

**TEAMSTERS PENSION TRUST FUND OF  
PHILADELPHIA & VICINITY**

**RULES GOVERNING QUALIFIED DOMESTIC RELATIONS ORDERS**

The Trustees of the Teamsters Pension Fund of Philadelphia Vicinity ("Fund") adopted the following rules governing Qualified Domestic Relations Orders. Participants, eligible alternate payees, and their attorneys should familiarize themselves with these rules when requesting the Fund to issue a Qualified Domestic Relations Order ("QDRO").

***Nature of the Fund***

The Fund is a multiemployer pension plan established pursuant to § 302(c) (5) of the Labor Management Relations Act and the various provisions of the Employee Retirement Income Security Act. The Fund's Trustees are appointed in equal numbers by labor and management and owe their exclusive fiduciary obligations to the Fund, its participants, and beneficiaries. The Trustees have appointed an Administrator and staff who operate the Fund on a day-to-day basis. The Fund is not part of the International Brotherhood of Teamsters or any of the local unions affiliated with the Teamsters. Therefore, in seeking issuance of a QDRO, a participant, alternate payee, or an attorney representing a participant or alternate payee should deal exclusively with the appointed representatives of the Fund.

### ***Description of Benefits***

The Fund does not make benefits available through a lump sum distribution (unless the actuarial value of the total benefit is \$5,000 or less, in which case the Trustees have discretion to make a single-sum payment). The Fund makes payments available under the following options:

- (a) A single-life pension which will pay a monthly benefit until the later of:
  - (i) the participant's death, or
  - (ii) 60 monthly payments
- (b) A single-life pension, which will terminate immediately upon the death of the participant.
- (c) A 100% joint and survivorship benefit, which will generate a set monthly payment until the participant's death and, if the participant predeceases the beneficiary, the same set monthly benefit will be paid to the beneficiary until the beneficiary's death.
- (d) A 50% joint and survivorship option, which will generate a set monthly payment until the participant's death and, if the participant predeceases the beneficiary, will decline by 50% and continue to be paid until the beneficiary is deceased.
- (e) A 100% joint and survivorship "pop up" option, which will generate a set monthly payment in the same manner as the 100% joint and survivorship option described in paragraph (c) above, except that if the beneficiary predeceases the participant, the benefit will "pop up" back to a single life pension to be paid until the participant's death.
- (f) A 50% joint and survivorship "pop up" benefit which operates in the same manner as the 50% joint and survivorship option described in paragraph (d) above, except that if the beneficiary predeceases the participant, the benefit will "pop up" back to a single-life pension to be paid until the participant's death.

The actuarial value of each of these various options will be the same for any particular benefit. Monthly payments vary to reflect actuarial factors under each option.

Some of the benefits provided by the Fund include a subsidized early retirement feature. For purposes of a QDRO, only the present value of the participant's accrued benefit is considered; the present value of any employer subsidy for early retirement is not.

In the case of a QDRO, the Fund makes a seventh option available. Provided that the QDRO sets forth an adequate method for dividing the actuarial value of the vested benefit between the participant and the alternate payee, then the alternate payee may be permitted to elect a single-life pension to be paid for the remainder of his life or her life. As with the other options, monthly payments of such single-life pensions will reflect actuarial factors. In such a situation, the participant may elect any of the six options described in immediately preceding section above, provided that he or she satisfies all the legal requirements for such an option.

In determining which of these formulas to select for their QDRO, participants, alternate payees, and their attorneys may contact the Fund Office for information concerning how the benefits will be determined. Before such estimates can be made, certain information shall be required of the parties, e.g., the birth dates of the participant and alternate payee, copies of appropriate birth certificates, marriage certificates, divorce certificates, and other such information. The parties are cautioned that before a pension application is finally approved, any estimates concerning the value of pension benefits are tentative.

### ***QDRO Format***

The Fund has no set QDRO format, because different jurisdictions have preferred forms. Attorneys for participants or alternate payees should submit to the Fund tentative drafts using local forms. The Fund will recommend such revisions as are necessary to conform the proposed QDROs to the Fund's benefit structure.

However, at a minimum, each QDRO should include the following:

- The name, last known mailing address, and social security number of both the participant and each alternate payee.
- A concise statement of the amount or percentage of the participant's benefits to be paid to the each alternate payee, or the manner in which such amount or percentage is to be determined.
- A concise explanation of the number of payments or the period for which the QDRO applies, and
- A clear statement that the plan to which the QDRO applies is the "Teamsters Pension Trust Fund of Philadelphia & Vicinity."

### ***Ban on Personal Advice to Participants and Alternate Payees***

The division of pension benefits pursuant to a QDRO raises many important issues concerning personal tax and financial planning. The Fund will give no advice to individuals in these matters. Participants and beneficiaries are urged to consult with their own attorneys and professional advisors in considering these issues.

### ***The Fund's Right to Suspend Payments Pending Finalization of a QDRO***

The Fund and its Trustees have a fiduciary obligation to ensure that pension payments are paid to the proper persons in the appropriate manner. All reasonable steps should be taken to avoid payments in violation of the Plan Document or other applicable provisions of

law. Therefore, when the Fund has a reasonable basis to believe that a participant is in the process of obtaining a divorce, or that a QDRO may otherwise be appropriate, the Fund shall have authority to withhold or to suspend payment of the pension pending a determination as to whether or not a QDRO is to be issued and, if so, final judicial approval of the QDRO. The Fund shall also have authority to take all reasonable steps to clarify its legal obligations including, in appropriate cases, to commence legal actions, including without limitation, interpleaders or declaratory judgment suits. In all such cases, the Fund reserves its right to seek recovery of legal fees and other costs entailed in fulfilling or clarifying its obligations.

#### ***Designation of Legal Counsel by a Participant or Beneficiary***

In processing a QDRO, the Fund will deal with the individual participants and alternate payees, or with their designated attorneys. If an attorney is appointed, then the Fund shall deal exclusively with that attorney until such time as either that attorney's representation of the individual ceases or the QDRO is issued.

#### ***Application***

No benefits will commence until the Fund has received an application prepared in the proper form and manner as provided by the Pension Plan. In some cases, one application will suffice for both a participant and an alternate payee. In other cases, the participant and alternate payee may be required to submit separate applications. These determinations will be made on a case-by-case basis.

#### ***Releases***

The Fund may obtain an appropriate release from the parties when a QDRO is finalized.

### ***Delegation of Authority***

The Trustees delegate authority to the Administrator and his designees to apply these rules on a case-by-case basis in a manner consistent with the Pension Plan and applicable law.