

Northern California Electrical Workers Pension Trust
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PROCEDURES FOR ADMINISTERING QDROs

Pursuant to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Board of Trustees of the Northern California Electrical Workers Pension Trust (the "Board") adopts these procedures for administering domestic relations orders which affect the pension benefits of Participants in the Northern California Electrical Workers Pension Plan (the "Pension Plan") and the San Francisco Electrical Workers Retirement Savings Plan (the "Retirement Savings Plan). Collectively, these procedures refer to each plan as the "Plan" unless specified otherwise. Each Plan shall comply with a qualified domestic relations order ("QDRO") as required by ERISA.

A. PROCEDURE FOR HANDLING PROPOSED ORDERS OR INQUIRIES

1. Written Request of Plan Office. Inquiries and questions concerning the pension benefits of a Participant should be made in writing to the Plan Office at the address listed above. This includes a request to join a Plan formally in a dissolution/divorce proceeding (known as a Joinder Request) and/or submission of any proposed order for review.

A Participant or potential Alternate Payee may request a determination of the Participant's interest in either or both Plans between the date of marriage and the date of separation or other applicable dates.

2. Review Process. In some instances, the Plan Office's Pension Department will file a Notice of Appearance on behalf of each Plan and respond to requests for information regarding a Participant's benefit. The Plan Office will provide an Alternate Payee, the Participant and/or their attorneys with the Plan's Sample Order and these procedures, as well as provide information as to the amount of pension benefits earned during the marriage. On complicated or unique matters, the Plan's Pension Department will refer the matter to legal counsel. In those situations, the Plan's legal counsel will review and provide comments/suggestions on proposed court orders or other matters involving a QDRO or related matters. Counsel may notify a Participant and/or his or her legal counsel regarding such Joinder Request and/or inquiry and may provide information regarding a potential Alternate Payee's benefits. If legal counsel has not been involved, any inquiries and questions regarding a Participant's benefits, these procedures, the Sample Order and other matters should be referred to the Plan Office.

If a proposed order follows the Plan's Sample Order or is otherwise straightforward, the Plan Office will make the final determination whether an order is a QDRO.

Each Plan's practice is not to have any Plan representative sign a proposed Order.

3. Submission of Final Order. The Plans cannot comply with a proposed domestic relations order. The Plans must comply with a final domestic relations order that meets the

requirements of a QDRO. Generally, a final order is an order that has been file-endorsed (that is, signed and stamped) by the Court, though in limited circumstances the order may not involve the Court (such as certain child support administrative orders or a domestic partnership Notice of Termination). Ordinarily, the parties should submit any final order to the Plan Office as soon as possible after final approval. If the Plan's attorney has been involved in the QDRO review process, you should also provide a copy of the Order to the Plan's attorney.

4. Domestic Partnership. In California, a domestic partnership may be terminated either by a proceeding in California Superior Court for a Dissolution of Domestic Partnership or, for smaller matters, by filing a Notice of Termination with the Secretary of State. However, federal law generally does not allow the Plans to recognize a domestic partner or former domestic partner as an Alternate Payee to whom a QDRO may allocate a portion of a Participant's benefit. A domestic partner or former domestic partner can become an Alternate Payee under a QDRO only if he or she is a "dependent" of the Participant within the meaning of Internal Revenue Code §152.

5. Partial Distribution Upon Receipt of Joinder. If the Plan has either been served with a Joinder Request or presented with a proposed QDRO, the Plan will not distribute a Participant's entire interest in the Plan, at least for a reasonable period, to allow a reasonable period for preparation of a QDRO; however, the Plan is authorized to distribute the entire portion of a Participant's non-community property share of his pension and one-half of the community property portion, unless a Court Order provides otherwise or there are strong reasons to believe that the potential Alternate Payee is seeking greater benefits than just the one-half share of the community interest in the Participant's pension. The Plan Office and Trust counsel shall have total discretion to interpret orders, decide whether a partial or total distribution may be made, and make any other QDRO-related decisions. The Retirement Savings Plan will not restrict a Participant's ability to direct the investment of his or her account solely on the basis of a Joinder Request or proposed QDRO. The Plan is authorized to make a full distribution to a Participant if an Alternate Payee fails to timely pursue a QDRO and/or fails to respond to inquiries and/or requests from the Plan Office.

