

RESILIENT FLOOR COVERING PENSION FUND
QUALIFIED DOMESTIC RELATIONS ORDERS

QDRO REQUIREMENTS IN GENERAL. The Retirement Equity Act of 1984 established a specific set of rules under which pension benefits can be paid to an "alternate payee" (a former spouse or dependent child).

The Pension Fund cannot pay benefits to anyone except the employee or the employee's designated beneficiary without a "Qualified Domestic Relations Order" directing it to make such payments. A QDRO is a state court domestic relations order (such as a court-approved marital property settlement) which meets certain requirements defined in the federal statute.

A QDRO must identify the plan to which it applies. It must state the name and last known mailing address of the alternate payee(s). It must specify either the amount of benefit to be paid or the manner in which that amount is to be determined. It must state the number of payments or the time period covered. The order must not require the plan to pay more benefits than the total to which the employee is entitled. It must not require payments to begin before the employee would be entitled to receive a pension. It must not require any form of payment (e.g. lump sum) not otherwise available under the plan. It must not allow the alternate payee to elect a joint and survivor annuity with a new spouse. It must not be inconsistent with any prior QDRO affecting the employee's benefits.

A QDRO may, but is not required to, provide that payments to the alternate payee will begin as soon as the employee becomes eligible to receive a benefit payment, even if the employee chooses to defer retirement. A QDRO also may provide that some or all of any survivor benefit payable to a spouse or other beneficiary will be paid to the alternate payee. If the QDRO does not contain these optional provisions, the alternate payee will not be entitled to receive anything until the employee actually retires and may receive no benefits at all if the employee dies before retirement.

The Pension Fund has the authority to determine whether a particular domestic relations order is in fact a QDRO. Parties to a dissolution should communicate with the Pension Fund before the order is finalized to avoid issuance of a nonqualified order with which the Fund cannot comply.

Upon receipt of a court order, the Pension Fund will analyze its provisions to determine whether it is qualified and will inform the parties of its decision. If you wish to submit a draft order the Fund will review it and inform you whether it meets the requirements of a QDRO.

EMPLOYEE/SPOUSE RESPONSIBILITY TO SEND COURT ORDER TO FUND. A former spouse has no enforceable right to benefits under this Pension Fund until the Fund is served with a final order signed or stamped by the Judge and filed with the Court Clerk, which meets the requirements above. The former spouse's interest is not protected merely because the Pension Fund has been joined, or because the Fund has been given notice of the spouse's

claim, or because the Fund has approved a draft order. The Fund has no duty to investigate whether a QDRO exists.

REVIEW OF ORDER AND NOTICE TO PARTICIPANT AND ALTERNATE

PAYEE. Within a reasonable period after receiving a domestic relations order creating rights for an alternate payee, the Pension Fund reviews the order and notifies the participant and alternate payee whether or not the order will be accepted as a QDRO.

ACCEPTANCE OF ORDER AS QDRO. If the order is accepted as a QDRO, the alternate payee will be entitled to receive his or her share of the benefit in accordance with normal Fund rules. The Pension Fund cannot pay benefits to an alternate payee until the participant has attained retirement age or otherwise become eligible for a distribution of benefits under Fund rules.

REJECTION OF ORDER. If the Pension Fund rejects the order, the rejection notice will identify the defect(s) in the order. The participant or alternate payee may correct the defects and submit a revised order, or may appeal from the rejection decision using the Fund's appeal procedure. Any appeal must be submitted within sixty (60) days after the rejection notice. If the Pension Fund does not receive a timely appeal or a revised court order, the Fund may pay benefits to the participant in accordance with the normal Fund rules, without notice to or consent by the former spouse.

LIMITED PURPOSE OF PENSION FUND'S REVIEW OF ORDER. The Pension Fund does not review marital property settlements to determine whether they are fair or complete, or whether they comply with applicable state law. It is the responsibility of the parties to the divorce action and their attorneys, not the Pension Fund, to identify community assets and to make a fair division under state law.

