

## PROCEDURES CONCERNING DOMESTIC RELATIONS ORDERS

The Board of Trustees (the "Board") of the Michiana Area Electrical Workers' Pension Fund (the "Plan") will administer all domestic relations orders or draft domestic relations orders ("Orders") received with respect to the Plan. The Board will follow these Procedures in making any determination as to whether such an Order is a qualified domestic relations order (a "QDRO"), under Section 414(p) of the Internal Revenue Code ("Code") and Section 206(d) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and all applicable government regulations and guidance. Where appropriate, the terms "Board", or "Board of Trustees" may also refer to any individual or individuals appointed or employed by the Board to carry out its responsibilities in connection with the evaluation and/or implementation of domestic relations orders.

### Procedures for **Determining** the Qualified Status of an Order

#### I. Receipt of Document

- a. Upon receipt of an Order, the Board will send written notice that it has received the Order, to each party named in the Order. If the parties are represented by counsel, notice will be sent to their respective counsel. The addresses specified in the Order shall generally be used.
- b. A copy of these Procedures shall be enclosed with the notice

#### II. Separate Accounting

If any payments from the Plan are to be made (1) either (i) under Plan provisions or (ii) under the Order, and (2) at any time after the Board's receipt of the Order, but before a final determination has been made as to whether the Order is a QDRO (by the Board, or by judicial or other review), then the Plan shall separately account for any amounts that would be payable to an alternate payee under the Order, should the Order be ultimately determined to be a QDRO. However, amounts that the Board determines would be payable to the Plan participant or any beneficiary, regardless of whether the Order is a QDRO, do not require a separate accounting.

#### III. Suspension of Payments

- a. If Plan benefits are currently being paid to a participant when the Order is received by the Board, then the Board may suspend all or a portion of the participant's benefit payments. No actuarial adjustment will be made in connection with any make-up payments relating to this suspension.
- b. If the Board is notified in writing that an Order is being sought, then they may delay payment of Plan benefits for a period of up to 18 months. No actuarial adjustment will be made in connection with any make-up payments relating to this suspension.

#### IV. QDRO Determination

**Requirements** for Qualification. For any Order to constitute a QDRO, it must:

- a. be a domestic relations order; that is, a judgment, decree, or order (including approval of a property settlement agreement) which relates to the provisions of child support, alimony payments, or marital property rights to a spouse, former spouse, child or other dependent of a participant, and which is made pursuant to a state domestic relations law (including community property law);
- b. create or recognize the existence of an alternate payee's right to, or assign to an alternate payee the right to receive all or a portion of the benefit payable with respect to a participant under the Plan:
- c. be properly certified and signed;
- d. clearly specify:
  - the name and last known mailing address (if any) and Social Security number of the participant and each alternate payee (the "Parties") covered by the Order,.
  - the number of payments or the period to which such order applies and when payments to an alternate payee are to begin,
  - the Plan as the plan to which such order applies; and
  - the amount or percentage of the participant's vested benefit to be paid by the Plan to each alternate payee, or the manner in which such amount or percentage is to be determined
    - The Order should clearly provide guidance to the Board with respect to the following issues:
      - (i) future accruals,
      - (ii) future increased vesting and its effect on the alternate payee's interest in the participant's accrued benefit, and
      - (iii) the effect of either the participant or the alternate payee predeceasing the other.
- e. not require:
  - the plan to provide any type or form of benefit, or any option, not otherwise

- provided under the plan (except that an Order may provide that payments to the alternate payee will commence prior to the participant's actual retirement, as described in item f. below), or to pay the benefits awarded to the alternate payee in the form of a joint and survivor annuity for the lives of the alternate payee and the alternate payee's subsequent spouse,
  - the Plan to provide increased benefits (determined on the basis of actuarial value), or
  - the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined to be a qualified domestic relations order with respect to the participant.
- f. In case an Order calls for payments to an alternate payee before a participant has separated from employment covered by the Plan, the Order may require that payment of benefits be made to an alternate payee as soon as practicable after the Order is determined to be a QDRO and after the participant has reached the "earliest retirement age" under the Plan, or at such other time which complies with the Code, and ERISA and their regulations, and all other applicable government or court guidance.

The term "alternate payee" is any spouse, former spouse, child or other dependent of a participant who is recognized by a domestic relations order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to such participant.

- g. Comply with all requirements of the Code, ERISA and their regulations, and all other government or county guidance.

**Review of Order.** Within a reasonable time after receipt of an Order, the Board will determine whether the Order is or is not a QDRO.

**V. Initial Determination that Order is a QDRO**

- a. Should the Board initially determine that the Order is a QDRO, then the Board shall give written notice to the Parties or any counsel designated in writing by the Parties or designated in the Order ("Counsel"), that an initial determination has been made that the Order is a QDRO.
- b. If within two weeks after the initial determination was mailed, no Party or Counsel properly disputes the favorable initial determination, then the Board shall proceed as though a final determination has been made that the Order is a QDRO. No further written notice will be given to the Parties or Counsel.

