

**THE CHURCH PENSION FUND
PLAN PROCEDURES FOR
QUALIFIED DOMESTIC RELATIONS ORDER DETERMINATION
FOR A DEFINED BENEFIT PLAN (“QDRO PROCEDURES”)**

Section 414(p) of the Internal Revenue Code of 1986, as amended (the “Code”), provides that a qualified domestic relations order (“QDRO”) may create or recognize the right of a spouse, former spouse, child or other dependent of a plan participant (an “Alternate Payee”) to all or a portion of the benefits payable with respect to the participant under a plan (a “Participant”).

The determination of the qualified status of a domestic relations order (“DRO”) is made by The Church Pension Fund (“CPF”) in accordance with these QDRO Procedures and such other administrative procedures as CPF shall establish. These QDRO Procedures apply to The Church Pension Fund Clergy Pension Plan and The Episcopal Church Lay Employees’ Retirement Plan (together, the “Plan”) and also apply to both a separate interest QDRO and shared payment QDRO (also known as a stream of payment QDRO).

DROs, correspondence and questions about these QDRO Procedures should be directed to CPF’s Legal Department at the following address:

The Church Pension Fund – Legal Department
19 East 34th Street
New York, NY 10016
Fax: (212) 592-9428
Email: QDRO@cpg.org

Inquiries of a general nature about Plan benefits should be directed to our Client Services team at (866) 802-6333, Monday – Friday from 8:30 AM – 8:00 PM ET (excluding holidays), or by email at benefits@cpg.org.

Step I – Requests for Information

1. **Request for QDRO Information** – CPF will forward, upon request, copies of a model QDRO, these QDRO Procedures and related information (collectively, the “Divorce Packet”). Requests for a Divorce Packet may be made by contacting CPF’s Client Services team at (866) 802-6333, Monday – Friday, 8:30 AM to 8:00 PM ET (excluding holidays), or by email at benefits@cpg.org.
2. **Release of Participant’s Benefits Data** – CPF will not release a Participant’s benefits data to anyone other than the Participant unless: (a) the Participant has authorized CPF in writing to release his or her benefits data; or (b) CPF has received a court order or subpoena directing the release of such information and the release of such information is approved by CPF’s Legal Department.
 - **Request for Release of Information from Alternate Payee or Alternate Payee’s Attorney** – CPF will not release a Participant’s benefits data without the Participant’s

written consent unless CPF is ordered to do so by a court. The Alternate Payee (or his or her attorney) will be advised to obtain the Participant's written consent.

- **Receipt of a Court Order/Subpoena for Benefits Data** – Any court order or subpoena requesting the release of benefits information should be directed to CPF's Legal Department for review. If the court order or subpoena is determined to be defective, the Alternate Payee or the Alternate Payee's attorney will be advised in writing by CPF's Legal Department of why CPF is not following the court order or subpoena, and the Participant will receive a copy of the correspondence. If the court order or subpoena is determined to be valid and binding on CPF, CPF will comply with the court order or subpoena.

Step II – Receipt of Domestic Relations Order (“DRO”) & Qualification Process

1. **Receipt of Notification of Adverse Interest** – Upon receipt of verbal or written notification of an adverse interest (e.g., letter from an attorney or request for QDRO information due to a pending DRO), CPF will send a copy of the Divorce Packet to the Participant, Alternate Payee and their respective legal representatives (collectively, the “Interested Parties”), as determined by CPF in its discretion. A hold will not be placed on the Participant's benefit based solely on the receipt of notification of an adverse interest or receipt of a DRO. A hold will be placed on a Participant's benefit only in accordance with Section 3 below.

Note: Unless the Interested Parties desire to have a retired Participant's benefit suspended or to otherwise place a hold on a Participant's benefit, the Interested Parties should not submit an executed (i.e., signed) or court-certified DRO to CPF until after receipt of notification of a tentative approval of a DRO by CPF (as described in Section 4(a) below). **In other words, the Interested Parties should submit a draft DRO to CPF for pre-approval before signing it and filing it in the appropriate court.**

2. **Receipt of DRO** – Upon receipt of a DRO, CPF (or its outside legal counsel) will begin the process to determine whether the DRO is qualified (as further described in Sections 4 and 5 below).
 - **Privacy** – In order to help protect a Participant's and Alternate Payee's privacy, the information required to complete Part A of a model QDRO (i.e., an individual's date of birth, Social Security number and contact information) may be provided to CPF under separate cover such that it is not contained in the DRO that is filed in court.
 - **Separate Interest QDRO vs. Shared Payment QDRO** – A separate interest QDRO will be permitted only if the Participant's benefit commencement date under the Plan has not yet occurred. A shared payment QDRO is permitted whether the Participant's benefit commencement date under the Plan has occurred or not.
3. **Placement of Hold** – CPF will take appropriate steps to suspend a retired Participant's benefit or to otherwise place a hold on a Participant's benefit as soon as administratively practicable following the receipt by CPF's Legal Department or its agent of: (a) a DRO signed by both the Participant and Alternate Payee (or their legal representatives), (b) a court-certified DRO, (c) a restraining order or (d) a joinder that specifically requests such

a suspension or hold (as determined by CPF's Legal Department). In addition, CPF's Legal Department may also instruct CPF to place a hold on a Participant's benefit if it otherwise determines that such a hold is necessary or appropriate under the circumstances.

