

MODEL QDRO – PARTICIPANT NOT YET RECEIVING PENSION

IAM NATIONAL PENSION FUND

(This model is for informational purposes only. It does not represent all of the alternatives available in drafting a QDRO, nor does it cover all of the issues that arise in drafting a QDRO. The parties to the order should consult with their attorneys to ensure that their intentions are accurately reflected in the order submitted for review.)

In the _____ Court of _____,

State of _____

_____, Plaintiff)
vs.) Case No. _____
_____, Defendant)

QUALIFIED DOMESTIC RELATIONS ORDER

In accordance with the agreement of the parties, the following disposition is made of the Participant's pension benefit accrued through his or her participation in the pension plan named below.

IAM National Pension Fund
99 M St. SE,
Suite 600
Washington, D.C. 20003

1. Plan Participant Information:

Name _____

Address _____

Social Security # _____

Date of Birth _____

2. Alternate Payee Information:

Name _____

Address _____

Social Security # _____

Date of Birth _____

3. **Date of Marriage and Divorce:** The Participant and the 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 monthly pension benefit that would otherwise be payable to the Participant. The Fund is to make payment of the Alternate Payee's benefit directly to the Alternate Payee.
5. **Formula for Determining Alternate Payee Benefit:** The Fund shall determine the Alternate Payee's portion of the Participant's benefit as follows **[circle or initial one of the options in the boxes below]**:

Important Information about Paragraph 5: There are three sample formulas listed below, which are commonly used in domestic relations orders. To be qualified, the order must contain **ONE** formula which will instruct the Fund in how to determine the Alternate Payee's portion of the Participant's benefit. All three formulas are acceptable for use in either the dividing or sharing method of division. The parties are **NOT** required to use any of the sample formulas, nor must the percentage assigned to the Alternate Payee be 50%. The parties may use any formula, provided it is calculable by the Fund.

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

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 by the Participant at Alternate Payee's Effective Date

6. **Form of Payment to Alternate Payee:** The Alternate Payee shall receive her benefit as **[choose either the first or the second box]**

a share of each payment to which the Participant is entitled. The portion of the Participant's benefit assigned to the Alternate Payee through this order will be paid in the 50% Spouse Pension form with the Alternate Payee treated as the Participant's Qualified Spouse for purposes of entitlement to the Surviving Spouse Pension should the Participant die prior to the Alternate Payee. At the Participant's death, the Alternate Payee shall continue to receive benefits for life under the Surviving Spouse Pension as the Participant's Qualified surviving spouse. If the Alternate Payee predeceases the Participant after starting to receive benefits, the Alternate Payee's portion will revert to the Participant.

OR

a separate entitlement, payable for the Alternate Payee's lifetime. The Alternate Payee may choose to have her benefit paid in any form provided by the Fund, except as a joint-and-survivor annuity with a subsequent spouse. If the Alternate Payee predeceases the Participant after starting to receive benefits, survivor benefits, if any, will be paid in accordance with the benefit form elected by the Alternate Payee and will be payable to her designated beneficiary(ies).

Important Information about Paragraph 6: There are two commonly used methods for dividing the Participant's benefit. The parties must decide whether they wish to use the Sharing method, which assigns to the Alternate Payee a share of the Participant's pension [**use language in first box**] or the Dividing method, which gives the Alternate payee a separate entitlement to the portion of the benefit assigned to her [**use language in second box**]. Please consult the Department of Labor's QDRO guidelines for additional information regarding methods for dividing a Participant's benefit.

The parties should note that **they are not required to elect the 50% Spouse Pension form** with the Sharing method. If the parties **do not** choose to do so, if the Participant predeceases the Alternate Payee after his Effective Date, the Alternate Payee's benefit will cease.

7. **Form of Payment for Participant:** The Participant may elect any form of payment available from the Fund for the portion of the benefit not covered by this order. This entitlement includes the right to elect a joint-and-survivor annuity form of benefit with a subsequent spouse.
8. **Commencement of Payments to Alternate Payee:** The Alternate Payee may, upon written application to the Fund, choose to begin receiving his or her portion of the Participant's benefit at any time after the Participant becomes eligible to receive benefits. Should the Alternate Payee predecease the Participant before establishing an Effective Date of Benefits, his or her portion will revert to the Participant. If the Alternate Payee has not entered pay status prior to the Participant, he or she will begin receiving her portion of the benefit covered by the order as of the Participant's Effective Date of Benefits.

