

**NEW JERSEY CARPENTERS ANNUITY FUND
("FUND")**

**PROCEDURES FOR DETERMINING THE QUALIFIED STATUS OF
DOMESTIC RELATIONS ORDERS**

I. RECEIPT OF A DOMESTIC RELATIONS ORDER

On receipt of a domestic relations order (DRO), as defined in ERISA Section 206(d)(3), the Fund Shall:

- Promptly notify the participant and each alternate payee named in the DRO (or their designated representatives) of the receipt of the DRO and send the participant and alternate payee or their representatives a copy of these procedures. Such notices shall be sent to the addresses provided in the DRO.
- Create a "QRO file" for the participants and place an administrative hold on the participant's affected benefit plan(s) pending the determination of the qualified status of the DRO.
- During any period in which the issue of whether the DRO is a QDRO is being determined (by the plan administrator, by court of competent jurisdiction, or otherwise), the plan administrator or his/her delegate shall, pursuant to ERISA Section 206(d)(3)(H), separately account for the amounts (hereinafter the "segregated amounts") that would have been payable to the alternate payee during such period if the DRO has been deemed to be QDRO.

II. DETERMINATION OF QUALIFIED STATUS

- If the Fund determines that the DRO complies with each of the following requirements, then the DRO will be qualified and be considered a QDRO:
- The order must 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 benefits payable with respect to a participant under a plan.
- The order must be pursuant to a state domestic relations law (including community property law).
- The order must relate to the provision of child support, alimony payments, or marital property rights of a spouse, former spouse, child, or other dependent participant.

- The order must clearly specify the name and last known mailing address (if any) of the participant and the name and mailing address of each alternate payee covered by the order.
- The order must specify the amount or percentage of the participant's benefits to be paid by the plan to each such alternate, or the manner in which such amount or percentage is to be determined.
- The order must specify the number of payments or period to which such order applies.
- The order must specify each plan to which the order applies.
- The order must not require the plan to provide any type or form of benefit, or any option, not otherwise provided under that plan. (Please note: A QDRO cannot require a plan to provide a joint/survivor annuity with respect to the alternate payee and his/her subsequent spouse. [ERISA § 206 (d)(3)(E)])
- The order must not require the plan to provide benefits that are greater (determined on the basis of actuarial value) than the benefits thus far accrued in the participant's account.
- The order must not require the payment of benefits to an alternate payee that are required to be paid to another alternate payee under another order previously deemed to be a QDRO.
- If the participant has not yet separated from service, the order must conform to the following:
 - The order must specify the date on which payment of benefits is to be made to the alternate payee, which may be on or after the date on which the participant attains (or would have attained) the earliest retirement age under the plan.
 - The "earliest retirement age" is defined in ERISA § 206 (d)(3)(E) as the earlier of:
 - The date on which the participant is entitled to a distribution under the plan; or
 - The later of the date the participant attains age 50 or the earliest date on which the participant could begin receiving a distribution under the plan if the participant separated from service.

- Payment to the alternate payee shall be made as if the participant had retired on the date on which such payment is to begin under the order to the extent that it does not violate the terms of the plan (but taking into account only the present value of benefits actually accumulated, and not taking into account the value of benefits actually accumulated, and not taking into account the value of any employer subsidy for early retirement unless specified under the order).

III. QDRO DETERMINATION

If the DRO is deemed to be a QDRO, the following steps shall be taken:

- The Fund shall notify the participant and the alternate payee of their designated representatives, in writing, of the decision.
- If the QDRO calls for (and the alternate payee is eligible for) the immediate commencement of benefit payments, the Fund shall instruct the plan administrator accordingly, and the benefit payment process shall commence as soon as administratively feasible.
- If the alternate payee is not eligible for benefit payment at the time the order is qualified, the alternate payee's interest in the participant's benefits shall be noted; payment will commence at such time as the QDRO instructs and the alternate payee is eligible for payments to commence.

IV. DRO NOT QUALIFIED WITHIN 18 MONTHS

- If within 18 months (statutory time period) from the date the proposed order is received by the plan the order does not satisfy the requirements for a QDRO, the Fund shall notify the interested parties in writing that the QDRO file is closed and that a new order must be prepared.
- Distribution of the restricted amounts may be authorized to be released to the participant and/or other person who would have been entitled to such amounts if there had been no order.
- If benefits to the participant commence owing to the expiration of the 18-month period and an order that is deemed to be a QDRO then is submitted, the terms of that QDRO will be applied prospectively only.