While a hold is in place, the Participant will be prevented from taking a distribution of his or her Plan benefits (and any current benefit payments will be suspended) thereby maintaining the value of the Plan benefit in the event the DRO is deemed to be qualified.

The hold will be lifted as soon as administratively practicable after the first of the following to occur:

- The DRO is deemed to be qualified by CPF;
- The DRO is withdrawn in accordance with CPF's rules;
- The DRO is not yet deemed to be qualified and 18 months have elapsed from the date the first payment would have been due under the DRO. In this case, CPF will notify the Interested Parties regarding the release of the hold;
- The Interested Parties fail to correct any deficiencies in the DRO within 90 days of receiving the notice described in Section 4(b) below. CPF may, in its sole discretion, extend the 90-day period; or
- If the hold resulted from a joinder, CPF receives a court document releasing the joinder on the Participant's benefits.

When a hold is lifted, any suspended amounts, plus interest at an annual interest rate of 4%, will be paid to the party(ies) entitled to such amounts as soon as administratively practicable following the date the hold is lifted.

4. **Initial Review of DRO or Review of a Revised DRO for Qualified Status** – CPF will review a DRO for qualification within a reasonable period of time. CPF will attempt to make the majority of determinations within 120 days of receipt of the DRO.

(a) **Tentative Approval** – If, in CPF's sole discretion, a DRO satisfies all of the following requirements, a tentative approval letter will be sent to the Interested Parties:

- It is a court judgment, decree or order (including a court-approved property settlement agreement) that relates to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of a Participant made pursuant to a state domestic relations law (including a community property law);
- It clearly specifies the amount or percentage of the Participant's benefits to be paid by the Plan to each Alternate Payee or the manner in which such amount or percentage is to be determined;

- If the DRO is a separate interest DRO, any formula it uses must be definitely determinable as of CPF's approval date (i.e., no future date can be used);
- It does not require the Plan to provide any form of benefit or any option not otherwise provided under the Plan;
- It does not require the Plan to provide increased benefits (determined on the basis of actuarial value);
- It does not require the payment to an Alternate Payee of benefits that are required to be paid to another Alternate Payee under another DRO previously determined to be a QDRO; and
- It meets all other applicable requirements imposed by the Plan and CPF, if any (including, without limitation, any requirements described in the applicable model QDRO).

Please note: If a court-certified DRO that has been signed by both the Participant and the Alternate Payee¹ (or their legal representatives) has been submitted to CPF for review, and CPF determines that such a DRO meets the requirements listed above, a final (rather than a tentative) determination of the qualified status of the DRO will be made. In this case, CPF will issue a final approval letter and notify the Interested Parties that the DRO constitutes a QDRO.

- (b) **Determination that DRO is not Qualified** – If the DRO is determined not to be qualified, appropriate notification will be sent to the Interested Parties commenting on the deficiencies of the DRO. The Interested Parties also will be notified that the DRO cannot be tentatively approved until such deficiencies in the DRO are corrected.

In certain cases, if the DRO has already been certified by a court, the Interested Parties will be notified that the DRO may only be qualified if CPF receives an executed written agreement between the Participant and the Alternate Payee pursuant to which they agree to be bound by the terms of the DRO as interpreted by CPF, in a form and manner acceptable to CPF in its sole discretion.

Subject to the 18-month maximum hold period imposed under Section 3 above, if applicable, the Interested Parties will be given 90 days in which to correct the deficiencies of the DRO and to submit a revised DRO to CPF or, if applicable, submit an executed written agreement binding the Participant and the Alternate Payee to the terms of the DRO as interpreted by CPF.

5. **Determination that a DRO is a QDRO (Final Approval)** – After a DRO is tentatively approved by CPF, and any modifications indicated in the tentative approval letter as being necessary for final approval have been implemented to CPF's satisfaction, the DRO should be executed by both the Participant and the Alternate Payee¹ (or their legal

¹ Please note that approval of the DRO by the parties may not be limited to the form of the DRO. If either the Participant's or the Alternate Payee's execution of the DRO indicates that his or her approval is limited only to the form of the DRO, the DRO will not be approved by CPF.

representatives) and certified by the applicable court. CPF then will issue a final approval letter and notify the Interested Parties that the DRO constitutes a QDRO. In certain cases, the Legal Department, in its sole discretion, may accept a DRO that is not executed by both the Participant and Alternate Payee.

6. **Revision and Resubmission of DROs** – If a DRO has been determined not to be qualified pursuant to Section 4(b) above, it should be revised to correct any deficiencies and resubmitted to CPF for review. CPF will treat such a revised DRO as a new DRO, except with respect to the 18-month maximum hold period described in Section 3 above, if applicable.
7. **Death of Participant During QDRO Determination Process** – If a Participant dies during the QDRO determination process (before CPF has determined that a DRO is qualified), the DRO determination will end, and the Alternate Payee will only be entitled to any death or survivor benefits to which he or she may be eligible to receive under the terms of the Plan.

