate payee covered by the order?
 - Note: If the plan administrator has reason to know the participant's or alternate payee's address independently of the order, the order does not fail to qualify merely because a current mailing address is not included.

- (4) Does the order create or recognize the rights of one or more alternate payees (other than the participant) to receive all or part of the participant's plan benefits?
 - Alternate payee is defined as any spouse, former spouse, child or other dependent.

- (5) Does the order specify the amount or percentage of the participant's benefits to be paid by the plan to each alternate payee, or the manner in which such amounts or percentage is to be determined?

- (6) Does the order specify the number of payments or the period to which such order applies?

- (7) Does the order contain the name of the plan(s) to which it applies?

- (8) Does the order provide benefits at a time or in a form that is available under the plan document?

- (9) Does the order only require the plan to provide benefits that do not exceed the participant's plan benefits?
- (10) Does the order refrain from affecting any benefits of a prior known QDRO?

IV. OTHER RULES FOR INTERPRETING COURT ORDERS

This written QDRO Procedure shall be construed in such a way that the requirements of Code Section 414(p), ERISA, any regulations issued thereunder, and court decisions construing Code Section 414(p) are met. As the law develops in the future, this procedure will be modified accordingly.