

**IRON WORKERS DISTRICT COUNCIL  
OF SOUTHERN OHIO & VICINITY ANNUITY TRUST  
DOMESTIC RELATIONS ORDER PROCEDURES**

Section I.     Introduction

The goal of these Procedures is to provide information to Participants and to enable those drafting domestic relations orders (“Orders”) to do so as efficiently as possible, so as to minimize the time and expense of preparing and qualifying orders. These Procedures include model Orders that have been prepared by the Plan Administrator to facilitate Order drafting.

The following Procedures have been adopted and amended with respect to domestic relations orders received by the Annuity Trust of the Iron Workers District Council of Southern Ohio & Vicinity (the “Plan”). These Procedures shall be effective for domestic relations orders reviewed on or after May 1, 2017. The Plan, at its sole discretion, may treat a domestic relations received before May 1, 2017, as a Qualified Domestic Relations Order (“QDRO”) covered by these Procedures and may waive one or more of the requirements set out in the provisions below.

A.     These procedures cover the following Plan:

1. Iron Workers District Council of Southern Ohio & Vicinity Annuity Trust.

B.     Use of Terms:

1. The term “Plan”, as used in these Procedures, refers to the plan described above.
2. The term “Participant”, as used in these Procedures, refers to a Participant in the Plan described above.
3. The term “Alternate Payee”, as used in these Procedures, refers to a spouse, former spouse, child or other dependent of a Participant who is awarded a portion of the Participant’s Plan benefits under a domestic relations order.
4. The term “Order”, as used in these Procedures, refers to a “domestic relations order”, which is any judgment, decree or order (including approval of a property settlement agreement) which: (i) relates to the provision of child support, alimony payments or marital property rights for the benefit of a spouse, former spouse, child, or other dependent of a Participant, and (ii) is made pursuant to a state domestic relations law (including a community property law).
5. The term “QDRO”, as used in these Procedures, refers to a Qualified Domestic Relations Order, which is a domestic relations 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 a Participant under a Plan and which meets the requirements set out in these Procedures.

6. The term “Plan Administrator”, as used in these Procedures, refers to the Board of Trustees, acting in its capacity as Plan Administrator to the Plans described above.

## Section II. QDRO Basics

As noted above, these procedures govern the Iron Workers District Council of Southern Ohio and Vicinity Annuity Trust. The Plan is a “defined contribution” plan, in which a Participant is not entitled to any promised benefit. Rather, the Participant is entitled to receive whatever amount is in his/her Individual Account. In a defined contribution plan, the risk of investment gains or losses rests with the Participant.

In preparing QDRO’s, it is important that you bear in mind the type of plan or plans for which you are drafting the order. For example, some plans may not offer life annuity or lump sum options. You would not want to present an order for qualification requiring that plan to pay a life annuity or a lump sum benefit to an Alternate Payee to a plan that does not have those as distribution options. Such restrictions are incorporated into the model orders that accompany these procedures. This is one of the reasons that we strongly suggest you utilize the format of the form orders in preparing your order for submission.

## Section III. Drafting Orders

- A. You should carefully review these Procedures and the accompanying form orders before you begin drafting an order.
- B. The law sets forth some specific requirements for orders to be considered QDROs. Your order cannot be a QDRO unless it:
  1. Is a judgment, decree or order (including approval of a property settlement agreement) signed by a court under a state domestic relations law. (**NOTE:** If a divorce decree and/or a property settlement is issued by a court separately from the Order, the Plan Administrator requires that copies of any such decrees or settlement agreements be forwarded to the Plan Administrator to assist in the review and interpretation of the Order).
  2. 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. (**NOTE:** Only a Participant’s Individual Account may be divided pursuant to a QDRO. Beneficiaries’ and Alternate Payees’ awards are not subject to division by QDRO).
  3. Clearly Specifies:
    - i. The name of the Plan to which the Order relates which is the Iron Workers District Council of Southern Ohio and Vicinity Annuity Trust. (**NOTE:** A separate Order is required for each the Annuity Plan and the Iron Workers District Council of Southern Ohio and Vicinity Pension Plan).
    - ii. The date of marriage, date of divorce and date of division of funds;

- iii. The name, social security number, date of birth, and last known mailing address of the Participant;
- iv. The name, social security number, date of birth, and last known mailing address of the Alternate Payee;
- v. The amount or percentage of benefits to be paid to the Alternate Payee covered by the Order, and the manner in which such amount or percentage is to be determined;
- vi. The number of payments or the period to which the Order applies;
- vii. The fact that the Alternate Payee will be responsible for all taxes on the benefit distributed to the Alternate Payee;
- viii. The Participant is designated as constructive trustee for any payments owed to the Alternate Payee but inadvertently paid to the Participant and the Participant is responsible for payment directly to the Alternate Payee. The Alternate Payee is designated as constructive trustee for any payments owed to the Participant but inadvertently paid to the Alternate Payee and the Alternate Payee is responsible for payment directly to the Participant;
- ix. That in no event shall the Plan be required to provide any type or form of benefit or any option not otherwise provided for under the Plan, and that the Alternate Payee shall not be permitted to name a subsequent spouse as a survivor annuitant with respect to an annuity form of benefit under the Plan.