B. DETERMINING WHETHER ORDER IS A QUALIFIED ORDER

1. Qualified Domestic Relations Order. A QDRO is a Court judgment, decree or order (including approval of a property settlement agreement) that (i) relates to the payment of child support, alimony or marital property rights to a spouse, former spouse, child or other dependent of a Participant (*i.e.*, an "Alternate Payee") and (ii) is made pursuant to a state domestic relations law. An order is a QDRO if it (i) creates, recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to receive all or a portion of the benefits payable to a Participant under the Plans, (ii) specifies certain information as set forth in subsection 3 below, and (iii) does not alter the amount or form of Plan benefits. A registered Domestic Partner under California law who qualifies as a lawful dependent under Internal Revenue Code §152 is a lawful dependent under the Plan and thus may be an Alternate Payee.

2. Compliance with ERISA. The Plan shall recognize a QDRO as required by ERISA and any lawful regulations issued thereunder. The Board, through the Plan Office or legal counsel, will provide Participants and Beneficiaries with these procedures upon request (including the Sample Order) or when a Joinder Request has been filed.

3. Contents of a QDRO

- a) Requirements for Both Plans. For an order to be a QDRO it should clearly specify at least the following information:
- i) the name, Social Security number, dates of birth and last known address of the Participant and of each Alternate Payee covered by the order, and the dates of marriage and separation or other applicable dates. However, Social security numbers and dates of birth may be provided by separate letter or other document for privacy reason;
 - ii) a direction that each party will advise the Plan of any address change, and a statement that the order does not:
 1. require the Plans to provide any type or form of benefit, or any option, not otherwise provided under the Plans;
 2. require the Plans to provide benefits that are greater than the actuarial value than would otherwise be payable; and
 3. require payments to an Alternate Payee that are required to be paid to another Alternate Payee under a prior QDRO, or require the payment of benefits earned after the dissolution and which are, or may be, community property of a new spouse.
- b) Requirements for Pension Plan. Regarding the Pension Plan, the order should specify:
- i) the Pension Credits earned during the marriage, or other applicable period specified in the order;
 - ii) the method of determining the Alternate Payee's pension or a specific amount (including the date the value of the Pension Credits should be determined, such as the date of separation or otherwise);
 - iii) that the Alternate Payee may select any benefit option provided in the Plan;
 - iv) that the benefit commencement date cannot occur prior to the earliest date the Participant can retire under the terms of the Plan;
 - v) that if the Participant dies before the Alternate Payee's benefits start, the Alternate Payee will be treated as a surviving spouse for purposes of the Preretirement Survivor Annuity and the optional

immediate lump sum death benefit attributable to the Alternate Payee's share of the community property portion of such benefits;

- vi) that the benefits payable to the Participant shall be reduced by the amount of the Alternate Payee's benefit before any early retirement or actuarial adjustments have been applied to the Alternate Payee's benefit; and
- vii) that retroactive benefits cannot be paid for periods prior to the filing of a pension application except as is required by applicable law.

c) Optional Requirements for Pension Plan

- i) If the Participant works past the Plan's earliest retirement date or date the Participant could otherwise be entitled to commence receiving benefits from the Northern California Electrical Workers Pension Plan, the order may provide that the Alternate Payee is entitled to receive his or her portion of the Participant's Plan benefits at that time (without entitlement to any early retirement subsidy provided in the Plan prior to the date the Participant commences receiving benefits), or that the Alternate Payee must wait until the Participant requests commencement of benefits. If the order allows the Alternate Payee to commence benefits prior to the date the Participant retires under the Plan, it will be the Alternate Payee's responsibility to request an application from the Plan if it is his or her intent to do so.
- ii) The order may provide that the Alternate Payee will share in disability benefits paid to a Participant before and after attainment of the Plan's early retirement age to the extent of the Alternate Payee's share of the community portion of such benefits.
- iii) The order may provide that the Alternate Payee will share in a 13th check that becomes payable under the Northern California Electrical Workers Pension Plan to the extent of the Alternate Payee's share of the community portion of such benefits.
- iv) The order must indicate if the value of credits used to calculate the Alternate Payee's benefit under the Northern California Electrical Workers Pension Plan will be based on the value as of the date of separation or the annuity starting date.
- v) The order may provide that, once the Alternate Payee's Benefit under the Northern California Electrical Workers Pension Plan starts, the Alternate Payee's benefits will not be affected following the death of the Participant. If so, benefits will be actuarially adjusted for the Alternate Payee's life expectancy at the time

benefits commence. If not, benefits will be based on the life expectancy of the Participant and cease upon the Participant's death.