**VI. Initial Determination that Order is Not a QDRO**

Should the Board initially determine that the Order is not a QDRO, then the Board shall give written notice to all Parties or Counsel. The written notice shall state the reasons for the initial determination and/or would provide suggested amendments to the Order, which would allow the Order to satisfy the Code and ERISA requirements. In addition, the Board of Trustees authorized its legal counsel may directly contact the Parties' counsel to advise them to amend the Order appropriately.

#### **VII. General Procedure - Amendment of the Order**

- a. Generally, after receiving the Board's initial determination that the Order is not a QDRO, the Parties' Counsel will submit one or more draft revised Orders to the Board. The Board will review each draft, and notify the counsel by written notice, if and how the draft should further be amended.
- b. Following this general procedure, it is expected that the Board will ultimately inform the counsel that the draft revised Order meets the requirements for a QDRO. Then, after the Board received a copy of the revised Order, as entered by a judge, it will inform the counsel, by written notice, that the revised Order is a QDRO and that the Alternate Payee's interest has been duly noted in the Participant's file.

#### **VIII. Dispute of Initial Determination**

- a. Any Party or Counsel may properly dispute an initial determination regarding an Order only by mailing a written notice to the Board that he or she disagrees with the initial determination within 70 days after the initial determination was mailed. The written notice of dispute should be addressed to the Michiana Area Electrical Workers' Pension Fund, c/o TIC International Corporation, 6525 Centurion Drive, Lansing, Michigan 48917.
- b. Should any party or Counsel properly dispute an initial determination, as provided in the preceding paragraph, then the Board shall confer with its legal counsel regarding the determination. Each Party or Counsel will be given reasonable opportunity to submit written material to the Board or its counsel, in support of his/her position. Upon advice of counsel, the Board may issue a final determination. Alternatively, the Board may seek judicial or other review of the Order.

#### **IX. Notice of Final Determination**

The Board will give written notice to each Party or Counsel, in the event of a final determination, judicial review, or other action.

#### **X. After the Determination**

**Determinations Binding.** All determinations made and actions taken by the Board of Trustees will be conclusive and binding upon the Plan, the participant, the participant's spouse and beneficiaries, and any alternate payees named in the Order received by the Plan.

**QDRO Procedures Modifications.** The Board will have the right to amend or modify these Procedures at any time in accordance with the amendment procedures of the Plan and without notice to any Party; provided, however, that the Board will make available to each Party of a pending QDRO determination a copy of the amended or modified procedures. No amendment of modification, unless required by law or applicable regulation, will cause an order previously determined to be a QDRO to fail to retain that status, or cause an order previously determined not to be a QDRO to be recharacterized as a QDRO.

**Board's Authority.** The Board has sole discretionary and final authority to (1) make all determinations which may arise under these Procedures; (2) construe all terms under the Plan, including uncertain terms; (3) administer the Order to comply with the Plan, in the event that the Plan is amended after the Order is issued; (4) construe all legal requirements pertaining to the Plan and the Order under the Code, ERISA, the Bankruptcy Code, and all other law; and (5) interpret and administer the Order so that it complies with all legal requirements. Any determination made by the Board under these Procedures shall be given deference in all circumstances, and shall be overturned only if it is arbitrary and capricious.

### Procedures for Implementing Orders Determined to be QDROs

#### **I. Payout Within 18 Months**

- a. The Board shall authorize proper distributions to any alternate payee under the Order or modified Order, and shall follow the terms of such an Order, if the Participant was currently receiving benefits at the time the Order was received by the Board and such Order is finally determined to be a QDRO, within 18 months after the date on which a first payment would have been made under the Order (the "Order's Payment Date").
- b. If, within 18 months after the Order's Payment Date, it is finally determined that the Order or modified Order is not a QDRO, or the issue is not resolved, then the Board shall pay all amounts that have been separately accounted for under these Procedures to the participant or any beneficiary, as the Plan provides, as if such an Order had never been issued.
- c. Any subsequent determination that the Order or modified Order is a QDRO, made more than 18 months after the Order's Payment Date, shall generally be applied prospectively only.

