

**BRICKLAYERS LOCAL UNION NO. 1 OF KENTUCKY PENSION FUND
QUALIFIED DOMESTIC RELATIONS ORDER PROCEDURES**

(Updated November 2023)

The Bricklayers Local Union No. 1 of Kentucky Pension Fund (the "Plan") has established these procedures to help to determine the qualified status of domestic relations orders pursuant to Section 414(p)(6)(B) of the Internal Revenue Code and Section 206(d)(3)(G)(ii) of ERISA.

Domestic relations orders recognize or establish significant rights of the parties involved. The Plan cannot and will not draft domestic relations orders, nor will the Plan make any recommendations about how orders should be drafted. The parties and their legal counsel are solely responsible for ensuring that a domestic relations order accomplishes the intention of the parties. Any questions regarding domestic relations orders should be directed to legal counsel.

None of the information set forth below should be considered a recommendation with respect to the assignment of a Participant's pension benefits under the Plan or should otherwise be taken as advice, legal or otherwise. The use of any of the following information is at the election of the user and the user bears all responsibility for its use.

REQUIREMENTS FOR A QUALIFIED DOMESTIC RELATIONS ORDER

A Qualified Domestic Relations Order ("QDRO") is a Domestic Relations Order that assigns an Alternate Payee the right to receive all or a portion of the benefits payable to a Participant from a qualified retirement plan. Generally, an Alternate Payee is the former spouse of the Participant. However, the Alternate Payee could be the spouse, child, or other dependent of the Participant.

In order to be considered "Qualified" a Domestic Relations Order must fulfill a number of specific requirements. These requirements are outlined below:

1. The Order must be a Domestic Relations Order.
 - ▶ A Domestic Relations Order is any judgment, decree, or order (including a property settlement agreement) relating to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a Participant.
 - ▶ The Domestic Relations Order must be made pursuant to a state or tribal domestic relations law (including a community property law).
 - ▶ The Domestic Relations Order must create or recognize the Alternate Payee's right to receive all or a portion of the benefits payable to a Participant from a qualified retirement plan.

2. The Order must Include Specific Information regarding the Assignment of Benefits.
 - ▶ The Order needs to include the legal name, social security number, date of birth, and the last known mailing address of both the Plan Participant and the Alternate Payee.
 - ▶ The Order must include the name of the retirement plan to which the Order applies. The legal name of this Plan is the Bricklayers Local Union No. 1 of Kentucky Pension Fund.
 - ▶ The Order needs to clearly identify the dollar amount or the percentage of the Participant's benefits that are to be allocated by the Plan to the Alternate Payee or describe the manner in which such amount or percentage is to be determined.

- ▶ The Order must identify the number of benefits payments assigned to the Alternate Payee or the period to which the Order applies.
 - ▶ The Order should include the date on which benefit payments are to begin.
3. A Qualified Domestic Relations Order may not Provide for the Following.
- ▶ The Order cannot require the Plan to provide any type or form of benefit that is not otherwise provided under the Plan. For example, the Plan does not permit lump sum payments. All benefits will be paid as a monthly annuity. The Plan cannot accept an Order that specifies that the Alternate Payee will receive his or her assigned benefit as a lump sum distribution.
 - ▶ The Order cannot require the Plan to provide increased benefits determined on the basis of actuarial value.
 - ▶ The Order cannot require the payment of benefits to an Alternate Payee that have already been assigned to another Alternate Payee under another Qualified Domestic Relations Order.

RECEIPT OF A DOMESTIC RELATIONS ORDER

All Orders need to be reviewed by the Plan to make certain that the benefit assigned under the Order can be calculated and to ensure that the Order can be administered by the Plan. A Domestic Relations Order can be submitted to the Plan at the Fund Administration Office: TIC International Corporation - 6525 Centurion Drive, Lansing, MI 48917-9275.

