

**NATIONAL ELECTRICAL BENEFIT FUND (NEBF)
PROCEDURES FOR
QUALIFIED DOMESTIC RELATIONS ORDERS (QDROs)**

The NEBF feels that it is in everyone's best interests to divide marital assets in a manner that leaves pension benefits undisturbed (i.e., the non-employee spouse agrees to take marital assets other than pension benefits). This enables administrative costs to be held to a minimum so that greater amounts of assets are available for distribution to both participants and alternate payees.

Nonetheless, the NEBF recognizes that benefit payments will be the subject of QDROs from time to time, and as a result has set out these procedures to facilitate the filing of a QDRO which will be accepted by the NEBF. Special attention should be paid to the attached Model QDRO (a form QDRO containing language acceptable to the NEBF).

"QDRO" DEFINED

Under pertinent Federal Statutes, the NEBF may not make payments to a non-employee spouse unless the payment is mandated by a QDRO. A QDRO is defined as any judgment, decree, or order (including approval of a property settlement agreement), which (i) relates to the provisions of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a participant; and (ii) is made pursuant to a state domestic relations law (including a community property law).

A domestic relations order is "qualified" if it:

1. Creates or 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 with respect to a participant under the NEBF; and
2. Clearly specifies:
 - a. The name; the last known mailing address, the age, and the Social Security number of the participant and each alternate payee covered by the order;
 - b. The amount or percentage of the participant's benefits to be paid by the NEBF to each such alternate payee, or the manner in which such amount or percentage is to be determined (and the period of marriage if the amount or percentage of benefit relates thereto);
 - c. The number of payments or period of time to which such order applies;
 - d. That the order applies to the National Electrical Benefit Fund;

- e. That the order does not require:
 - i. The NEBF to provide any type or form of benefit, or any option not otherwise provided under the plan;
 - ii. The NEBF to provide increased benefits (determined on the basis of actuarial value); or
 - iii. The payment of benefits to any alternate payee which are required to be paid to another alternate payee under another order previously determined to be a QDRO;
- f. That payments to the alternate payee shall cease not later than the date of the death of the alternate payee or the date of the death of the participant, whichever date shall occur first, except as provided in Exception 2 below. (If an alternate payee predeceases the participant, the participant shall commence receiving the monthly benefits previously paid to the alternate payee);
- g. That if benefit payments are being made to an alternate payee hereunder, and the participant returns to covered employment causing the participant's benefit payments to be suspended, then the benefit payments to the alternate payee shall not be suspended; but if the participant re-retires with additional years of credited service, then the alternate payee's benefits shall not be increased as a result of those additional years of credited service;
- h. Whether payments to the alternate payee shall continue or cease in the event the alternate payee remarries the participant, or marries another individual; and
- i. That the NEBF is authorized to recover any overpayments made to an alternate payee because the alternate payee failed to notify the NEBF of a change of circumstance which affects his or her entitlement, which provision shall be binding upon the alternate payee and his or her heirs, and/or estate.

EXCEPTIONS

1. Notwithstanding the above, a QDRO may require the NEBF to make benefit payments to an alternate payee even though the participant has not separated from service:
 - a. On or after the date on which the participant attains (or would have attained) the earliest retirement age at which he or she could elect to receive payments from the NEBF; or
 - b. As if the participant had retired on the date on which such payment is to begin under the order (but taking into account only the present value of benefits actually accrued).

(Note: The QDRO must specify a date certain when benefit payments to the alternate payee are to commence. The NEBF will not accept an order that leaves the commencement to the discretion of the alternate payee.)

2. A QDRO may also provide that a former spouse of a participant will be treated as a surviving spouse of such participant for purposes of ERISA's joint and survivor rules, however, the QDRO must be specific in that regard and must state, in detail, the precise rights of the former spouse and the fact that benefits are actuarially reduced to recognize the fact that joint and survivor benefits are contemplated. To be eligible for a joint and survivor annuity, the spouse and the participant must have been married for at least one year. Further, unless clearly specified, the alternate payee's entitlement to a joint and survivor annuity will be limited to the percentage interest the alternate payee is granted in the participant's benefit. Finally, a QDRO shall not require the NEBF to disregard a prior waiver of joint and survivor benefits consented to by the alternate payee.

PROCEDURES

These written procedures are established and maintained in accordance with the Employee Retirement Income Security Act of 1974 as amended by the Retirement Equity Act of 1984. The procedures are used to determine whether a domestic relations order is "qualified" to assist in distributions and to provide basic notice and information to affected parties.

1. An alternate payee may designate a representative for receipt of notices with respect to the domestic relations order affecting the alternate payee.
2. A participant, alternate payee or legal counsel shall advise the NEBF of the identity and addresses of all attorneys involved in the domestic relations dispute.