Important Information about Paragraph 8: If the order uses the Sharing Method, the Alternate Payee cannot begin receiving benefits any earlier than the Participant’s pension Effective Date. In addition, if the order uses the Sharing Method, it can provide for a shorter period of payments to the Alternate Payee than until the earlier of the Participant’s or Alternate Payee’s death. For example, it can provide that payments to the Alternate Payee will cease upon remarriage. If the order uses the Dividing Method, the Alternate Payee can start to receive benefits at any time once the Participant becomes eligible to receive a pension, and the Alternate Payee must start to receive benefits by the Participant’s Required Beginning Date.

Important Information about Paragraph 9:

The order should state whether the Alternate Payee is to be entitled to the Early Retirement Subsidy. If the order does not entitle the Alternate Payee to the Early Retirement Subsidy, in addition to selecting “will not” above, the second sentence must also be deleted. Although Paragraph 9 of this model order is not required, if the order uses the Sharing Method, the Alternate payee will have an entitlement to the early retirement subsidy by default and unless the order says the Alternate Payee does not have an entitlement to it.

If the order uses the Dividing Method, the Alternate Payee will not have an entitlement to the subsidy unless the order explicitly says the Alternate Payee is entitled to it. The Amount of the Alternate Payee’s entitlement to the subsidy is generally proportionate to his or her benefit, unless the order says otherwise. The Alternate Payee will have an entitlement to a portion of the Early Retirement Subsidy only if the Participant is eligible to receive this subsidy.

The IAM National Pension Fund’s Rehabilitation Plan may impact the Participant’s (and therefore the Alternate Payee’s) eligibility to receive the Early Retirement Subsidy. Participants should consult the Fund’s April 2019 mailing regarding Rehabilitation Plan changes.

9. **Early Retirement Subsidy (subject to applicable Rehabilitation Plan changes):** The Alternate Payee [**choose either *will* or *will not***] be entitled to a portion of any Early Retirement Subsidy that becomes payable to the Participant. If payable, the amount of this entitlement will be proportionate to the portion of the benefit assigned to the Alternate Payee by the order.

10. **Preretirement Surviving Spouse Pension:** In the event the Participant predeceases the Alternate Payee before the Alternate Payee’s Effective Date of benefits, the Fund shall treat the Alternate Payee as the surviving spouse of the Participant for purposes of the 100% Spouse Preretirement Death Benefit. The amount of the Alternate Payee’s entitlement to these benefits will be based on the portion of the benefit assigned to the Alternate Payee under the formula set out in Section 5.

Important Information about Paragraph 10: Neither the Retirement Equity Act nor the IAM National Pension Fund require that an Alternate Payee be treated as the surviving spouse of the Participant for preretirement surviving spouse benefits. Thus, Paragraph 10 of this model order is not required. However, the parties should be aware that in a defined benefit plan such as this one, should the Participant die before the Alternate Payee starts to receive a benefit, the Alternate Payee would have no entitlement to benefits

under the domestic relations order unless the Fund is required to treat her as a Qualified Spouse for purposes of preretirement surviving spouse benefits.

11. **Savings Clause.** This order is not intended, and shall not be construed in such a manner as, to require the Fund to do the following:
- (a) to provide any form of benefit option not otherwise provided under the terms of the Plan of Benefits;
 - (b) to require the Fund to provide increased benefits determined based on actuarial value; or
 - (c) to require the payment of any benefits to the Alternate Payee which are required to be paid to another Alternate Payee under another order, which was previously deemed to be a Qualified Domestic Relations 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 Form 1099-R to the Alternate Payee at the end of calendar year and report such income to the IRS under the Alternate Payee's name and Social Security Number.
13. **Continued Jurisdiction:** The Court shall retain jurisdiction over this matter to amend this order if necessary, to establish or maintain its status as a Qualified Domestic Relations Order under the provisions of the Retirement Equity Act and the rules of the I.A.M. National Pension Fund.

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

Judge

Plan Participant

Alternate Payee

Attorney for Participant/Address

Attorney for Alternate Payee /Address