1. Notification that a Domestic Relations Order has been Submitted to the Plan.
 - ▶ Upon receiving a Domestic Relations Order, the Plan will promptly notify by mail the Participant, the Alternate Payee, and their attorneys (if known) that an Order has been submitted to the Plan. This notification will be sent to the mailing addresses included in the Order. If the Participant or the Alternate Payee has provided the Benefit Office with a written designation of a representative to receive any communications regarding the Plan, notification will be sent to the representative as well.
 - ▶ The Participant, the Alternate Payee, their attorneys, and their designated representative (if applicable) will be provided a copy of the Plan's QDRO procedures.
 - ▶ A determination of whether or not the Order can be accepted as "Qualified" by the Plan will be made within a reasonable amount of time, not to exceed 18 months, after the Order has been submitted to the Benefit Office.

2. There will be a Temporary Restriction on the Distribution of Plan Benefits.
 - ▶ Upon receiving a Domestic Relations Order, a proposed Order, or any other document (such as a divorce decree) that indicates that a former spouse or other individual has been assigned an interest in the Plan, an administrative hold will be placed on the Participant's accrued benefit. The hold will serve as an indication that a possible Qualified Domestic Relations Order is pending. Distribution of Plan benefits to the Participant may be restricted until additional information is provided to the Benefit Office. An administrative hold may also be placed on the Participant's benefit if a written notification of a claim is submitted to the Plan by a potential Alternate Payee or his or her representative
 - ▶ The administrative hold that has been placed on a Participant's benefit may be removed only when the Benefit Office has been provided one of the documents identified below.
 - a. A divorce decree, judgment, or property settlement agreement that unambiguously indicates that the Participant has been awarded all of his or her interest in the Plan. If the document is silent on the issue of retirement benefits, the Plan may require the Participant to submit a written, signed, and notarized

statement attesting that his or her former spouse was not awarded any interest in the Plan. The Benefit Office may also contact one or both of the parties' attorneys for clarification on this matter.

- b. A Qualified Domestic Relations Order whose terms can be implemented.
- c. A court order vacating a Qualified Domestic Relations Order.
- d. A written, signed, and notarized statement by the Participant's former spouse waiving his or her interest in the Participant's benefit.

3. The Expected Benefit Assigned to the Alternate Payee under the Order will be Segregated.

- ▶ If the Participant's benefit is being paid or is payable when an Order is received by the Plan, the Benefit Office will segregate the benefit assigned to the Alternate Payee in the Order. This segregation will take place as soon as the Order is received or as soon as administratively possible thereafter and will last for no more than an 18-month period.
- ▶ If, within an 18-month period, the Plan determines that the Order is a Qualified Domestic Relations Order, the Plan will direct the payment of the assigned benefit to the Alternate Payee in accordance with the terms of the Order. The 18-month period will begin with the month in which the first payment would have been required to be made to the Alternate Payee if the Order was a Qualified Domestic Relations Order.
- ▶ If the Plan determines that the Order is not a Qualified Domestic Relations Order, the assigned benefit will continue to be held by the Plan for up to 18 months so a modified Order can be prepared and presented to the Plan.
- ▶ If the parties provide evidence satisfactory to the Plan that a modified Order will not be submitted to the Plan, the segregated amount will be released to the Participant as if there had been no Order.
- ▶ If at the end of the 18-month period, the Plan determines that the Order is not a Qualified Domestic Relations Order, a modified Qualified Domestic Relations Order has not been submitted to the Plan, or the issue has not been otherwise resolved, the Plan will release the segregated amount to the Participant as if there had been no Order.
- ▶ If the determination that the Order is a Qualified Domestic Relations Order occurs more than 18 months after the first payment would be required to be made to the Alternate Payee, payments to the Alternate Payee will be made on a prospective basis only. Retroactive payments will not be permitted.
- ▶ If the Participant's benefit is not immediately payable from the Plan, the segregation of benefits will not apply.

REVIEW OF A DOMESTIC RELATIONS ORDER

Once the Plan has received a copy of a Domestic Relations Order, the Plan will complete a thorough review of the Order to determine whether or not the Plan can accept the Order as "Qualified".

- ▶ The Order will be reviewed against a detailed checklist that has been tailored specifically to the terms and provisions of the Plan. The Order must meet all of the requirements outlined in Code Section 414(p) and ERISA Section 206(d).
- ▶ If the Plan determines that the Order meets all of the requirements for a Qualified Domestic Relations Order, the parties will be notified by mail. They will also be provided additional information regarding the Plan's implementation of the QDRO.
- ▶ If the Plan determines that the Order does not meet the requirements for a Qualified Domestic Relations Order, the parties will be notified by mail. This notification will include an explanation of the problems with the Order and, if applicable, suggested methods for correction.