#### **II. Reduction of Benefits for Actuarial Equivalence**

- a. If the QDRO awards the alternate payee a portion of the participant's benefits under the Plan (or a portion of the benefits accrued within a given time period) as a separate interest, the amount payable to the alternate payee will be based upon the participant's accrued benefit, as defined in Code §411(a)(7) and computed as follows:
  - (i) If the alternate payee receives benefits prior to the participant's attainment of normal retirement age, the amount of benefits would be reduced using the Plan's early retirement factors to reflect the participant's age at the date of benefit commencement by the alternate payee. For example, if the participant was of normal retirement age under the Plan when the alternate payee commenced benefit payment, there would be no early retirement reduction. If the alternate payee and the participant were younger than the Plan's normal retirement date at the alternate payee's benefit commencement date, the alternate payee's benefits would be reduced for early retirement based on the Plan's early retirement factors based on the participant's age.
  - (ii) The alternate payee's benefits also must be actuarially adjusted to account for the age difference, if any between the participant and the alternate payee. The amount of the benefits will be the actuarial equivalent of the benefit that would have been payable to the participant had the participant begun to receive benefits in the normal form (for an unmarried participant) as of the participant's normal retirement date.
  - (iii) The alternate payee may elect to receive benefits in any form provided by the Plan. The amount of the benefit will be actuarially adjusted using the actuarial factors specified under the Plan and will be based on the alternate payee's age at commencement.
- b. If the QDRO awards the alternate payee a fixed dollar amount or percentage of each benefit payment made to the participant commencing on or after the date the participant begins receiving benefits, the actuarial adjustment set forth in II.a. above shall be inapplicable.

### III. Death Situations

- a. If the alternate payee dies before the alternate payee's benefits start:
  - (i) Effect on alternate payee: If the Plan participant is eligible for a Normal or Early Retirement benefit at the time the alternate payee dies, the alternate payee's beneficiary shall be entitled to receive a survivor benefit based upon the designated portion of the Plan participant's accrued benefit, as specified in the QDRO.

On the other hand, if the alternate payee dies before the Plan participant satisfies the eligibility criteria for a Normal or Early Retirement benefit, the alternate payee's beneficiary shall not be entitled to any benefit.

Also, if the QDRO deemed the alternate payee as a surviving spouse for the participant's pre-retirement survivor annuity based on the participant's remaining benefit after the divorce, these rights expire with the alternate payee's death.

- (ii) Effect on participant: The participant's benefits are unaffected (that is, they continue to be reduced by the amounts awarded to the alternate payee). If the QDRO had deemed the alternate payee as spouse, spousal rights again become available to the participant's new spouse, if applicable. The participant's beneficiary would only be entitled to receive a benefit based upon that portion of the participant's accrued benefit that was not awarded to the alternate payee, as specified in the QDRO.

b. If the alternate payee dies after the alternate payee's benefits start:

- (i) Effect on alternate payee: Death benefits are paid to the alternate payee's beneficiary only if the alternate payee had elected a benefit option that provided for a death benefit. Any death benefit provided by the QDRO cannot be more valuable than the level generally provided for in the Plan. Also, if the QDRO deemed the alternate payee as the surviving spouse for the participant's pre-retirement survivor annuity based on the participant's remaining benefit after the divorce, these rights expire with the alternate payee's death.
- (ii) Effect on participant: The participant's benefit are unaffected (that is, they continue to be reduced by the amounts awarded to the alternate payee). If the QDRO had deemed the alternate payee as spouse, spousal rights again become available to the new spouse.

c. If the participant dies before the participant's benefits start:

- (i) Effect on alternate payee: If the QDRO treats the alternate payee as a separate participant (that is, if it awards the alternate payee a separate share of the participant's accrued benefit), the alternate payee receives whatever he/she was entitled to receive under the QDRO (irrespective of whether the alternate payee had commenced benefit payments before the participant's death). If the QDRO awards the alternate payee a specified dollar amount or percentage of each payment received by the participant, the alternate payee's benefits are forfeited. If the QDRO deemed the alternate payee as the surviving spouse for the participant's pre-retirement survivor annuity based on the participant's remaining benefit

after the divorce (or as the beneficiary of any other death benefit payable under the Plan in respect of the participant), then the alternate payee may receive that as well.

- (ii) Effect on participant: A pre-retirement survivor annuity attributable to the participant's remaining benefit under the Plan may be payable to a new surviving spouse, if any, unless the QDRO deemed the alternate payee as surviving spouse. If the QDRO provides that the alternate payee spouse continues to be treated as the spouse with respect to the participant's remaining benefit, this would prevent a new spouse of the participant from having any spousal rights, if the alternate payee is still alive. The participant's beneficiary would only be entitled to receive a benefit based upon that portion of the participant's accrued benefit that was not awarded to the alternate payee, as specified in the QDRO.

d. If the participant dies after the participant's benefits start:

- (i) Effect on the alternate payee: If the QDRO treats the alternate payee as a separate participant (that is, if it awards the alternate payee a separate share of the participant's accrued benefit), the alternate payee receives whatever her/she was entitled to receive under the QDRO (irrespective of whether the alternate payee had commenced benefit payments before the participant's death). If the QDRO awards the alternate payee a specified dollar amount or percentage of each payment received by the participant, the alternate payee's benefits cease as of the participant's death. If the QDRO deemed the alternate payee as the surviving spouse for the participant's qualified joint and survivor annuity based on the participant's remaining benefit after divorce (or as the beneficiary of any other death benefit payable under the Plan in respect of the participant), then the alternate payee may receive that as well.
- (ii) Effect on the participant: A death benefit is payable to the participant's beneficiary only if the participant had elected an option that provided for death benefits. Furthermore, the participant's beneficiary would only be entitled to receive a benefit based upon that portion of the participant's accrued benefit not awarded to the alternate payee, as specified in the QDRO.