C. All of these requirements are satisfied by the attached forms. The Plan Administrator encourages all parties to utilize the form orders whenever possible. Failure or refusal to utilize the format of the attached forms will result in significantly delayed processing of orders. Orders that do not follow the form order format must undergo a detailed review prior to qualification. The law gives a Plan Administrator eighteen months following receipt of an order to determine its qualified status. The Plan will require most – if not all – of this period to review orders that do not follow the format of one of the attached form orders.

D. Processing orders and determining whether they are QDROs is a significant expense for the Plan. One of the reasons the Plan Administrator has prepared the attached form orders is to minimize this expense. If you fail to utilize one of the form orders, you are causing the Plan to incur significant additional expense.

#### Section IV. Procedures upon Notification of Pending Domestic Relations Order

A. Upon receipt by the Plan Administrator of notice by a Plan Participant, a prospective Alternate Payee, or the attorney of either party that the Participant is a party to any matter that may result in entry of a QDRO directed to the Plan covered by these procedures, the Plan Administrator will flag the Participant's file.

When the Participant's account is flagged, the Plan Administrator may restrict distribution of a lump-sum amount (i.e., place a hold on the account) for a period of eighteen (18) months. If the

Plan does not receive an Order within this eighteen-month flag period, then the flag will be removed and the Participant may exercise all distribution rights to which he or she is otherwise entitled under the Plan. During the period of a flag, the Plan will honor an order for partial distribution if entered by the Court having jurisdiction over the marriage, or a release signed by the prospective Alternate Payee authorizing partial distribution to the Participant during the flag period.

Additionally, during any period that a flag has been placed on a Participant's benefits (and prior to receipt of an Order), the Participant *may not take out* any Plan loans (if otherwise permitted by the Plan) without the written consent of the prospective Alternate Payee.

- B. Notice that a Participant is a party to a matter that may result in entry of an Order must be provided *in writing* to the Plan Administrator by delivering such notice to the attention of the:

Iron Workers District Council of Southern Ohio  
& Vicinity Annuity Trust  
1470 Worldwide Place  
Vandalia, OH 45377-1156

- C. If a flag has been placed on the Plan Participant's benefits as provided above, the Participant will be notified by the Plan Administrator (or third party record keeper, if applicable) within a reasonable period of time. The hold may be eliminated by either: (i) a written, signed and notarized, agreement between the Participant and prospective Alternate Payee (unless an order has been issued by a court that would prohibit such an agreement without court approval) or (ii) an additional order (including a divorce decree) from the court having jurisdiction over the matter.

#### Section V. Procedures Upon Receipt of a Domestic Relations Order

- A. Upon receipt of an Order purporting to divide Plan benefits under a state domestic relations law relating to the division of marital property or the payment of child support or alimony, the Plan Administrator will promptly notify the Participant and the Alternate Payee named in the Order at the address provided in the Order that the Plan Administrator has received the Order and is reviewing such to determine whether it is a Qualified Domestic Relations Order ("QDRO") within the meaning of action 414(p) of the Internal Revenue Code of 1986, as amended (the "Code") and the Retirement Equity Act of 1984 (the "Act"). The notice will advise the Participant, the Alternate Payee, the attorneys for both parties, and any representatives designated in writing by the Participant or Alternate Payee of the receipt of the Order and any additional documentation that is needed for qualification of the Order.
- B. Upon receipt of an Order, or upon request, the Plan Administrator will advise the Participant and the Alternate Payee that, in order to be a QDRO, the Order must satisfy the requirement of section 414(p) of the Code and the Act before the Plan Administrator is obligated to comply with its terms.
- C. The Plan will assess a processing fee of Six Hundred Dollars (\$600) upon the Individual Account of the Plan Participant identified in the proposed QDRO consistent with Field Assistance Bulletin 2003-3.

## Section VI. Interpretation Guidelines

These guidelines are to inform you of the manner in which the Plan Administrator for the Plan will interpret certain language in Orders, unless there is specific language to the contrary. Of course, we cannot anticipate every situation that will arise. You should remember that, if an order is ambiguous, the Plan documents give the Plan Administrator the final authority to interpret and construe the order. In order to avoid such ambiguities, we strongly recommend that you utilize the format of the form orders included with these procedures.