Step III – Miscellaneous

1. **Applicable Plan** – Any QDRO will be deemed to apply to the plan(s) specified in the QDRO and to any successor plan(s) or any other plan(s) to which liability for payment of the benefit may be transferred.

With respect to QDROs approved on or after January 1, 2018, notwithstanding anything herein to the contrary and if specified by a QDRO, the division of benefits under the QDRO automatically will apply to a Participant’s benefit under the Benefit Equalization Plan of The Church Pension Fund (the “Clergy SERP”). The Clergy SERP is an excess benefit plan provided to clergy whose compensation and/or benefits exceed the applicable limits under the Code.
2. **Changes in Names** – Changes in the Plan sponsor, Plan administrator or Plan name will be deemed to have no effect on a QDRO.
3. **Vested Status** – The vested status of a Participant will be determined as of the date a QDRO is implemented and when CPF begins to pay the benefit assigned to an Alternate Payee under the QDRO.
4. **Calculation of Credited Service** – For periods on or after January 1, 2018, Credited Service under the Plan is earned in full months only. Accordingly, any formula used in a QDRO that divides a Participant’s benefit as of a certain date shall be deemed to divide the benefit earned for the entire month in which such date occurs.
5. **Retroactive Changes in a Participant’s Plan Records** – With respect to a separate interest QDRO, following the commencement of an Alternate Payee’s assigned benefit, no retroactive changes made to a Participant’s service and/or compensation records (including, without limitation, to the Participant’s accumulated Credited Service or Highest Average Compensation) shall affect the amount of the Alternate Payee’s assigned benefit under the separate interest QDRO.

6. **Determination of Other Benefits Assigned Under a Shared Payment QDRO** – Unless a shared payment QDRO expressly states otherwise, an Alternate Payee will not be entitled to any portion of the following payments that a Participant may be eligible to receive under the terms of the Plan, if applicable: any post-retirement cost-of-living adjustments, resettlement benefit, Christmas benefit, bridge benefits or any other extra or supplemental payments made by the Plan.
7. **Alternate Payee Payment Options** – The Alternate Payee will not be permitted to elect a form of payment in which to receive the assigned benefit.
8. **No Retroactive Implementation** – CPF will not implement a QDRO retroactively to a date prior to the date when it is given final approval by CPF unless a hold was placed on the Participant’s benefit in accordance with Step II, Section 3 of these QDRO Procedures.
9. **Notice of Prior QDRO** – By the submission of any DRO, the parties to that DRO certify that (a) there is no prior DRO that purports to divide the benefits that are described therein (except other proceedings in the same matter with respect to the same parties of which CPF is already aware) or (b) if a prior DRO exists, the Interested Parties have advised CPF of the existence of such prior DRO before CPF’s determination of the “qualified status” of the subsequent DRO.
10. **Death of Alternate Payee/Participant After Final Approval of QDRO**
 - (a) **Shared Payment QDRO** – If the Alternate Payee under a shared payment QDRO predeceases the Participant, the portion of the Participant’s benefit assigned to the Alternate Payee will revert to the Participant, subject to any applicable legal and Plan reductions.

If the Participant predeceases the Alternate Payee, the Alternate Payee will only be entitled to any death or survivor benefits to which he or she may be eligible to receive under the terms of the Plan. If payments under a shared payment QDRO had already begun prior to the Participant’s death, such payments will cease upon the Participant’s death.
 - (b) **Separate Interest QDRO** – If the Alternate Payee under a separate interest QDRO predeceases the Participant, the portion of the Participant’s benefit assigned to the Alternate Payee will revert to the Participant only if the Alternate Payee dies (i) before commencing the assigned benefit and (ii) before the Participant commences payment of the Participant’s benefit under the Plan. If both of these conditions are not met, the Alternate Payee’s assigned benefit will be forfeited.

If the Participant predeceases the Alternate Payee, the benefit assigned to the Alternate Payee under a separate interest QDRO will not be impacted.
11. **Tax Basis** – The tax basis of the distribution to the Alternate Payee will be on a pro-rata basis pursuant to section 72(m)(10) of the Code.

12. **Terms** – To the extent not specifically defined therein, the terms used in any QDRO will have the same meaning as those terms have in the Plan. In the event of a conflict between the terms of a QDRO and the Plan, the Plan will govern.
13. **Participant’s Return to Active Service Subsequent to Final Approval of QDRO** – The Plan permits a retired Participant to come out of retirement and return to active service. In that case, the Participant will accrue an additional benefit under the Plan for the period of time that he or she is actively earning Credited Service under the Plan (such additional benefit, the “Stub Portion”).

If a Participant returns to active service after a QDRO is given final approval, upon the Participant’s re-retirement, the Stub Portion will not be taken into account when calculating the Alternate Payee’s portion of any benefits assigned pursuant to the QDRO. The Participant’s benefit elections with respect to the Stub Portion will be governed by the terms of the Plan.

14. **Appeals of Determinations and Interpretations** – Formal appeals must be made in writing and should be sent to:

The Church Pension Fund – Legal Department
19 East 34th Street
New York, NY 10016