ESCROW FOR DETERMINATION PERIOD. During any period in which the issue of whether a domestic relations order is a QDRO is being determined (by the Pension Fund, a court or otherwise), the Pension Fund may suspend pension payments to the participant and/or may segregate in a separate account the amounts payable to the alternate payee during such period if the order is determined to be a QDRO. Usually, this segregation is not necessary as the determination is made in a timely manner. The Pension Fund has full discretion to decide if a segregated account is necessary. If the Pension Fund determines that the order is not a QDRO or if 18 months have expired without a determination whether the order is qualified, benefits may be paid to the participant and his/her beneficiary as provided in Fund rules.

FUND DISCRETION. The Pension Fund has full discretion whether to accept an order as a QDRO. To save the parties legal fees and costs and to avoid the delay and expense of obtaining a new order, the Pension Fund may accept orders that do not meet all technical QDRO requirements, and/or may allow the parties to mutually agree on the interpretation of an order that is ambiguous or uncertain. The Fund has, however, total discretion in this area.

SAMPLE QDRO LANGUAGE. The following sample QDRO language divides the community property portion of the benefits equally between both spouses. This sample language is provided as a courtesy. Please note that a 50-50 division is not legally required and does not necessarily accomplish the best result for either spouse. Also note that the formula in paragraph 7 is the standard formula developed by the California courts. The formula does not take into account the possibility that the employee may work a different number of hours each year, or that the benefit formula used by the pension plan may change. If because of different hours or different benefit rules the employee earns benefits at a different rate from year to year, either before or after the marriage, the standard formula will not accurately determine the community property portion of the benefit.

The Pension Fund does not guarantee that the sample order is appropriate in each instance. The parties should always consult their own attorneys before agreeing to use this form, and the attorneys should adapt and revise the language where appropriate. Moreover, the sample order contains provisions that are optional or which involve choices that the parties may want to modify. The Pension Fund takes no position on these specific provisions.

Future benefit changes and amendments to ERISA could also affect the validity of this sample order.

SUPERIOR COURT OF THE STATE OF _____

IN AND FOR THE COUNTY OF _____

In re the Marriage of:)	Case No. _____
)	
_____)	QUALIFIED DOMESTIC
)	RELATIONS ORDER
Petitioner,)	
)	[RELATING TO RESILIENT FLOOR
and)	COVERING PENSION FUND]
)	
_____)	
)	
Respondent.)	
_____)	

Pursuant to the Judgment of Dissolution of Marriage entered herein on _____ and with the agreement of the parties as to the provisions in this Order, IT IS HEREBY ORDERED as follows:

1. The purpose of this Order is to dispose of the respective interests of (Employee) and _____ (Spouse) in the community property portion of benefits payable to Employee by the RESILIENT FLOOR COVERING PENSION FUND (Pension Fund). This order is intended to satisfy the requirements of the Employee Retirement Income Security Act ("ERISA") concerning

Qualified Domestic Relations Orders ("QDRO"), as provided in ERISA Section 206(d) (3) and Internal Revenue Code Section 414(p).

2. Name of Plan. The pension plan to which this Order applies is the Resilient Floor Covering Pension Fund (Pension Fund).

3. Names of Employee and Spouse. The name, mailing address, phone number, Social Security number and date of birth of each party is:

(1) Employee (Plan Participant):

Name: _____

Address: _____

Phone: _____

Social Security No.: _____

Date of Birth: _____

(2) Spouse (Alternate Payee):

Name: _____

Address: _____

Phone: _____

Social Security No.: _____

Date of Birth: _____

The parties agree to notify the Pension Fund of any change in address, name change and/or the death of the other party.

4. Period of Marriage. The parties agree that the period of marriage was:

Date of Marriage: _____

Date of Separation: _____

For purposes of this QDRO:

a. If the marriage was on or before the 15th of a month, the parties will be considered married the entire month.

b. If the marriage occurred after the 15th of a month, the parties will not be considered married that month.

c. If the separation was on or before the 15th of a month, the parties will not be considered married that month.

d. If the separation occurred after the 15th of a month, the parties will be considered married for the month.

5. Vested Status. No benefits are payable under this Order from the Pension Fund unless Employee has a Vested benefit.

6. Annuity Starting Date. Any reference to Spouse's or Employee's "Annuity Starting Date" means the effective date as of which Pension Fund benefits are to begin.