3. Upon receipt of a domestic relations order, the NEBF shall promptly notify the participant and any alternate payee (at the address included in the domestic relations order) of the receipt of the order and shall forward a copy of these procedures for determining the order's qualified status.
4. Within a reasonable time after receipt of the order, the NEBF, in consultation with its Counsel, shall determine whether such order is a "QDRO" and the participant and each alternate payee shall be notified.
5. During the period of time in which the NEBF is determining the qualified status of an order entered with the court, the NEBF shall separately account for the amount which would have become payable to the alternate payee during such period if the order had been determined to be "qualified," herein referred to as the "segregated amounts."
6. If within 18 months the order (or modification thereof) is determined to be a QDRO, the NEBF shall pay the segregated amounts to the person(s) entitled to receive same. If within 18 months there is no determination or it is determined that the order is not a QDRO, the NEBF shall pay the segregated amounts to the person or persons who would have been entitled to such amounts if there had been no order. If the order is determined to be qualified after the close of the 18 month period, then it is to be applied prospectively only.
7. A person who is an alternate payee under a QDRO shall be considered for purposes of any provision of ERISA as a beneficiary under the NEBF.
8. An "alternate payee" means any spouse, former spouse, child, or other dependent of a participant who is recognized by a domestic relations order as having a right to receive all, or a portion of, the benefits payable under the NEBF with respect to such participant.
9. Each alternate payee shall keep the NEBF fully advised of any and all changes in name and mailing address.

**SUGGESTED MODEL PROVISIONS FOR A
QUALIFIED DOMESTIC RELATIONS ORDER ("QDRO")
ASSIGNING RIGHTS TO A PORTION OF A
NATIONAL ELECTRICAL BENEFIT FUND ("NEBF") BENEFIT**

QUALIFIED DOMESTIC RELATIONS ORDER

1. Pursuant to Section 206(d) of the Employee Income Retirement Security Act of 1974 (ERISA) as amended and Section 414(p) of the Internal Revenue Code, this Qualified Domestic Relations Order ("Order") assigns a portion of the National Electrical Benefit Fund ("NEBF") benefits from [name of Participant] ("Participant") to [name of Alternate Payee] ("Alternate Payee") in recognition of the existence of the Alternate Payee's rights to a portion of the Participant's NEBF benefits.

2. a. Participant's Social Security number is ____ - ____ - ____, date of birth is __/__/__ and last known mailing address is

b. Alternate Payee's Social Security number is ____ - ____ - ____, date of birth is __/__/__ and last known mailing address is

- c. Both Participant and Alternate Payee shall notify the administrator of the NEBF of a change in mailing address or name, if any. Any notice of a change of address or name shall be made in writing and directed to: NEBF, Attention: Plan Administrator, 2400 Research Boulevard, Suite 500, Rockville, Maryland 20850-3266.

3. The Plan to which this order applies is the National Electrical Benefit Fund.

4. Participant and Alternate Payee were married on (date), and their marriage was terminated on (date). Alternate Payee shall be entitled to 50% of the monthly benefit which was earned during the period of their marriage.

[While a 50% division of benefits is most often used, any percentage can be used. If Participant is already in pay status, this provision could specify an exact dollar amount; however, a percentage is preferred when Participant is not in pay status since the exact benefit is unknown until retirement and may be subject to future benefit adjustments. In addition, benefit adjustments are also made on occasion to benefits paid to retirees.]

5. Alternate Payee's rights to receive payments hereunder shall begin on the date Participant begins to receive monthly benefits.

Alternatively, if the Participant is already in pay status, use the following provision -- Alternate Payee's rights to receive payments hereunder shall begin the month following the NEBF's determination that the order is a Qualified Domestic Relations Order.

[The order may provide that benefits shall commence upon Participant's attainment of earliest retirement age or when Participant reaches Normal Retirement Age as defined in the Plan. In any event, the order must be precise as to the benefit commencement date and may not provide that such date be left to the election of Alternate Payee.]

6. Except as may be provided in paragraph 7, payments to the Alternate Payee shall terminate upon the death of Participant or Alternate Payee, whichever occurs earlier. If Alternate Payee predeceases Participant, Participant shall receive payments previously designated to Alternate Payee.

[The benefit is only payable as a monthly benefit for the life of the Participant or as a joint and survivor annuity. However, if Participant is already in pay status and has elected against the joint and survivor annuity, the Order cannot disturb such election. The benefit is not payable in the form of a lifetime annuity for the Alternate Payee, nor is it payable in lump sum form. Additionally, Alternate Payee may not designate his/her estate or any other beneficiary to receive benefits.]

7. The Alternate Payee (shall/shall not) be treated as the surviving spouse for the purposes of the qualified joint and survivor annuity and/or pre-retirement survivor annuity options under the Plan. Any annuity payable to the Alternate Payee shall be not more than the community interest as set forth in paragraph 4.
8. If benefit payments are being made to Alternate Payee hereunder, and Participant returns to covered employment and Participant's benefit payments are thereby suspended, the benefit payments to Alternate Payee shall not be suspended, but if Participant re-retires with additional years of credited service, the Alternate Payee's benefits shall not be increased as a result of those additional years of credited service.
9. In the event the Alternate Payee remarries the Participant, or marries another individual, the benefit paid to the Alternate Payee shall (cease/continue) being paid.
10. The NEBF is authorized to recover any overpayments made to Alternate Payee because Alternate Payee failed to notify the NEBF of a change in circumstance which affects his/her entitlement. This section shall be binding upon Alternate Payee and his or her heirs, and/or estate.

11. The Order does not require any of the following:
- a. Any type or form of benefit, or any option not otherwise provided under the plan;
 - b. Any increased benefits; or
 - c. Any payment of benefits to Alternate Payee which are required to another Alternate Payee under another order previously determined to be a QDRO.

Judge

Participant

Alternate Payee

Participant's Attorney

Alternate Payee's Attorney

[Do not insert a signature block for the NEBF as the Fund does not sign orders.]

**National Electrical Benefit Fund
2400 Research Blvd, Suite 500
Rockville, MD 20850-3266
Phone: (301) 556-4300 Fax: (301) 556-0100**