

**QUALIFIED DOMESTIC RELATIONS ORDERS
AND
THE UNITED ASSOCIATION NATIONAL PENSION FUND**

Introduction:

The United Association National Pension Fund (“Fund”) will pay a portion of a Participant’s benefits directly to an Alternate Payee as provided in a Domestic Relations Order that the Fund determines is a Qualified Domestic Relations Order (QDRO).

A QDRO creates or recognizes an “Alternate Payee’s” right to receive all or a portion of the benefit payable with respect to the Participant under the Fund’s Plan of Benefits (“Plan”). An Alternate Payee can be the spouse, former spouse, child, or other dependent of a Participant.

A Domestic Relations Order is an order of a state court or administrative agency under state domestic relations law relating to the provision of child support, alimony payments, or marital property rights of an Alternate Payee.

A Domestic Relations Order is a QDRO if the order is determined by the Fund to meet the requirements for a qualified order as specified in the Employee Retirement Income Security Act of 1974, as amended (ERISA) and the Internal Revenue Code.

There are many options to consider and many decisions to make in drafting a QDRO. This booklet provides information about QDROs and the United Association National Pension Fund. It is not legal advice. You should consult with an attorney to protect your interests.

No benefits can be paid in accordance with the provisions of a Domestic Relations Order until the Fund has received an adjudicated order, reviewed it, and determined that the order is a QDRO. Payments will also be delayed pending any appeal to the Trustees of a determination by the Fund office.

Basic Content Requirements for Qualification:

Under federal law, the Fund is not allowed to pay benefits directly to an Alternate Payee unless it is required to do so by an order it has found to be a QDRO. To qualify as a QDRO under applicable law, a Domestic Relations Order must:

- Name the Participant and any Alternate Payee and provide each's last known mailing address. The Social Security Number and date of birth of each party must also be provided, but those can be set forth in a separate cover letter that is not filed with the court.
- Specify the pension plan to which it applies. Note that many Fund participants participate in more than one retirement plan. A Domestic Relations Order will only be qualified by this Fund if it specifically names this Fund as the pension plan to which it applies. The formal name of this Fund is the United Association National Pension Fund.
- State that the Fund is to make payments directly to the Alternate Payee.
- Set forth *what dollar amount or percentage* of the Participant's benefit the Fund is to pay to the Alternate Payee or the manner in which such amount or percentage is to be determined.
- State *when* payments to the Alternate Payee are to commence and *for how long* the Alternate Payee is to be paid.
- Not require benefits to be paid to the Alternate Payee in any type or form not otherwise provided by the Plan.
- Not require benefits, determined on the basis of actuarial equivalence, to be paid to the Alternate Payee and the Participant that are greater than the total benefit the Participant has earned.
- Not require benefits to be paid to the Alternate Payee that are already required to be paid to another Alternate Payee under a prior QDRO.
- Be submitted to and determined by the Fund to be a QDRO.

Drafting and Reviewing an Order:

There are three model orders below, which are examples of ways to prepare a QDRO. There are, of course, other options. The parties are free to draft a QDRO to suit their particular needs, but it must satisfy the requirements of ERISA, be consistent with the provisions of the Plan, and be found to be qualified by the Pension Fund.

The Fund will review any adjudicated order it receives to determine whether the order meets the requirements for a QDRO. The parties should consider sending the Fund a copy of any order in proposed form before it is entered by the court for the Fund to perform a non-binding preliminary review. This step can save time in the end because the Fund's experience has been that many orders entered without prior review by the Fund are not qualified orders under ERISA. Orders that are not qualified will not be accepted by the Fund and will have to be amended by the court.

Adjudicated Domestic Relations Orders and proposed domestic relations orders should be sent to:

Fund Administrator
United Association National Pension Fund
103 Oronoco Street
Alexandria, VA 22314-2047

The procedures that the Fund follows for reviewing Domestic Relations Order, including for the processing of benefit applications and/or payments during the review and appeal periods, are set forth in the Fund's Procedures for Processing Domestic Relations Orders, which is attached to this booklet.

The National Pension Fund is a Multiemployer Defined Benefit Plan

In drafting a QDRO, it must be kept in mind that the Fund maintains a multiemployer, defined benefit plan that is funded exclusively by employer contributions. A defined benefit plan provides a formula for calculating an individual's monthly pension at retirement. It does not maintain individual accounts into which contributions are made, and Participants make no investment choices.

The Fund provides retirement benefits to employees based on the number of hours in employment covered by the Plan, *i.e.*, employment for which an employer

is required to make hourly pension contributions under a collective bargaining agreement or other participation agreement. Coverage and credit are not based on union membership. Eligibility for benefits and the amount of those benefits are determined under the terms of the Plan by a Participant's credited service in covered employment, his or her age at retirement, and the contribution rates of his or her employers.

Options for Allocating Benefits

Because participants in the Fund do not have individual account balances, QDROs are usually based on a formula that allocates the participant's accrued benefit. A Sharing Method QDRO typically contains a formula to allocate each benefit payment, while a Dividing Method QDRO typically includes a formula to allocate the actuarial equivalent value of the entire accrued benefit and provide a separate interest to the Alternate Payee. These two methods are explained in more detail below.

If the Participant is already in pay status (*i.e.*, is already receiving pension benefits from the Fund) at the time the Fund receives a Domestic Relations Order, a Domestic Relations Order must use the Sharing Method. If the Participant is not yet in pay status at the time the Fund receives a Domestic Relations Order, then either the Sharing Method or the Dividing Method may be used. (Before you start preparing a QDRO, you will want to find out from the Fund if the Participant is already in pay status and, if so, the form and amount of his or her pension benefit. In requesting this information in writing from the Fund, you should indicate that you are requesting the information as or on behalf of a prospective Alternate Payee under a QDRO.)

In creating a formula to calculate the Alternate Payee's portion of the benefit, several factors are generally considered, such as the length of the marriage and the number of years of service under the Plan or the amount of pension benefit earned during the marriage. The Fund must determine whether the formula in the order is specific and clear enough that the Fund can determine the amount to be paid to the Alternate Payee. (The attached model QDROs have examples of commonly-used formulas.)