7. Spouse's Benefit. Spouse is awarded a Spouse's Benefit as provided herein, and is an "Alternate Payee" as defined in ERISA. Spouse's Benefit shall be one-half of the total Community Benefit. The Community Benefit is the portion of the benefit payable by the Pension Fund which is

attributable to Employee's employment during the marriage. The Community Benefit shall be calculated by multiplying the total benefit payable to Employee by a fraction. The numerator of the fraction is the total years during the marriage for which Employee receives credit under the Pension Fund. The denominator is the total years for which Employee receives credit under the Pension Fund.

8. Disability. Alternate Payee's share shall not include amounts paid to Participant on account of disability, except to the extent that such benefits would have been payable to Participant as retirement benefits based on longevity. The Court shall reserve jurisdiction in the event of a dispute as to the characterization of any payment which is based on the disability of Participant.

9. Death of Employee. If Employee dies before Spouse and before Spouse's Annuity Starting Date, Spouse shall receive one-half the community property portion of the Qualified Preretirement Survivor Annuity payable under the terms of the Pension Fund. If Employee dies after Spouse's Annuity Starting Date, Spouse's benefit payable under this Order shall not be affected.

10. Death of Spouse. If Spouse dies before Employee and before Spouse's Annuity Starting Date, the Pension Fund shall pay benefits to Employee as if this Order did not exist. If Spouse dies after Spouse's Annuity Starting Date, Employee's

reduced benefit payable under this Order shall not be affected.

11. Spouse's Election to Start Payments Early. Spouse shall have the right to receive benefits at any time after the earliest date that Employee could elect to retire under the Pension Fund upon the filing of a timely application, but Spouse does not have the right to delay that Annuity Starting Date beyond Employee's Annuity Starting Date.

12. Form of Benefit. Spouse may elect any form of payment available under the Pension Fund other than a joint and survivor annuity with another spouse.

13. Employee's Residual Benefits. Any benefits not specifically given to Spouse under this Order shall be the sole and separate property of Employee.

14. Statutory Limits to this Order. Notwithstanding any provision hereof to the contrary, in no event shall this order be interpreted as requiring the Pension Fund to do any of the following:

a. Require payment of benefits to Spouse or other alternate payee which are already required to be paid to another spouse or alternate payee under a prior QDRO.

b. Require the Pension Fund to provide benefits with a greater value than it would otherwise pay.

c. Require the Pension Fund to provide any type or form of benefit or any option not otherwise provided.

15. Definitions. Terms not specifically defined in this

QDRO shall have the meanings defined in the governing documents of the Pension Fund.

16. Lump Sum Distribution. If Spouse's benefit at the time he/she is entitled to such benefit is \$5,000 or less, the Pension Fund shall distribute such benefit in a lump sum, regardless of the Spouse's desires.

17. Application/90 Days Notice. Employee and Spouse shall file an application for benefits at least ninety (90) days prior to his/her anticipated Annuity Starting Date.

18. Savings Clause. It is the intention of Spouse and Employee that this Order qualify as a QDRO. If any provision is determined to be inconsistent with the definition of a QDRO, this Order shall be amended as may be necessary to comply with such requirements. The parties shall enter into a stipulation (which may be a letter agreement) as may be required to amend this Order and/or the Judgment of Dissolution.

19. Remarriage. The remarriage of either party shall not affect the disposition of benefits provided herein.

20. No Prior Order. The parties certify that they are not aware of prior orders which may dispense of benefits hereunder.

21. Amendment. The Court retains jurisdiction over this matter to amend this Order as necessary.

22. Copy of Order to Fund Counsel. Counsel for the petitioner shall furnish the Fund's legal counsel with a copy

of the Order approved by the Court and file-endorsed by the Court Clerk, within 30 days of approval of this Order.

Dated: _____, 20__ _____
JUDGE OF THE SUPERIOR COURT

Dated: _____, 20__ _____
Attorney for Employee

Dated: _____, 20__ _____
Attorney for Spouse

Dated: _____, 20__ _____
Employee

Dated: _____, 20__ _____
Spouse