SHEET METAL WORKERS' NATIONAL PENSION FUND
MODEL QDRO INSTRUCTIONS
Revised 7/1/03

The Model DROs and these Instructions are intended to help participants and beneficiaries of the Sheet Metal Workers' National Pension Fund ("Fund") prepare. Qualified Domestic Relations Orders ("QDROs") in conformance with the terms of the Sheet Metal Workers' National Pension Plan ("Plan"), Section 206(d) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Section 414(p) of the Internal Revenue Code of 1986, as amended ("Code"). The Fund does not warrant or represent that the Model QDROs or Instructions will effectuate the intent of the parties. The Model QDROs and Instructions are not intended, nor should they be substituted for, the informed advice of counsel to the parties. The following describes the major sections appearing in the Model QDROs that follow. While discussed separately, each section works in conjunction with the others. Circumstances in any given case may require different or additional terms.

Preamble

Insert the applicable state domestic relations citations. Also insert the dates of the parties' marriage and separation/divorce.

Plan Identification

The formal name of the Fund must appear in this Section. In the case of a QDRO that divides benefits earned in a local plan which has since merged with the Fund, the DRO need not reference the local plan, since a Participant, assuming he or she is vested, would be entitled to a single benefit based on credited service under both plans.

Participant

Insert the name, address, social security number, and date of birth of the Participant. Also insert the name and address of Participant's counsel, if any.

Alternate Payee and Successor Alternate Payee(s)

Insert the name, address, social security number, and date of birth of the Alternate Payee. Also insert the name and address of the Alternate Payee's counsel, if any. If the parties are designating a Successor Alternate Payee such as the Participant's child, insert the name, address, social security number, and date of birth of the individual intended as Successor Alternate Payee. Also include a description of the relationship between the Participant and the Successor Alternate Payee, i.e., spouse, former spouse, child or other dependent.

Amount of Benefit

The DRO must contain all information necessary for the Fund to determine the benefit that the DRO is assigning to the Alternate Payee. In the case of a shared interest DRO, the benefit assigned may be defined as a flat dollar amount, or a percentage of each monthly benefit payment made to the Participant. In the case of a separate interest DRO, the benefit may be defined as a percentage of the value of the Participant's total accrued benefit. Make sure to include the determination date as of which the Alternate Payee's benefit is to be calculated where applicable (e.g., the date of divorce, the date of the first payment to either party, etc.). If using a fractional formula, make sure to include the specific dates to be used in determining the numerator and denominator of the fraction. The Fund will take months and partial years into account when calculating benefits. But please note that if the date specified is on or before the 15th day of the month, the Fund will use the first of that month for purpose of calculating the Alternate Payee's share. Alternatively, if the date is after the 15th day of the month, the Fund will use the first day of the following month.

No reference to "accounts," "account balances," or the Alternate Payee's "right to direct the Administrator to invest" should appear in the QDRO as the Plan is an employer-funded defined benefit plan and as such does not maintain individual accounts or permit participant-directed investments.

Unless otherwise stated in the QDRO, the amount of the Alternate Payee's monthly benefit under a separate interest QDRO will be actuarially determined, based on the present value of the assigned portion of Participant's benefit without any subsidies at the time that the Alternate Payee commences benefits, converted to a monthly pension based on the Alternate Payee's life expectancy.

If the value of the entire separate interest awarded to the Alternate Payee at the time it becomes payable is $5,000 or less, the benefit will be paid as a single lump sum.

Please be advised, that notwithstanding the terms of a QDRO, if, on the date that the Alternate Payee is to commence benefits under the QDRO, the Participant would not entitled to a pension if he/she retired, then nothing is payable to the Alternate Payee unless and until a benefit is payable under the Plan with respect to the Participant.

Division of Benefit

State whether the Alternate Payee will receive his/her benefit as a separate or shared interest. In the case of a separate interest DRO, the Order may specify that the Alternate Payee's benefit be paid in a particular form allowed under the Plan, or, it may provide that the Alternate Payee may elect any form of payment available under the Plan, except for a Husband and Wife benefit.

In the case of a shared interest division, the DRO must clearly state the amount or percentage of the benefit to be paid to the Alternate Payee. If the Participant has already commenced benefits by the time a QDRO is qualified and entered by a court, only a shared interest arrangement may be used.

Benefit Commencement

State the specific date that the Alternate Payee may begin to receive benefits. In the case of a separate interest QDRO, the earliest date on which an Alternate Payee may commence benefits is the date on which the participant reaches the earliest retirement age under the Plan. If the Participant retires on a Disability Pension, the earliest retirement date is deemed to be the date on which the disability benefits become payable. *Please be advised that, in the case of a separate interest DRO, if the Participant dies before either party commences benefits, no benefits will be payable to the Alternate Payee under the Order unless the Order designates the Alternate Payee as the surviving spouse for purposes of the pre-retirement surviving spouse benefit.*

In the case of a shared interest QDRO, if the Participant has already commenced benefits, the earliest date on which the Alternate Payee may commence benefits is the earliest date administratively feasible after the QDRO has been entered by a court and qualified by the Fund. If the Participant is not in pay status when the QDRO is entered, payments to the Alternate Payee will not begin unless and until the Participant begins receiving benefits.