- ▶ If the only reason that the Order cannot be "Qualified" by the Plan is that the Order was not filed with the court, the Order will be considered "pre-qualified" and the Participant, the Alternate Payee, and their attorneys (if known) will be notified by mail.

IMPORTANT ISSUES THAT WILL BE CONSIDERED IN DETERMINING A DOMESTIC RELATIONS ORDER'S QUALIFIED STATUS

There are a number of items that will be considered when determining whether or not the Plan can accept a Domestic Relations Order as "Qualified".

1. The Order must Clearly State when Benefit Payments are to Begin and End.

- ▶ The Order must identify the number of benefit payments to be made to the Alternate Payee or the period to which the Order applies.
- ▶ The earliest date that an Order can provide for an Alternate Payee to begin receiving benefits is the Participant's Earliest Retirement Date as defined by the Plan. If the Alternate Payee elects to receive benefits before the Participant's Normal Retirement Date, the Alternate Payee's assigned benefit may be paid on a reduced basis.
- ▶ Benefits to the Alternate Payee must begin no later than the Participant's benefit commencement date. If the Alternate Payee has not begun receiving his or her benefits when the Participant applies for benefits, the Alternate Payee will be notified by the Benefit Office that his or her benefits must start at the Participant's benefit commencement date as well.
- ▶ The Order must clearly state whether the benefits payable to the Alternate Payee are to be paid over the Alternate Payee's lifetime or the Participant's lifetime.
 - a. If the benefit is to be paid over the Alternate Payee's lifetime, the benefit will be treated as a separate annuity. Once the Alternate Payee starts to receive benefit payments, the Participant's death will not affect the Alternate Payee's right to continue to receive a benefit from the Plan. In addition, the Alternate Payee's assigned benefit will not revert back to the Participant upon the death of the Alternate Payee once benefit payments to the Alternate Payee have started.
 - b. If the benefit is to be paid for the Participant's lifetime, benefit payments to the Alternate Payee will stop at the earlier of the Participant's or the Alternate Payee's death. If the Alternate Payee dies before the Participant, the Alternate Payee's assigned benefit would revert back to the Participant.
- ▶ The Alternate Payee can elect to receive his or her assigned benefit in any form of payment permitted by the Plan, other than a joint and survivor annuity. The Alternate Payee's benefit election does not need to be specified in the Order. This election will be made on his or her application for benefits.
- ▶ If the Participant is already receiving a monthly pension benefit from the Plan when the Order is submitted to the Plan, the form of payment selected by the Participant cannot be modified. The Order can require a division of the monthly pension being paid to the Participant. If the Participant's benefit is being paid as a single life annuity, all benefit payments to the Alternate Payee will end upon the death of the Participant. If the Participant's benefit is being paid as a joint and survivor annuity, the spouse at the time benefit payments began to the Participant will continue to be the beneficiary of the survivor benefit.

2. The Order should Identify how any Early Retirement Subsidy is to be Handled.

- ▶ If the Order provides for early commencement and if the Alternate Payee starts receiving benefits at the same time the Participant commences receipt of benefits, the Alternate Payee will share in any Plan subsidy attributable to the Participant's service under the Plan. If the QDRO is silent on this matter, the Alternate Payee will not receive any portion of such subsidy.