The Fund must also determine that the Order does not require a total, combined payment to both parties that is greater, on an actuarially equivalent basis, than the amount that the Fund would be required to pay absent the Order. The Order also cannot require the Fund to provide benefits that are not in the Plan, to make payments in a form not in the Plan, or to take other actions that are not required by law.

Description of the Sharing Method

The Sharing Method gives the Alternate Payee a portion of the Participant's benefit payments as they are made. This can be expressed either as a flat monthly dollar amount or as a percentage of the Participant's monthly benefit. If the Participant is already in pay status, a Domestic Relations Order cannot change the Participant's benefit form. That is why a Sharing Method QDRO must be used in that circumstance.

ERISA requires that, in order to be a QDRO, a Domestic Relations Order must specify the period of time or number of payments to which it applies. The Order must state when the Alternate Payee may begin to receive the designated share of the Participant's benefit and when such payments will cease.

Under the Sharing Method, a QDRO may designate a time when payments to the Alternate Payee will cease. The payment to the Alternate Payee must cease no later than the Participant's date of death unless the Domestic Relations Order also treats the Alternate Payee as the Participant's Surviving Spouse for purposes of any portion of a surviving spouse benefit that may be payable to the Participant's Surviving Spouse under the Plan. If a QDRO requires the Fund to treat the Alternate Payee as the Participant's Surviving Spouse, and if the Participant's benefit is being paid in a form providing survivor benefits, then the Alternate Payee will continue to receive a benefit as defined by the Domestic Relations Order for her life if the Participant dies before the Alternate Payee.

If benefit payments to the Participant have already commenced, survivor benefits payable after the Participant's death, if any, will be based on the form of payment the Participant elected at the time of retirement. If the parties were not married at the time that the Participant went into pay status, a Domestic Relations Order cannot designate the Alternate Payee as the Participant's Surviving Spouse for purposes of any post-retirement Surviving Spouse benefit that may be payable under the Plan.

If the Participant has not yet retired when the Domestic Relations Order is submitted to the Fund, the order may require the Fund to treat the Alternate Payee as the Participant's Surviving Spouse for purposes of the Plan's Joint and Surviving Spouse pension forms (*i.e.*, pension forms that provide the Participant with a monthly benefit for life, and in the event the Participant dies first, a monthly survivor benefit to the Surviving Spouse for life).

The Domestic Relations Order may also require the Fund to treat the Alternate Payee as the Participant's Surviving Spouse for purposes of the Plan's Preretirement Surviving Spouse Pension (*i.e.*, a pension form that provides the Surviving Spouse with a pension for life in the event that the Participant died prior to the commencement of pension benefits). The Domestic Relations Order must clearly state for what purpose(s) the Alternate Payee is to be treated as the Surviving Spouse (*i.e.*, for purposes of a post-retirement Joint and Surviving Spouse Pension, a Preretirement Surviving Spouse Pension, or both).

The Domestic Relations Order must also clearly define what portion of a Surviving Spouse benefit is payable to the Alternate Payee. If the Alternate Payee is named as the Surviving Spouse for the Participant's entire benefit, any subsequent spouse of the Participant will receive no benefits upon the Participant's death. If the parties use the Sharing Method and the Alternate Payee is not designated as a Surviving Spouse for at least some portion of a Surviving Spouse benefit, nothing will be payable to the Alternate Payee after the Participant's death.

Description of the Dividing Method (Separate Interest)

A Dividing Method QDRO awards a portion of the Participant's expected lifetime benefits to the Alternate Payee, to be paid over the Alternate Payee's lifetime. The Dividing Method essentially takes the actuarial present value of the benefit the Participant has accrued and creates two separate benefits. On an actuarial basis, the two separate benefits cannot have a greater total value than the Participant's accrued benefit before the division. Also, the portion of the benefit to the Alternate Payee is determined actuarially based on the life expectancy of the Alternate Payee. The dividing method is not available if the Participant is already receiving a benefit from the Fund.

Under the Dividing Method, the Alternate Payee can elect to receive her/his portion of the benefit in any form available under the Plan, including a benefit form with a survivor benefit. Under federal law, however, the Alternate Payee may not select a Joint and Surviving Spouse benefit form with a subsequent spouse. Unless the parties intend for the Alternate Payee to receive survivor benefits from the Participant's benefit and the QDRO so provides, the Participant retains all rights to elect any form of payment available under the Plan for his/her portion, including a Joint and Surviving Spouse benefit with a subsequent spouse, if applicable.

This type of order may be drafted so that the Alternate Payee may elect to begin receiving benefits at any time after the Participant has reached the earliest

retirement age under the Plan, even if the Participant continues to work in Covered Employment. See below for more information about commencement of payments to the Alternate Payee.

The Alternate Payee may be awarded all or a portion of the Surviving Spouse benefit, but the portion needs to be clearly defined and the Alternate Payee must be named as the Surviving Spouse for this purpose. If the Alternate Payee is named in the order as the Surviving Spouse based on the entire portion of the benefit that is allocated to the Participant, a subsequent spouse of the Participant will not receive a survivor benefit upon the Participant's death.

Another consequence of the use of the Dividing Method is that if the Alternate Payee dies after commencement of benefits, the Alternate Payee's share will not revert to or otherwise increase the amount of the Participant's benefit. Any survivor benefits payable upon the death of the Alternate Payee will be based on the benefit form she elected and will be payable to her designated Beneficiary.

On the other hand, if the Alternate Payee dies before benefits to her commence, the Alternate Payee's portion will revert to the Participant, unless the QDRO names one or more successor Alternate Payee(s). A successor Alternate Payee must be identified as a spouse, former spouse, child or other dependent of the Participant in order to meet the definition of alternate payee in ERISA. For example, a QDRO may provide that, in the event the Alternate Payee dies before payments to her commence, the portion of the Participant's benefit assigned to the Alternate Payee under the QDRO will be assigned to the child(ren) of the Participant named in the order.

Preretirement Surviving Spouse Pension

If the Participant dies before age 55, the only benefit that is payable is the Plan's Preretirement Surviving Spouse Pension. It is payable for the life of the surviving spouse, but it does not start until the Participant would have reached age 55. For a former spouse, nothing is payable unless that former spouse is designated in a QDRO as the spouse for purposes of some or all of this benefit. Under the terms of the National Pension Plan, the amount of the Preretirement Surviving Spouse Pension is determined as the spousal portion of the Plan's 100% Joint and Surviving Spouse Pension.

