

## Sample QDRO Procedure and Checklist

***This sample procedure and checklist has been provided to assist you in complying with the rules regarding Qualified Domestic Relations Orders. This information is not intended as tax or legal advice. Modifications may be required to meet your particular needs. Please consult with your plan's tax advisor and legal counsel regarding the particular circumstances of your plan. Additional information is available on the Employee Benefits Security Administration website at: <http://www.dol.gov/ebsa/>.***

### SAMPLE QUALIFIED DOMESTIC RELATIONS ORDER PROCEDURE

In the event that the Sample 401(k) Retirement Plan is presented with a Domestic Relations Order (DRO), the determination as to its status as a Qualified Domestic Relations Order (QDRO) as defined by ERISA, will be determined based on the procedure outlined below. The Plan Administrator may use these procedures as a reasonable and consistent approach to determining the qualified status of a DRO and for processing any distributions if the DRO is confirmed to be a QDRO.

- I Prior to receipt of an Order:
  - 1. If the Plan Administrator is made aware (either verbally or in written form) of a pending domestic relations action (e.g., divorce) that may result in a DRO with respect to the Plan, the Plan Administrator may suspend processing loans or distributions requested by the Participant.
  - 2. The Plan Administrator will notify the Participant of the hold placed on the account. In order to remove the hold, the Participant will provide written confirmation that the court will not issue a DRO in respect to the Plan.
- II Upon receipt of a DRO:
  - 1. Within a reasonable time frame, the Plan Administrator shall notify the Participant and the alternate payee of the receipt of the DRO and provide them with a copy of this procedure.
  - 2. The Plan Administrator will freeze the account of each applicable plan that is impacted by the DRO.
  - 3. The Plan Administrator will review the DRO to determine its qualified status. The Plan Administrator will complete the attached QDRO checklist for each DRO that is received.
  - 4. If the Plan Administrator determines the order is a QDRO:
    - a. The Plan Administrator will notify the Participant and the Alternate Payee that the order is a QDRO and the Plan will distribute the amounts pursuant to the order.
    - b. If the QDRO provides immediate payment, and the plan permits the distribution, the Plan Administrator will distribute the amount to the alternate payee as soon as administratively possible.
    - c. The Plan will maintain separate accounting for each alternate payee under the Plan.
    - d. The alternate payee will have the right to designate a beneficiary under the plan.
    - e. The Plan Administrator will notify the Participant when payment to the alternate payee has been completed.

5. If the Plan Administrator determines the order is not a QDRO:
  - a. The Plan Administrator will notify the Participant and the alternate payee of the decision in writing, including a copy of the QDRO checklist used to make the determination.
  - b. The Plan Administrator will discontinue any separate accounting established as a result of the DRO.
  - c. If the determination of the DRO is within the 18-month period beginning on the date that the order first required payment, the Plan Administrator may delay any distributions and or loans from the Plan if there is reason to believe that either party will seek to cure the defects of the DRO.
6. The Plan Administrator will consult with the Plan's legal counsel in case of any questions which may arise with respect to the interpretation of any provision of the DRO or the qualified status of the DRO.

Plan Administrator

Date

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SAMPLE  
QDRO DETERMINATION CHECKLIST

Participant \_\_\_\_\_ Soc. Sec. \_\_\_\_\_  
 Alternate Payee \_\_\_\_\_ Soc. Sec. \_\_\_\_\_

- |                                                                                                                                            | Yes                      | No                       |
|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 1. Is this an order pursuant to a state domestic relations law?                                                                            | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Does this order relate to providing child support, alimony payments or marital property rights?                                         | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Does the order specify this Plan as the plan subject to the order?                                                                      | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Does the order direct payment to the Participant's spouse, former spouse, child or other dependent (alternate payee)?                   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Does the order identify the Participant?                                                                                                | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Does the order identify each alternate payee by name and mailing address?                                                               | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Does the order state the amount or percentage of the Participant's benefit the Plan must pay to each alternate payee?                   | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Does the order state the number of payments or the period to which the order applies?                                                   | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Is the type or form of benefit stated in the order permitted by the plan?                                                               | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Does the order provide for a benefit that does not exceed the benefit under the Plan?                                                  | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Does the order state that benefits assigned to another alternate payee may not be assigned to the alternate payee named in this order? | <input type="checkbox"/> | <input type="checkbox"/> |

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