- A. When an Order, other than a child support Order, dividing benefits is silent with respect to the issue of gains and/or losses on the Alternate Payee's awarded share of the Participant's benefit, the Alternate Payee *shall* be entitled to any such gains and/or losses on his or her awarded share of the benefits determined as of the date which is specified in the Order. When a child support Order dividing benefits is silent with respect to the issue of gains and/or losses on the Alternate Payee's awarded share of the Participant's benefit, the Alternate Payee *shall not* be entitled to any such gains and/or losses on his or her awarded share of the benefits determined as of the date which is specified in the Order. Unless the Order provides otherwise, the Alternate Payee is entitled to gains and/or losses beginning on the date the Order provides for the division even though the Alternate Payee may not be permitted to make investment elections until a later time. For example, if the Participant's elections decline in value between February 1<sup>st</sup>, 2015 and March 15<sup>th</sup>, 2015, (where the Alternate Payee's award is based upon the February 1<sup>st</sup>, 2015, value of the Participant's benefit and the actual division of funds is made on March 15<sup>th</sup>, 2015) the Alternate Payee's share will be reduced by the amount of the decline, even though the Alternate Payee could not change elections prior to March 15<sup>th</sup>, 2015.
- B. If the Plan allows for plan loans, and when a loan is taken out, the amount of the loan is deducted from the account balance of the Participant. For example, assume that a Participant has \$100,000.00 in his or her account prior to entry of an Order. He or she takes out a loan for \$25,000.00. The account will reflect an account balance of \$75,000.00. *Unless the QDRO specifies a dollar amount or specifically provides otherwise*, the Plan Administrator will divide any percentage from the amount actually in the account as of the date provided in the Order, which in this case would be \$75,000.00.
- C. If the Order is silent with regard to the manner in which the allocation is to be taken from the Participant's Individual Account, the Plan will take the sum necessary to fund the Alternate Payee's Individual Account on a pro rata basis from each of the investment funds that he/she is invested in at the time.
- D. If the Order is silent with regard to the allocation of the Plan's QDRO processing fee of Six Hundred Dollars (\$600), the fee will be taken from the Participant's Individual Account.
- E. When an Order establishing the Individual Account in the name of the Alternate Payee is silent with regard to the initial investment of that Account among the investment funds offered, the Plan will direct the investment of the whole Individual Account in the Default Investment Option.
- F. Unless the Order specifically provides otherwise:
  - 1. In the event of the death of the Alternate Payee *prior to establishment of the Individual Account*, the benefit shall be payable to the Alternate Payee's estate.
  - 2. In the event of the death of the Alternate Payee *after establishment of the Individual Account but prior to the distribution of the entire balance*, the benefit will be paid to the Beneficiary designated by the Alternate Payee, or if none, to his/her estate.

- G. The Order must not increase the Participant's benefits or modify the terms of the Plan relating to the payment of the Participant's benefits.

Notwithstanding the preceding provisions, an Order relating to a Participant's benefit in the Annuity Trust may provide that a separate account be established or payments will be made to the Alternate Payee as soon as administratively practicable following the receipt of a final Order by the Plan Administrator and the Alternate Payee's written consent to a distribution, even though benefits are not payable to the Participant at such time.

- H. Upon receipt of an Order, the Plan Administrator will, during any period in which the issue of whether an Order meets the requirements to be a QDRO is unresolved, segregate for the period required by law in a separate account within the Plan (or in an escrow account) any benefits of the Participant under the Plan that are in pay status that would be affected by the terms of the Order. Segregation is not required for amounts that would not otherwise be paid during the period for which the determination of the status of the Order is being made.
- I. If the Plan Administrator determines the Order constitutes a QDRO then he or she shall notify in writing the Participant, the Alternate Payee, the attorneys for both parties, and any representatives designated in writing by the Participant or Alternate Payee of the determination.
- J. If the Plan Administrator determines the Order *is not* a QDRO, the Participant, the Alternate Payee, the attorneys for both parties, and any representatives designated in writing by the Participant or Alternate Payee shall be notified in writing of the fact that the Order is not a QDRO. In addition, the notice shall state the adverse reasons for such a determination and the requirements to make such an Order a QDRO.

#### Section VII. Procedures Upon Final Determination

- A. Once an Order is determined to be a QDRO, the Plan Administrator will so notify the Participant and the Alternate Payee and will follow the terms of the Order. If the Plan Administrator has been holding the distribution of benefits pending receipt of an Order, those monies will be released in accordance with the terms set forth in the Order. If the Order applies prospectively only, all withheld monies will be released to the Participant.
- B. The Plan Administrator shall authorize distribution of the amounts subject to the order to the Alternate Payee in accordance with the terms of the Plan. If the benefits awarded to an Alternate Payee under an Order are not immediately payable to the Alternate Payee under Plan provisions, the Plan Administrator shall cause the record keeper of the Plan to maintain a record of the Alternate Payee's interest in the Plan pending distribution to the Alternate Payee when Plan provisions allow such payment. No withdrawals may be made by the Alternate Payee from the Plan prior to the time benefits are payable under the terms of the Plan and the Order.