Commencement of Benefits to the Alternate Payee:

Under a Sharing Method QDRO, the Alternate Payee often becomes entitled to start benefits on the Participant's Effective Date of Benefits. In that case, the Alternate Payee's portion will be held back until the Alternate Payee completes the documents necessary to commence payment.

If a Participant is already receiving benefits when the QDRO is submitted, there will be a delay in making payments to the Alternate Payee while the Fund determines if the Order is qualified. The portion of the Participant's benefit that is identifiable in the Order for payment to the Alternate Payee will be withheld with interest for up to 18 months pending resolution of whether the Order is qualified.

Under a Dividing Method QDRO, the Alternate Payee may elect when to commence receiving benefits. A QDRO cannot, however, require that benefits to the Alternate Payee begin sooner than when the Participant attains or would have attained the earliest retirement age under the Plan, which is age 55. Also, the Alternate Payee may delay payment of her benefit until not later than the Participant's "Required Beginning Date," as discussed below.

Under a Dividing Method QDRO, the Alternate Payee must request a pension application from the Fund Office. The application must be completed and returned, and the application process followed, in order to set an effective date of benefits and to start benefit payments.

When Participant Reaches His or Her Required Beginning Date

Benefits to an Alternate Payee must begin not later than the Participant's Required Beginning Date. The Required Beginning Date for a Participant's pension benefit is April 1 following the calendar year in which the Participant attains age 72. If the Participant predeceases the Alternate Payee and the Alternate Payee is entitled to a separate interest under a Dividing Method QDRO, benefits to the Alternate Payee must begin not later than April 1 following the calendar year in which the Participant would have attained age 72 if he had lived.

Early Retirement Subsidy

A Dividing Method QDRO may permit an Alternate Payee to elect to receive benefits prior to the time the Participant elects to retire. If that happens, the Alternate Payee will not receive the Plan's subsidy for early retirement at that time (*i.e.*, a full actuarial reduction for early retirement will be taken). A QDRO can provide that, if the Participant subsequently retires and takes his or her benefit during the period when the early retirement subsidy applies, the Alternate Payee's benefit will be recalculated to include the early retirement subsidy prospectively from when the Participant retires.

Pensioner Increases

From time to time the Plan's Board of Trustees may provide increases to benefit recipients in pay status. Whether or not these will result in an increase to an Alternate Payee depends on the wording of the QDRO.

Participants with Other Pension Plans

Most of the collective bargaining agreements providing for coverage by the National Pension Fund also provide for coverage by one or more other pension plans. This booklet does not apply to any of those other plans. They will have their own procedures for processing domestic relations orders. If you are interested in drafting a QDRO for any other pension plan, you must contact that plan directly. The National Pension Fund cannot offer assistance in drafting orders for other pension plans.

Notice Requirements

The National Pension Fund will not assume the administrative burden of providing any notices that are not otherwise required by law. The National Pension Fund has no obligations of any kind under any order that has not been received by the Fund office. It is the responsibility of the Alternate Payee to submit the order when it is signed by the court.

A Note about this Booklet's Applicability:

The above narrative text, the attached Comparison chart, and the attached Model QDROs are provided only as information about Qualified Domestic Relations Orders. They are not binding on the Fund. However, the attached "Procedures

for Processing Domestic Relations Orders” were formally adopted by the Board of Trustees and are followed by the Trustees and the Fund.

A Note about Model Orders

The three model orders set forth below are basic examples provided for informational purposes. The models are not intended to present every option in drafting a qualified order. They do illustrate the differences between the sharing method and the dividing method. They also show how the content of an order changes depending on whether the Participant has not yet retired or is already in pay status at the time the order is entered.

For ease of illustration only, the model orders refer to the Participant using a male pronoun (“he”) and to the Alternate Payee using a female pronoun (“she”). You should obviously modify this to fit your situation.

You are not required to use the models. If requested, the Fund will make a non-binding preliminary review of any draft order you have negotiated before you submit it the Court.

Attachments:

Summary Comparison of the "Sharing" Versus the "Dividing" Methods	Page 11
Model A: Simple QDRO Using the Dividing Method (Participant Not Yet in Pay Status)	Page A-1
Model B: Simple QDRO Using the Sharing Method (Participant Not Yet in Pay Status)	Page B-1
Model C: Simple QDRO (Participant Already in Pay Status)	Page C-1
Procedures for Processing Domestic Relations Orders	Addendum

SUMMARY COMPARISON OF THE "SHARING" VERSUS THE "DIVIDING" METHODS

Sharing

Alternate Payee receives a portion of the Participant's benefit payments if, as and when they are paid to Participant.

This form of QDRO can be used whether Participant has or has not yet started to receive benefits.

The Alternate Payee's benefit may start with any payment that is made to the Participant.

For Participant not yet in pay status, QDRO may treat Alternate Payee as Surviving Spouse for a preretirement surviving spouse pension based on Participant's entire benefit or a portion of it. QDRO may require that Participant's portion be paid in Joint and Surviving Spouse form with Alternate Payee designated as surviving spouse.

If the Alternate Payee dies before the commencement of benefits to either party, Alternate Payee's benefit reverts to surviving Participant unless QDRO names a successor Alternate Payee.

If the Alternate Payee dies after the commencement of benefits to either party, Alternate Payee's benefit reverts to the surviving Participant unless the QDRO names a successor Alternate Payee.

The Alternate Payee's benefit may be set for any period the Participant is paid.

Dividing (Separate Entitlement)

Alternate Payee receives a payment for life actuarially adjusted for her life expectancy. Alternate Payee may choose the form of her/his benefit other than a joint and survivor form with a subsequent spouse.

A separate entitlement cannot be set up from the benefit of a Participant who is already in pay status.

Alternate Payee may elect when his or her payments begin to the extent permitted by QDRO, but the start date cannot be before Participant reaches or would have reached age 55 or after April 1 following calendar year in which Participant reaches or would have reached age 72.