#### **IV. Benefit Increases after Issuance of QDRO**

a. Future Accruals:

Where additional benefits are earned based on Plan participation subsequent to the divorce/issuance of the QDRO, the amounts payable to the alternate payee generally will not be increased unless the terms of the QDRO specifically provide for such increase.



b. Future Vesting:

Where the participant is not vested (or not fully vested) at the time of divorce/issuance of the QDRO, the alternate payee will receive benefits based on the participant's vested status at the time the alternate payee's benefits commence. The alternate payee's benefit will not subsequently be increased to take into account additional vesting of the participant based on service after the alternate payee commences receiving benefits unless the QDRO provides for such increase. If the participant has no vested benefit at the time of issuance of the QDRO and does not subsequently qualify for a vested benefit, the alternate payee's benefits under the QDRO are forfeited.

c. Plan Amendment

If the QDRO awards the alternate payee all or a portion of the benefits earned during a specified period of the participant's employment, and the value of the benefits earned during that period increased due to a Plan amendment after the issuance of the QDRO, the portion of the benefit awarded to the alternate payee generally will be deemed to share in such increase in value unless the QDRO specifically provides that the amount payable to the alternate payee is to be determined without regard to any future Plan amendments increasing benefits.

d. Disability Retirement

If the participant has qualified for a disability retirement benefit at the time of issuance of the Order, the Order will not be accepted unless it specifies whether or not the alternate payee is to share in the disability benefits payable to the participant before the participant attains normal retirement age, and specifies the amount or percentage of such benefits awarded to the alternate payee. If the participant has not qualified for disability retirement benefits at the time of issuance of the QDRO but later does qualify, the alternate payee will share in the value of the disability benefits only if the QDRO so provides. If the QDRO does not provide with respect to disability retirement, the alternate payee will be deemed to have been awarded only a share of the benefits payable to the participant on and after normal retirement age.

**V. Death Benefits**

The alternate payee shall be treated as the surviving spouse for purposes of the qualified joint and survivor annuity and/or qualified pre-retirement survivor annuity only if the QDRO so provides.

The alternate payee will be eligible to receive any other death benefit payable to the participant's beneficiary under the Plan only if the alternate payee is designated in the Plan's records as the participant's beneficiary for purposes of such benefit.

**VI. Miscellaneous Information**

**Rights and Status of Alternate Payees.** The Plan provisions are fully applicable to any alternate payee entitled to benefits under the Plan to the extent they are available to a beneficiary who has an interest in the Plan. Copies of documents, announcements, descriptive material, and other general information given to or generally made available to beneficiaries must be furnished to the alternate payee.

- a. None of the payments, benefits, or rights of any alternate payee are subject to any claim of any creditor, and all benefits and rights are free from attachment, garnishment, trustee's process, or any other legal or equitable process available to any creditor of the alternate payee. No alternate payee will have the right to alienate, anticipate, commute, pledge, encumber, or assign any of the benefits or payments which he may expect to receive, contingently or otherwise, under the Plan. The provisions of the Plan and trust prohibiting the alienation or assignment of benefits by a participant or his/her beneficiary are fully applicable to every alternate payee under a QDRO.
- b. Alternate payees are not considered Plan participants for:
  - IRS 5500 Filings
  - Annual PBGC Premium Calculations
  - Coverage and Discrimination rules under Internal Revenue Code Sections 401(a) and 410(b).

**Information Required from Alternate Payees.** Each alternate payee under a QDRO must advise the Board in writing of each change of his/her name, address, and marital status, and of each change in the provisions of the QDRO. Until a written notice has been provided to the Board, the Board is fully protected in complying with, and in conducting the affairs of the Plan in a manner consistent with, the information set forth in the QDRO.

The Board is not required to modify or reverse any payment, transaction, or application of funds occurring before the receipt of any notice that would have affected such payment, transaction, or application of funds; nor is the Board or any other party liable for any such payment, transaction, or application of funds.

IN WITNESS WHEREOF, the Trustees have executed this instrument by affixing their signatures as of \_\_\_\_\_, 2003.

Albert M. Suter J  
Robert White  
J. M. G. S.

L. Michaelson  
Henry Wallace  
G. D. M.