- d) Requirements for Retirement Savings Plan. The order should specify:
- i) the dollar amount or the percentage of the Participant's account to which the Alternate Payee is entitled, or the percentage share of the community property interest in the Plan to which the Alternate Payee is entitled (often, but not always, 50% of the community property portion minus the Alternate Payee's share of the QDRO fee assessed by the Plan). If the order provides the Alternate Payee with a percentage of the Community property interest in the account, then the contributions for work performed during the period of marriage or other applicable period specified in the QDRO, plus investment earnings and losses thereon, shall constitute community property. All other contributions, plus earnings and losses, thereon shall constitute the Participant's separate property.
 - ii) that the Alternate Payee's share will be segregated into an account established in the Alternate Payee's name;
 - iii) that the Alternate Payee may select any benefit option available under the Plan. Exception: The benefit option will be limited to a single lump sum payment when an Order specifically allows distribution to an Alternate Payee prior to the Participant's attainment of Plan's earliest retirement age;
 - iv) that the Alternate Payee will have total control over the account established in said Payee's name, including the right to designate beneficiaries to the extent allowed by the benefit option selected and other applicable plan provisions;
 - v) that the Participant will have total control over his or her remaining interest in the Plan and that the Alternate Payee will have no right to the Participant's remaining portion, including as a future Beneficiary before or after his or her death (unless the Participant subsequently designates him or her as a Beneficiary);
 - vi) that the Plan automatically assesses a flat QDRO administration fee of \$500 to review, approve and implement the QDRO (so that other Participants do not pay for another Participant's divorce-related costs). The total fee will be charged equally to the parties' post-order interests in the Plan if both parties have a sufficient interest to absorb the allocation; provided, however, that the QDRO may provide for a different allocation; and

vii) if an outstanding loan as of the date of separation or any loan payments that were made after the date of separation are part of the community interest.

e) Optional Requirements for the Retirement Saving Plan:

i) For purposes of determining the Alternate Payee's share of the Participant's San Francisco Retirement Savings Plan account, the order may entitle the Alternate Payee to earnings/losses (and asset appreciation) minus any expenses (and asset depreciation between date of separation and the date the account is segregated and established in the name of the Alternate Payee.

ii) The order may provide that the Alternate Payee has the option to receive a distribution from the San Francisco Electrical Workers Retirement Savings Plan prior to the Participant's attainment of early retirement age in a single lump sum.

4. Escrow for Determination Period

Segregation of an Alternate Payee's interest in an escrow account ordinarily is not necessary because the Plan will make a determination of the order's status as a QDRO in a relatively short time period. During a period in which the question of whether a domestic relations order is a QDRO is being determined (by a Plan representative, a court or otherwise), the Plans may segregate in a separate account or an escrow account the amounts that might become payable to the Alternate Payee during such period if the order is determined to be a QDRO. If it has been determined that the order is not a QDRO or, after the eighteen-month period has expired, it has not been resolved whether the order is qualified, the segregated amounts will be paid to the Participant under the Plan's terms, unless a court specifies otherwise or the parties reach agreement on that issue.

5. Notice of Domestic Relations Order

Within a reasonable period after receipt of a proposed order affecting a Participant's interest in the Plans, either the Plan Office or counsel will notify the parties whether the order is a QDRO. The Plan Office has the discretion to submit any proposed order to a Participant and/or his or her attorney for input prior to making a final determination.

The Plans' claims and appeal procedure applies to a determination whether an order is a QDRO, the interpretation of such an order, and any other related issue. The Plan Office and Plan counsel may seek the parties' agreement on an interpretation of an order to avoid the expense of returning to court and to expedite the matter.

6. Lump Sum Distribution/Age 70½ Distribution Requirement

If the Participant or Alternate Payee is entitled to a benefit of \$5,000 or less from a Plan, the Plan will distribute the benefit, when requested, in one lump sum.

Pursuant to the Internal Revenue Code and regulations issued thereunder, benefits must commence to the Alternate Payee no later than April 1 of the year following the later of the date the Participant attains age 70½ or the date the Participant retires.

7. Time Period to Submit Order

An Alternate Payee and his or her attorney may submit a QDRO to the Plan Office for determination of qualification at any time; however, pending receipt of a court order directing otherwise, the Plan Office will pay all benefits owing to the Participant as they become due.