QDRO may treat Alternate Payee as the Surviving Spouse for a preretirement surviving spouse pension based on the Participant's entire benefit or a portion of it. QDRO may require that the Participant's portion be paid in Joint and Surviving Spouse form with Alternate Payee designated as surviving spouse.

If the Alternate Payee dies before the commencement of benefits to either party, Alternate Payee's benefit reverts to Participant unless QDRO names a successor Alternate Payee.

If the Alternate Payee dies after the commencement of benefits to Alternate Payee, any survivor benefits payable on behalf of the Alternate Payee will be made to the Alternate Payee's designated beneficiary.

The Alternate Payee's benefit is payable for the Alternate Payee's life.

**MODEL A: SIMPLE QDRO USING DIVIDING METHOD
(AVAILABLE ONLY IF PARTICIPANT IS NOT YET IN PAY STATUS)**

In the _____ Court of _____, State of _____
_____, Plaintiff)
vs.) Case No. _____
_____, Defendant)

QUALIFIED DOMESTIC RELATIONS ORDER

The following disposition is made of the Participant's pension benefits from:

**The United Association National Pension Fund
103 Oronoco Street
Alexandria, VA 22314-2047**

1. Plan Participant Information:

The Participant is _____ (name) _____ whose current mailing address is _____.

2. Alternate Payee Information:

The Alternate Payee is _____ (name) _____ whose current mailing address is _____.

Note: For privacy reasons, the Participant's and Alternate Payee's Social Security Number and date of birth are omitted from the Order but will be provided in the cover letter forwarding the Order to the Fund.

3. Date of Marriage and Divorce: The Participant and Alternate Payee were married on _____, and were granted a divorce on _____.

4. Assignment of Benefits to Alternate Payee:

The Alternate Payee is hereby assigned a portion of the Participant's accrued pension benefit. The Fund is to make the payment of the Alternate Payee's benefit directly to the Alternate Payee.

5. Benefit Formula for the Alternate Payee: The Fund shall determine the Alternate Payee's portion of the Participant's accrued benefit using the following formula (*choose one of the following for your order*):

$$50\% \times \frac{\text{Pension Credit Accrued During Marriage}}{\text{Total Pension Credit on Effective Date}} \times \text{Accrued Benefit on Alternate Payee's Effective Date}$$

OR

50% of the Benefit Accrued by the Participant from the Date of Marriage to the Date of Divorce

OR

50% of the Benefit Accrued as of the Alternate Payee's Effective Date

6. Form of Payment to Alternate Payee: The Alternate Payee's portion of the Participant's benefit shall be payable as a separate interest actuarially adjusted for the Alternate Payee's life. The Alternate Payee may elect any applicable payment form under the terms of the Plan, with the exception of the Plan's joint and survivor forms with a subsequent spouse.

7. Commencement of Payment to Alternate Payee: The Alternate Payee's effective date shall be the first of the month following receipt by the Fund of the Alternate Payee's written application and timely election. The Alternate Payee's effective date may not be sooner than when the Participant reaches his earliest retirement age under the Plan.

8. Form of Payment to the Participant: The Participant may elect any applicable form of benefit payment under the Plan for the portion of the benefit not otherwise assigned to the Alternate Payee under this order. This includes the right to elect a joint and surviving spouse form of payment with a subsequent spouse if applicable.

9. Early Retirement Subsidy and Pensioner Increases: If and when the Participant retires early and receives an early retirement subsidy, the Alternate Payee will be entitled to have her benefit amount adjusted prospectively to reflect an early retirement subsidy. The Alternate Payee shall also be entitled to a portion of any benefit improvements that are provided to the Participant, following the same formula and adjustments as set forth above.

10. Effect of Death of Alternate Payee: If the Alternate Payee dies prior to establishing an effective date of benefits, the Alternate Payee's benefit will revert to the Participant. If the Alternate Payee dies after commencing to receive benefits, survivor benefits, if any, will be paid in accordance with the form of payment elected by the Alternate Payee to the Alternate Payee's designated beneficiary.

11. Effect of Death of Participant: If the Participant dies before the Participant or the Alternate Payee has established an effective date of benefits, no benefits shall be payable to the Alternate Payee hereunder, except that the Fund shall treat the Alternate Payee as the Qualified Surviving Spouse of the Participant for purposes of a portion of the Plan's Preretirement Surviving Spouse Pension determined under the formula set out in paragraph 5 above. The Alternate Payee shall not be considered the Participant's surviving spouse for any other purpose. If the Participant dies at any other time, his death shall have no effect on the Alternate Payee's entitlement to benefits under this Order.

12. Federal Tax Reporting: For Federal income tax purposes, the Alternate Payee and not the Participant shall be treated as the distributee of all benefits made by the Fund to the Alternate Payee pursuant to this order. The Fund will issue a 1099R to the Alternate Payee at the end of each calendar year.

13. Right to Amend: The Court retains jurisdiction over this matter to amend this order if necessary to establish or maintain its qualification as a Qualified Domestic Relations Order under the Retirement Equity Act and the rules of the United Association National Pension Fund.

SO ORDERED,

this _____ day of _____, 20____.

Judge

**MODEL B: SIMPLE QDRO USING SHARING METHOD
PARTICIPANT NOT YET IN PAY STATUS**

In the _____ Court of _____, State of _____
_____, Plaintiff)
vs.) Case No. _____
_____, Defendant)

QUALIFIED DOMESTIC RELATIONS ORDER

The following disposition is made of the Participant's pension benefits from:

**The United Association National Pension Fund
103 Oronoco Street
Alexandria, VA 22314-2047**

1. Plan Participant Information:

The Participant is _____ (name) _____ whose current mailing address is _____.

2. Alternate Payee Information:

The Alternate Payee is _____ (name) _____ whose current mailing address is _____.

Note: For privacy reasons, the Participant's and Alternate Payee's Social Security Number and date of birth are omitted from the Order but will be provided in the cover letter forwarding the Order to the Fund.

3. Date of Marriage and Divorce: The Participant and Alternate Payee were married on _____, and were granted a divorce on _____.

4. Assignment of Benefits to Alternate Payee:

The Alternate Payee is hereby assigned a portion of the pension benefit payments that would otherwise be made to the Participant. The Fund is to make payment of the Alternate Payee's portion of each benefit payment directly to the Alternate Payee.