Benefit End

Insert the time as of which payments to the Alternate Payee will cease. In the case of a separate interest QDRO, the date on which the Alternate Payee's benefit will cease depends on the form in which the benefit is payable. In the case of a shared interest QDRO, payments to the Alternate Payee will cease upon the earlier of the Participant's or the Alternate Payee's death, or the date the Participant stops receiving benefits, unless, in the case of the Participant's death, the DRO grants to the Alternate Payee all or a portion of any survivor benefits available under the Plan, or designates the Alternate Payee as a beneficiary for purpose of death benefits payable with respect to the Participant. Under a shared interest, the ending date could also be a specific date or event, such as the Alternate Payee's remarriage or the date a child attains a certain age, as long as the date of the subsequent event can be determined from the information in the QDRO and is not after the Participant's or Alternate Payee's death.

Participant's Death

State whether the Alternate Payee will be treated as the Participant's spouse for purposes of the pre-retirement surviving spouse benefits or post-retirement surviving spouse benefits available under the Plan. This is available under both the separate interest and shared interest approaches. In either case, if the Order grants surviving spouse benefits to the Alternate Payee, set out the formula for calculating the Alternate Payee's share of surviving spouse benefits. If the Order assigns surviving spouse benefits to the Alternate Payee, no benefit shall be payable to the Participant's subsequent spouse with respect to that portion of the benefit assigned. A pre-retirement surviving spouse benefit is payable for the surviving spouse's lifetime, beginning on the later of the month following the date of the Participant's death or date that the Participant would have reached earliest retirement age, had he or she lived.

If an Order assigns a post-retirement survivor annuity, the Participant must elect such form of payment and the Participant's benefit will be actuarially reduced to provide for the survivor payment, as well as reduced for early retirement, if applicable. If the Participant has already commenced his or her benefit in a form other than a survivor annuity or if the Participant has elected a survivor annuity with another spouse, the form of benefit may not be changed and the survivor annuity is not available. A post-retirement surviving spouse benefit is payable for the surviving spouse's lifetime, beginning no earlier than the month after the Participant dies.

Take care in drafting the formula for surviving spouse benefits. Under Plan rules, the amount of both a pre and post retirement surviving spouse benefit is determined by multiplying the Participant's earned benefit, reduced for early retirement, if applicable, and by a factor based on the difference between the ages of the Participant and spouse, by 50%. If a separate interest Order assigns the Alternate Payee an interest based on 50% of the benefit accrued during the marriage, and the Order further states that the Alternate Payee is to receive a pre-retirement spouse's benefit based on the same formula, the pre-retirement spouse's benefit shall be 50% x 50% of the benefit accrued during the marriage, thus paying a pre-retirement spouse's benefit equal to 25% of the benefit accrued by the Participant during the marriage.

A DRO may assign to an Alternate Payee all or a portion of any death benefits or guaranteed monthly installments payable upon the Participant's death. The designation of the Alternate Payee as beneficiary of such death benefits in a QDRO will override any inconsistent, prior or subsequent beneficiary designation on file with the Fund.

Alternate Payee's Death

If the parties do not name a Successor Alternate Payee and the Alternate Payee dies prior to commencing her benefits, the Alternate Payee's benefit will revert to the Participant. Under a separate interest QDRO, if the Alternate Payee dies after commencing benefits, the remainder of the Alternate Payee's benefit will be paid according to the terms of the Plan. Under a shared interest QDRO, if the Alternate Payee dies after commencing benefits, the Alternate Payee's benefit will terminate.

Subsidized Early Retirement or Disability Benefit, **Cost of Living Adjustment and Benefit Improvement**

An Order may provide that, if the Participant is receiving, or commences to receive, a subsidized early retirement or disability benefit, cost of living adjustment or benefit improvement, all or a specified portion of the early retirement or disability subsidy, cost of living adjustment or benefit improvement is assigned to the Alternate Payee. *The Alternate Payee may not receive any portion of an early retirement or disability subsidy, cost of living adjustment or benefit improvement before the Participant has satisfied all of the eligibility requirements to receive that subsidy, cost of living adjustment or benefit improvement.* If an Order provides that an Alternate Payee is entitled to the early retirement or disability subsidy, cost of living adjustment or benefit improvement, and the Alternate Payee is already receiving a separate interest from the Fund when the Participant begins to receive the early retirement or disability

subsidy, cost of living adjustment or benefit improvement, the Fund will recalculate the Alternate Payee's benefit to include the subsidy, cost of living adjustment or benefit improvement. The Fund will not pay an Alternate Payee any portion of a Participant's early retirement or disability subsidy, cost of living adjustment or benefit improvement unless an Order expressly so provides. The only exception is for a shared interest expressed simply as a percentage of the Participant's total monthly benefit. In that case, the Fund considers the early retirement subsidy or benefit improvement to be included in the assignment to the Alternate Payee in the same proportion as the remaining benefits, unless the Order expressly provides otherwise. If the Order assigns a portion of the subsidized benefit to the Alternate Payee but does not specify the portion that is assigned, the Fund will apply the order as assigning the same proportion of the subsidy, cost of living adjustment or benefit improvement as the proportion of the Participant's remaining accrued benefit that is assigned to the Alternate Payee.

Joinder of the Fund

The law does not require plans to sign QDROs. The Fund is not a party to a DRO and consequently the Fund's policy is not to sign QDROs. A letter from the Fund confirming the qualification of a DRO is sufficient.

Proposed and Certified QDROs

Proposed draft QDROs may be submitted for review to the Fund Administrator at the Plan address. If a proposed QDRO is accepted as qualified by the Fund in writing, the QDRO must be executed and certified by a court and then re-submitted to the Fund for final qualification.