

QUALIFIED DOMESTIC RELATIONS ORDER (QDRO) PROCEDURE

In the case of any domestic relations order (DRO) received by _____
_____ (*plan name*), its status as a "qualified domestic relations order" (QDRO) under the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code will be determined under the following procedures. The Administrator is responsible for administering the QDRO Procedure. The purpose of the QDRO Procedure is to establish a reasonable and consistent procedure for determining the qualified status of a domestic relations order and for making distributions pursuant to a domestic relations order which qualifies under Internal Revenue Code Section 414(p).

Procedure prior to receipt of order: The Plan will apply the following procedure prior to the Plan's receipt of a domestic relations order.

1. Suspension of Participant distributions or loans. If the Administrator is on notice (verbal or written) regarding a pending domestic relations action (e.g., a divorce) and has a reasonable belief the Participant's account may become subject to a QDRO, the Administrator may suspend processing the Participant's distribution or loan requests pending resolution.

2. Removing hold on the account. After placing a hold on the account, the Administrator should notify the Participant of the hold on the account. In order to remove the hold, the Administrator should request the Participant to provide written confirmation that a court will not issue a QDRO with respect to the account; such as a property settlement agreement awarding the entire account to the Participant.

Procedure after receipt of order: The Plan will apply the following procedure whenever it receives a DRO which purports to be a QDRO.

1. Notice to Participant and to alternate payee. Within a reasonable time period after receipt of a domestic relations order, the Administrator will notify the Participant and any alternate payee of the receipt of the order, and will deliver to the Participant and to each alternate payee a copy of this QDRO Procedure. Any alternate payee may designate a representative to receive copies of notices that are to the alternate payee regarding a domestic relations order.

2. Notice to Trustee. The Administrator, within a reasonable time period after receipt of a domestic relations order, will notify the Trustee of the receipt of the order. The Administrator, for any period during which the Administrator (or a court of competent jurisdiction) is determining the issue of whether the order is a QDRO, will account separately for the amount of the Participant's benefit which is subject to the order. The Administrator will direct the Trustee to segregate the "QDRO amount" if possible.

3. Review of order. The Administrator will review the order within a reasonable time to determine its qualified status. The Administrator will complete a QDRO DETERMINATION CHECKLIST with respect to each order the Plan receives. In most circumstances, the Administrator will complete review of the order within 30 days of receipt. After review, the Administrator will determine whether the order is a QDRO.

4. Source of distributions: Roth vs. non-Roth. Unless the QDRO provides otherwise, if the Participant's account includes both a Roth 401(k) deferral account and one or more other accounts (e.g., profit sharing, Pre-Tax 401(k) deferral and matching), the Plan will distribute any amounts payable under the QDRO pro rata from all of the Participant's accounts, including the Roth 401(k) deferral account.

5. Suspension of Participant investment or distributions. The Plan will suspend the Participant's right to direct any investments during the period the Administrator is determining the qualified status of the order. If the Participant is receiving benefits from the Plan at the time of receipt of the order, the Administrator will suspend distributions to the Participant to the extent the Administrator deems necessary to comply with the order should the Administrator determine the order is a QDRO.

6. Determination order is a QDRO. If the Administrator determines the order is a QDRO:

a. The Administrator will notify the Participant and each alternate payee that the order is a QDRO and the Plan will distribute amounts pursuant to the QDRO. The Administrator will notify the Participant and each alternate payee of the decision within ten days of the determination by mailing to each party a copy of the QDRO DETERMINATION CHECKLIST, which will include the Administrator's certification.

b. If the QDRO requires immediate payment, the Plan will pay the designated amounts as soon as administratively feasible. Payment of any amount the order required the Plan to pay during the determination period will include interest from the date the QDRO required the first payment, at the rate of interest determined to be reasonable. The rate of interest payable on a regular savings account is a reasonable rate of interest for this purpose.

c. If the Plan cannot make the distribution within 30 days of the determination of qualified status of the QDRO, the Administrator will advise the parties of the delay, of the reason for the delay and of the date by which the Plan expects to make payment.

d. The Administrator will advise the Participant when the Plan has completed payment to the alternate payee.

e. The Plan will maintain a separate accounting (which may include a segregated account) for each alternate payee until the Plan has completed benefit payments under the QDRO.

f. Each alternate payee is entitled to file with the Plan a beneficiary designation in the same manner as a Participant in the Plan.

7. Determination order is not a QDRO. If the Administrator determines the order is not a QDRO:

a. The Administrator will advise the Participant and each alternate payee of the adverse decision and of the reasons for the adverse decision. The Plan will advise the Participant and each alternate payee of the decision within ten days of the determination by mailing to each party a copy of the QDRO DETERMINATION CHECKLIST, which will include the Administrator's certification of the decision.

b. The Administrator will discontinue separate accounting for the amounts payable under the order. The Plan will pay the benefits to the party entitled to receive the benefits. If the Participant is not entitled to a present distribution of any of the segregated benefits, the Plan will continue to account for the Participant's benefits as if the Plan had not received the order.

c. If the Administrator determines the status of the order within the 18-month period beginning on the date the order would require the first payment, the Administrator may delay distribution of any benefits subject to the order if the Administrator has reason to believe a party will seek to cure the

defects in the order. The Administrator will continue to delay distribution during the period the Administrator determines to be necessary to fulfill the Administrator's fiduciary duties under the Plan.

8. Consultation with legal counsel. The Administrator will consult with the Plan's legal counsel in case of questions which arise with respect to the interpretation of any provision of the order or with respect to the qualified status of the order.

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Adoption of QDRO Procedure

The Administrator of [insert Plan Name here] adopts this QDRO Procedure on the date specified below.

Date: _____

By: _____
Administrator