5. Benefit Formula for the Alternate Payee's Share: The Fund shall determine the Alternate Payee's portion of the Participant's pension benefit payments using the following formula (*choose one of the following for your order*):

$$50\% \times \frac{\text{Pension Credit Accrued During Marriage}}{\text{Total Pension Credit on Effective Date}} \times \text{Total Amount of the Benefit Payment}$$

OR

50% of the Total Benefit Amount Accrued by the Participant from the Date of Marriage to the Date of Divorce

OR

50% of the Total Amount of the Benefit Payment

6. Form of Payment to Alternate Payee: The Alternate Payee shall receive from the Fund the portion determined under the above formula as a share of each payment made to Participant in the adjusted form of the Plan's 50% Joint and Surviving Spouse Pension with the Alternate Payee treated as the Participant's Qualified Spouse for that portion.

7. Period of Payment to Alternate Payee: The Alternate Payee's effective date of benefits will be the Participant's effective date of benefits. Payments to the Alternate Payee will commence as of the first of the month following receipt by the Fund of the Alternate Payee's written application. The Alternate Payee will continue to receive the above-defined portion of the benefit paid to the Participant until the Participant's death and then will receive surviving spouse benefits as set forth in paragraph 6 above. Should the Alternate Payee die prior to the Participant, her portion will revert to the Participant. If the Participant dies before he or the Alternate Payee has established an effective date of benefits, no benefits will be payable to the Alternate Payee except as provided in paragraph 10 below.

8. Form of Payment to the Participant: The Participant may elect any applicable form of benefit payment under the Plan for the portion of the benefit not otherwise assigned to the Alternate Payee under this order. This includes the right to elect a joint and surviving spouse form of benefit with a subsequent spouse if applicable.

9. **Pensioner Increases:** After the Participant enters pay status, the Alternate Payee shall be entitled to a portion of any benefit improvements that are provided to the Participant, following the same formula and adjustments as set forth above.

10. **Preretirement Surviving Spouse Pension:** If the Participant dies before the Participant has established an effective date of benefits, no benefits shall be payable to the Alternate Payee hereunder, except that the Fund shall treat the Alternate Payee as the Qualified Surviving Spouse of the Participant for purposes of a portion of the Plan's Preretirement Surviving Spouse Pension determined under the formula set out in paragraph 5 above.

11. **Federal Tax Reporting:** For Federal income tax purposes, the Alternate Payee and not the Participant shall be treated as the distributee of all benefits made by the Fund to the Alternate Payee pursuant to this order. The Fund will issue a 1099R to the Alternate Payee at the end of each calendar year.

12. **Right to Amend:** The Court retains jurisdiction over this matter to amend this order if necessary to establish or maintain its qualification as a Qualified Domestic Relations Order under the Retirement Equity Act and the rules of the United Association National Pension Fund.

SO ORDERED,

this _____ day of _____, 20____.

Judge

**MODEL C: Simple QDRO
(PARTICIPANT ALREADY IN PAY STATUS)**

In the _____ Court of _____, State of _____
_____, Plaintiff)
vs.) Case No. _____
_____, Defendant)

QUALIFIED DOMESTIC RELATIONS ORDER

The following disposition is made of the Participant's pension benefits from:

**The United Association National Pension Fund
103 Oronoco Street
Alexandria, VA 22314-2047**

1. Plan Participant Information:

The Participant is _____ (name) _____ whose current mailing address is _____.

2. Alternate Payee Information:

The Alternate Payee is _____ (name) _____ whose current mailing address is _____.

Note: For privacy reasons, the Participant's and Alternate Payee's Social Security Number and date of birth are omitted from the Order but will be provided in the cover letter forwarding the Order to the Fund.

3. Date of Marriage and Divorce: The Participant and Alternate Payee were married on _____, and were granted a divorce on _____.

4. Assignment of Benefits to Alternate Payee: The Alternate Payee is hereby assigned to receive prospectively a portion of the pension benefit payments that the Participant is currently receiving. The Fund is to make payment of the Alternate Payee's portion of each benefit payment directly to the Alternate Payee.

5. **Benefit Formula for the Alternate Payee:** The Fund shall determine the Alternate Payee's portion of each of the Participant's benefit payments using the following formula (*choose one of the following for your order*):

$$50\% \times \frac{\text{Pension Credit Accrued During Marriage}}{\text{Total Pension Credit on Effective Date}} \times \text{Total Amount of the Benefit Payment}$$

OR

50% of the Total Benefit Amount Accrued by the Participant from the Date of Marriage to the Date of Divorce

OR

50% of the Total Amount by the Benefit Payment

6. **Form and Period of Payment to Alternate Payee:** The Alternate Payee shall receive from the Fund a portion of each benefit payment made to the Participant, determined under the above formula, effective with the first payment made by the Fund after its receipt of this order. The Alternate Payee's effective date of benefits will be the date of the first payment made to the Participant after the date this Order is received by the Fund. Payments to the Alternate Payee will commence following receipt by the Fund of the Alternate Payee's written payment documents.

The form of benefit to the Participant will not change because of this order. At the Participant's death, benefits to the Alternate Payee shall cease, unless the form of benefit is a joint and surviving spouse pension that began while the Participant and Alternate Payee were still married such that the survivor annuity reduction was made based on the Alternate Payee's age. In that case, after the Participant's death, the Alternate Payee will receive the surviving spouse annuity elected at the time of retirement. Should the Alternate Payee predecease the Participant, the Alternate Payee's portion of the Participant's benefit as assigned in this order will revert to the Participant.

7. **Pensioner Increases:** The Alternate Payee shall be entitled to a portion of any benefit improvements that are provided to the Participant after the Alternate Payee's effective date of benefits, following the same formula and adjustments as set forth above.

8. **Federal Tax Reporting:** For Federal income tax purposes, the Alternate Payee and not the Participant shall be treated as the distributee of all benefits made by the Fund to the Alternate Payee pursuant to this order. The Fund will issue a 1099R to the Alternate Payee at the end of each calendar year.

9. **Right to Amend:** The Court retains jurisdiction over this matter to amend this order if necessary to establish or maintain its qualification as a Qualified Domestic Relations Order under the Retirement Equity Act and the rules of the United Association National Pension Fund.