- ▶ If the Order provides for early commencement and if the Alternate Payee starts receiving benefits before the Participant commences receipt of benefits, the Alternate Payee's benefit will be calculated taking into account only those benefits actually accrued as of the date specified in the Order.
 - ▶ If the Alternate Payee's benefits begin before the Participant's benefit commencement date and the Participant subsequently retires and is entitled to an employer subsidy, the Alternate Payee's benefit may be recalculated to include a portion of the subsidy on a prospective basis only, but only if the order so provides.
3. The Order should Describe any Pre-Retirement Surviving Spouse Benefits.
- ▶ An Order can provide that the Alternate Payee will be treated as the Participant's surviving spouse in the event that the Participant dies before the Participant or the Alternate Payee commences receipt of retirement benefits.
 - ▶ The Order must clearly state the extent to which the Alternate Payee is to be treated as surviving spouse.
 - ▶ The surviving spouse designation can be made with respect to all or part of the Participant's benefits. "Sole" surviving spouse means that the Alternate Payee would receive the full surviving spouse benefit, even if there is a present spouse. If the Alternate Payee and a subsequent spouse of the Participant are to share the survivor's benefit, the Order needs to clearly state that the Alternate Payee's surviving spouse benefit is limited to a specific portion of the Participant's benefit.
 - ▶ The Alternate Payee will not be considered the pre-retirement surviving spouse of the Participant unless the Order specifically provides for such a designation.
4. The Order should Describe any Post-Retirement Surviving Spouse Benefits.
- ▶ The Order can also designate the Alternate Payee as surviving spouse for the post-retirement benefit. The Order would need to require the Participant to elect to receive his or her benefit in the form of a joint and survivor annuity and name the Alternate Payee as surviving spouse.
 - ▶ The Order must clearly state the extent to which the Alternate Payee is to be treated as surviving spouse.
 - ▶ The surviving spouse designation can be made with respect to all or part of the Participant's benefits. "Sole" surviving spouse means that the Alternate Payee would receive the full surviving spouse benefit, even if there is a present spouse. If the Alternate Payee and a subsequent spouse of the Participant are to share the survivor's benefit, the Order needs to clearly state that the Alternate Payee's surviving spouse benefit is limited to a specific portion of the Participant's benefit.
 - ▶ If the Order provides that the Alternate Payee is to be considered the Participant's surviving spouse for purposes of a post-retirement survivor's benefit and the Order provides that the Alternate Payee's benefit is to be based on the Alternate Payee's lifetime, upon the Participant's death the Alternate Payee will receive a surviving spouse benefit in addition to the separate benefit he or she is already receiving. If, however, the benefit payable to the Alternate Payee was payable over the Participant's lifetime, upon the Participant's death the Alternate Payee's assigned benefit under the QDRO would stop and he or she would begin receiving the designated portion of the post-retirement surviving spouse benefit.
 - ▶ If the Alternate Payee is not to be treated as the Participant's surviving spouse, the Order needs to specifically state that the Alternate Payee will not be considered the surviving spouse for purposes of any post-retirement survivor benefit.
 - ▶ The Alternate Payee will not be considered the post-retirement surviving spouse of the Participant unless the Order specifically provides for such a designation or if the Participant is already receiving a joint and survivor annuity from the Plan and the

Alternate Payee was designated as the beneficiary of the surviving spouse benefits at the Participant's retirement.

5. The Order should Identify any Other Benefits Affected by the Order.

- ▶ Unless the Order specifically states that the Alternate Payee is entitled to a portion of such benefits, the Alternate Payee will not share in any other benefits that the Participant might receive, such as a return of contributions death benefit, temporary supplemental allowance, cost-of-living adjustment, or any Early Retirement enhancement.
- ▶ If the QDRO is silent on the issue, the Alternate Payee will not be entitled to any additional benefits.

DISTRIBUTION OF BENEFITS UNDER A QUALIFIED DOMESTIC RELATIONS ORDER

If the Alternate Payee's assigned benefit is not immediately payable, it will be noted in the Participant's file that the benefit the Participant has accrued under the Plan is subject to a Qualified Domestic Relations Order. The file will include a copy of the Order and all other relevant information regarding the Alternate Payee and the terms of the Order.

If, or when, the Alternate Payee becomes eligible to start receiving a benefit from the Plan, the Alternate Payee can contact the Plan at the following address to request an application for benefits:

TIC International Corporation
6525 Centurion Drive
Lansing, MI 48917-9275

The Alternate Payee will commence his or her share of the benefits no later than the first of the month following written application with the Plan. It is the responsibility of the Alternate Payee to file such written application.

BOARD OF TRUSTEES FOR THE BRICKLAYERS LOCAL UNION NO. 1 OF KENTUCKY PENSION FUND

By: 
Chairman

By: 
Secretary