SO ORDERED, this _____ day of _____, 20_____.

Judge

UNITED ASSOCIATION NATIONAL PENSION FUND
PROCEDURES FOR PROCESSING DOMESTIC RELATIONS ORDERS

In accordance with Section 206(d)(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 414(p)(6) of the Internal Revenue Code as amended (the "Code"), the United Association National Pension Fund (the "Fund") will pay benefits under the terms of a Qualified Domestic Relations Order ("QDRO"). These procedures are intended to comply with the requirements of Section 206(d)(3)(G)(ii) of ERISA and Section 414(p)(6) of the Code. The Trustees may from time to time amend, restate, or terminate these procedures without notice.

DEFINITIONS

The term "Domestic Relations Order" means any judgment, decree, or order (including approval of a property settlement agreement) that 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, and is made pursuant to a State domestic relations law (including community property law).

The term "Qualified Domestic Relations Order" means 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 pension plan, and meets certain other requirements.

The term "Proposed Domestic Relations Order" means a draft of a Domestic Relations Order, which has not been issued or approved by a court or other authorized body. A Proposed Domestic Relations Order has no legal effect as described below.

The term "Alternate Payee" means any spouse, former spouse, child, or other dependent of a Participant who is recognized by a Qualified Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under a plan with respect to the Participant.

The term "Sharing Method" means assigning a portion of benefit payments to the Alternate Payee as they are actually made to the Participant. Under this method, the Alternate Payee receives a portion of each payment made to the Participant. Each receives a share of the total payment.

The term "Dividing Method/Separate Interest" means assigning to the Alternate Payee a separate interest in a portion of the Participant's accrued benefit by dividing the actuarial value of that benefit between the Participant and the Alternate Payee. The portion to the Alternate Payee is adjusted actuarially so that it is based on the life expectancy of the

Alternate Payee. Such a method is only available if the Participant has not yet commenced to receive benefits from the Fund at the time that the Domestic Relations Order is submitted to the Fund for qualification.

1. Information from Fund Office to Prospective Alternate Payees

Prospective Alternate Payees will be provided reasonable access to information necessary to prepare a Domestic Relations Order. Such information might include the QDRO Booklet, the Summary Plan Description, the Plan Document and a statement of whether the Participant is in pay status or has submitted an application as well as a statement of the Participant's accrued benefit entitlement. A prospective Alternate Payee is not required to submit a domestic relations order to the Fund as a prerequisite to being provided such information. Such disclosure may be conditioned, however, on a prospective Alternate Payee's representation that the request for the information is being made in connection with the preparation of a domestic relations order. The Fund Office may not impose a charge for providing information or for the processing of a Domestic Relations Order.

2. Notification of Receipt of Domestic Relations Order

The Fund office shall notify the Participant, all proposed Alternate Payees, and their identified legal counsel, of receipt of a Proposed Domestic Relations Order ("Proposed Order") or of an adjudicated Domestic Relations Order ("Order"). The Fund's notice will include a copy of the Fund's QDRO booklet, which includes model orders and the Fund's Procedures for Processing Domestic Relations Orders.

Copies of all future correspondence regarding the Proposed Order or Order will be sent to the Participant and Alternate Payee(s) and to their legal representatives, if any.

3. Determination of Qualification of an Adjudicated Domestic Relations Order

The Fund Office will review the Order to determine if it is a QDRO under the terms of the Plan. The Fund Office will not determine the validity of the Order under state domestic relations law. The Fund office will not fail to qualify a Domestic Relations Order on the basis that the Order fails to provide identifying information that is reasonably available to the Fund through other means.

In making the evaluation, the Fund Office may consult with Fund counsel and advisors. The determination of qualified status shall be made in a reasonable amount of time, but in no event later than 120 days after receipt of the Order by the Fund Office.

The Participant, the Alternate Payee, and their counsel, if known, shall be notified in writing of the Fund's decision concerning the qualified status of the Order. The

notification shall state whether the Order is a QDRO and give a brief explanation of the basis for the determination. If the Order is found not to be a QDRO, the letter shall explain in what way it is deficient and how it could be modified to be found qualified under the law and the Plan. The letter shall also explain that the decision of the Fund Office about the qualified status of the domestic relations order is appealable to the Trustees.

If payment of benefits is approaching, the letter may enclose a Determination Response Form, which the parties can submit to the Fund to indicate that they do not wish to appeal the Fund's determination. If that Form is received back from all affected parties, the appeal period will terminate, and the Fund's decision will be final.

4. Separate Accounting and Delay of Benefit Payments During Determination Period

The Fund will separately account for and/or delay the payment of benefits during the determination period as follows:

- a. If an Order is received dividing benefits of a Participant who is in pay status, the portion of the benefits payable to the Alternate Payee under the Order shall be withheld and separately accounted for with interest, pending a final determination of the qualified status of the Order. This period of separate accounting may last up to 18 months. The Alternate Payee's portion shall be calculated according to the form of payment received by the Participant. The balance of the Participant's benefit shall continue to be paid to the Participant.
- b. If the Fund receives the Participant's application for benefits after it receives an Order, or if an Order is received after the Participant's application is received but before payments begin to the Participant, the Participant's application for benefits may be held until a determination can be made of the amount to which the Alternate Payee would be entitled if the Order were a QDRO. If, in the discretion of the Fund, a preliminary determination can be made about the amount of the Alternate Payee's entitlement, that amount may be withheld and separately accounted for with interest until a final determination can be made about whether the Order is a QDRO. The balance of the benefit may then be paid to the Participant.
- c. If there is any reasonable doubt or conflicting claims about the existence or effect of an Order or proposed order, the Fund may hold the Participant's benefit for such time as is necessary to resolve any outstanding legal issues or interests of affected parties.
- d. The interest to be applied to any amounts withheld under these Procedures shall be determined at a rate of 5% per annum.

5. Final Determination

When a final determination is made by the Fund of the qualified status of an Order, the Participant's payments shall be paid as follows:

- a. If the Fund determines that the Order is a QDRO, the amount held separately for the Alternate Payee (plus interest), to the extent permitted consistent with the QDRO, will be paid to the Alternate Payee upon verification that the interpretation of the Fund is not to be the subject of an appeal, or that the Order is not to be amended. Any remaining amount will be paid to the Participant.
- b. If the Fund determines that the Order is not a QDRO, the Fund will continue to withhold the Alternate Payee's portion from the Participant's benefit each month until the earliest of the following: (i) the expiration of the 18-month withholding period; (ii) the Fund's receipt of an amended Order that is determined to be a QDRO and that determination becomes final (as described below); (iii) written notification from both parties stating that they will not pursue entry of a QDRO. If at the end of the above-described period, the Fund has not received a QDRO, any amounts held separately with respect to an Alternate Payee shall be forwarded to the Participant with interest.
- c. If a final determination is not made within 18 months from the first payment held after the Fund's receipt of the original Order, any amounts held separately with respect to any Alternate Payee shall be forwarded to the Participant with interest. Any determination that an Order is a QDRO after the close of this 18-month period shall be applied prospectively only.
- d. If the Fund receives a new Order after amounts that have been held separately are released for distribution, the Fund will begin a new withholding period as set out in Section 4a of these Procedures.
- e. For the purposes of this procedure, a final determination shall mean:
 - i. A determination by the Fund that the Order is a QDRO after the earlier of (a) the parties verify that they do not intend to appeal the Fund's determination or submit an amended Order to the Fund, or (b) the expiration of the period of appeal provided herein following notice of the Fund Office's determination of the qualified status of an Order;

- ii. A determination by the Fund that the Order is not a QDRO if no appeal has been filed nor amended Order submitted by the parties within 180 days of the date of the determination; or
- iii. A determination by the Trustees on any appeal of a qualification determination by the Fund.

6. Benefit Payment Issues

a. Early Retirement Subsidy

- iv. An Alternate Payee may receive an early retirement subsidy only if such a subsidy is paid to the Participant. If the Alternate Payee's benefit commences before the Participant's, no early retirement subsidy will apply to the Alternate Payee's separate interest, and he/she cannot thereafter receive the subsidy unless the QDRO provides for it and the Participant actually receives it. In that case, the early retirement subsidy is paid to the Alternate Payee by calculating the value of the early retirement subsidy awarded to the Alternate Payee as of the Participant's Effective Date of Benefits and paying her an increased monthly amount from that date prospectively only.
- v. If the QDRO provides for a separate interest for the Alternate Payee, and the Alternate Payee defers commencement of the Alternate Payee's benefit to a date after the Participant has already commenced receipt of a subsidized early retirement benefit, then the actuarial value of the subsidy the Alternate Payee would have received if she had commenced receipt of benefits on the Participant's Effective Date of Benefits will be adjusted to the Alternate Payee's Effective Date of Benefits and added to the actuarial value of the Alternate Payee's benefit otherwise awarded under the QDRO.

b. Disability Pension

- vi. If a Participant receives a Disability Pension, any disability subsidy to which the Participant has an entitlement will be treated in a QDRO as described for the Early Retirement Subsidy in subsection a.
- vii. If the Participant who receives a Disability Pension is also entitled to an auxiliary disability payment, the Fund will generally interpret the QDRO to award the Alternate Payee a pro rata portion of the

auxiliary payment when the Participant becomes eligible for such payment subject to the below.

- viii. If the QDRO provides for a shared interest, and the Participant's Effective Date of Benefits is before that of the Alternate Payee, however, the Alternate Payee will not receive a portion of the auxiliary benefit that was paid or is payable to the Participant.
- ix. If the QDRO provides for a separate interest for the Alternate Payee, and the Alternate Payee commences receipt of benefits before the Participant has commenced receipt of a disability pension, then the actuarial value of the Alternate Payee's pro rata share of any auxiliary payment as of the Participant's Effective Date of Benefits will be paid to her through an increased monthly amount from this date prospectively.
- x. If the QDRO provides for a separate interest for the Alternate Payee, and the Alternate Payee defers commencement of the Alternate Payee's benefit to a date after the Participant has commenced receipt of a disability pension, then the actuarial value of the Alternate Payee's pro rata share of the auxiliary payment will be adjusted to the Alternate Payee's Effective Date of Benefits and added to the actuarial value of the Alternate Payee's benefit otherwise awarded under the QDRO.

c. Future Benefit Increases

- i. In a Sharing Method QDRO, the Alternate Payee will have an entitlement to a portion of any future benefit increases or late retirement adjustment awarded by the Fund and payable to the Participant, unless the QDRO expressly states otherwise. The amount of the Alternate Payee's entitlement shall be proportionate to the portion of the benefit assigned to the Alternate Payee by the QDRO, unless the QDRO expressly states otherwise.
- ii. In a Dividing Method QDRO, the Alternate Payee will not have an entitlement to a portion of any future benefit increases or late retirement adjustment payable to the Participant unless the QDRO expressly gives the Alternate Payee an entitlement to such increases and specifies the amount of the Alternate Payee's entitlement.

d. Commencement of Benefits

- i. In a Sharing Method QDRO, payment of benefits to the Alternate Payee shall commence no later than the later of when benefits commence to the Participant or the first of the month after the Order is provided to the Fund, unless the QDRO expressly states otherwise.
- ii. In a Dividing Method QDRO, payment of benefits to the Alternate Payee shall commence no later than the Participant's Required Beginning Date.

e. Suspension of Benefits

- i. Under a Sharing Method QDRO, if the Participant incurs a suspension of benefits due to a return to work in Disqualifying Employment after retirement, the share of the Participant's monthly benefit payable to the Alternate Payee will also be suspended.
- ii. Under a Dividing Method QDRO, if the Alternate Payee is receiving a benefit at a time when the Participant incurs a suspension of benefits due to a return to work in Disqualifying Employment after retirement, the suspension of the Participant's benefit shall have no impact on the Alternate Payee's receipt of benefits.

f. Impact of Participant's Effective Date of Benefits

- i. Once a Participant is in pay status and receiving a benefit from the Fund, any Order submitted to the Fund must be a Sharing Method Order to be qualified. Once the Fund finds the Order qualified, the Alternate Payee will be entitled to the applicable share of the benefits that were payable after the Fund's receipt of the adjudicated order.
- ii. An Order received at any time after the Effective Date of Benefits of a married Participant shall not be qualified if such Order has the effect of eliminating the right or reducing the amount of a surviving spouse annuity that may be payable to the Participant's Spouse as of his Effective Date of Benefits.

g. Actuarial Present Value

If a QDRO requires the determination of an amount payable to an Alternate Payee on the basis of actuarial present value, that amount will be determined in accord with the definition of that term set forth in Section 1.26 of the Plan.

7. Proposed Domestic Relations Orders

The Fund will treat Proposed Domestic Relations Orders as follows:

- e. If the Fund receives a Proposed Order after the Participant has begun receiving his benefit, the Proposed Order will have no effect on the continued payment of benefits to the Participant. The Fund shall continue to pay the Participant his total benefit until an adjudicated Order is received for a determination of whether it is a QDRO.
- f. If an application for benefits is received after receipt of a Proposed Order, or if a Proposed Order is received while an application for benefits is pending, the Fund shall freeze the Participant's pending benefit application for 30 days to determine if an adjudicated Order is forthcoming and to what extent such an Order may affect the Participant's benefit. If no adjudicated Order is received within 30 days, the Fund may proceed with processing the Participant's application for benefits, or, if the Fund determines that an adjudicated Order may be forthcoming, it may extend the freeze on the Participant's benefit application for up to an additional 60 days or such later time as it may reasonably determine under the circumstances of the dispute.
- g. The Fund shall review the Proposed Order, notify the parties and their representatives whether or not it would be a QDRO if adjudicated, and advise such persons that the Fund's determination is only preliminary; the parties must still submit an adjudicated Order for formal review by the Fund.

8. Notice Requirements in Domestic Relations Orders

The Fund Office will provide no notice to the Participant or Alternate Payee other than that which the Fund is required by law to provide. The Fund shall not assume the administrative burden of providing notices that are not otherwise required by law.

9. Beneficiaries and Successor Alternate Payees

Beneficiaries are designated as set forth in Section 9.14 of the Plan on the form provided by the Fund Office. Beneficiaries are not designated by the terms of a QDRO. The Fund is not required to treat a person as a Beneficiary under the Plan solely as a result of that person having been named as a Beneficiary in a QDRO. If one of the parties is required by the QDRO to designate a specific person as a Beneficiary, it is up to the parties to enforce that provision of the QDRO, and the Fund does not have the responsibility to do so.

The parties may name a Successor Alternate Payee in a QDRO to receive the portion of the Participant's benefit awarded to the Alternate Payee in the event that the Alternate Payee dies prior to establishing an effective date of benefits. Any person named as a Successor Alternate Payee must meet the definition of Alternate Payee set forth above and must be identified in the QDRO as meeting that definition. For example, if a person named as a Successor Alternate Payee is the child of the Participant, that fact should be stated in the QDRO.

10. Application and Information Required From Alternate Payees

It shall be the responsibility of the Alternate Payee to comply with the following procedures:

- a. The Alternate Payee must apply for any benefit to which he or she may be entitled under a QDRO to elect to commence the receipt of a benefit from the Fund. The application shall be in writing and in the manner and form prescribed by the Trustees, and, in the case of a Dividing Method QDRO, must be submitted in advance of the Alternate Payee's desired Effective Date of Benefits.
- b. If the Alternate Payee is given the right under the QDRO to elect from among benefit forms available under the Plan, the Fund will provide the Alternate Payee with a description of such options at the time of the Alternate Payee's award of benefits.
- c. The Trustees are 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 under the terms of a QDRO; nor are the Trustees or any other party liable for any such payment, transaction, or application of funds.

11. Death of Participant

A Domestic Relations Order will not fail to be a QDRO solely because it is issued after the death of the Participant. However, an Order issued after the death of the Participant cannot require the Fund to change the form or designated beneficiary of a benefit after survivor benefits commence. Therefore, Orders received after the death of a Participant, are subject to the following provisions in addition to the other requirements of these Procedures:

- a. If an Order has not been submitted to the Fund as of the death of the Participant, or if the Fund has not received notice that an Order is forthcoming, the Fund may assume that no Order has been adjudicated. The Fund, therefore, may process applications from and pay benefits to beneficiaries in accordance with that assumption unless and until an Order or written notice of an Order is received.

- b. If the Fund has received written notice of an Order, the Fund may suspend the processing of benefit payments to a beneficiary for at least 30 days (and may extend this for up to an additional 60 days) to allow for the submission of an Order. If no Order is received by the Fund by the end of the suspension period, any Order received will have prospective effect only. The Fund is not required to modify or reverse any payment, transaction, or application of funds in accordance with any Order that is received after the suspension period that would have affected such payment, transaction, or application of funds; nor is the Fund liable for any such payment, transaction or application of assets.

12. Revocation of Alternate Payee's Interest under a Qualified Domestic Relations Order

The Fund will honor an order vacating a prior Order that the Fund determined to be a QDRO under the following circumstances: (a) benefits under the QDRO have not commenced to be paid to the Alternate Payee, (b) the order vacating the QDRO: (i) is a Domestic Relations Order; (ii) identifies the Participant, the Alternate Payee and the Plan to the satisfaction of the Trustees; and (iii) completely revokes the benefits previously awarded to the Alternate Payee in the QDRO being vacated.

This type of order may apply prospectively only. The Trustees are not required to modify or reverse any payment, transaction, or application of funds occurring before the receipt of any order vacating a QDRO. An order to vacate a QDRO must be submitted to the Fund Office and will be subject to these Procedures.

13. Discretion of Trustees

In construing these procedures, any appeal, or the terms of the Plan of Benefits, the Summary Plan Description, a Domestic Relations Order or a Qualified Domestic Relations Order, the Board of Trustees shall have full and exclusive authority and discretion to determine all questions of eligibility, methods of providing or arranging for benefits and all related matters. All determinations made and actions taken by the Trustees will be conclusive and binding upon the Fund, the Participant, the Participant's spouse and beneficiaries and any Alternate Payees named in the order received by the Fund.

14. Modification to Qualified Domestic Relations Order Procedures

The Trustees shall have the right to amend or modify these procedures without notice to any party. No amendment or modification, unless required by law or applicable regulation, shall 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 re-characterized as a QDRO.

Procedures last modified February 19, 2022 effective September 1, 2021.