

**THE PHILADELPHIA BAKERY EMPLOYERS’
AND FOOD DRIVER SALESMEN’S UNION LOCAL NO. 463
AND TEAMSTERS’ UNION LOCAL NO. 676
PENSION FUND**

The Board of Trustees of the Philadelphia Bakery Employers’ and Food Driver Salesmen’s Union Local No. 463 and Teamsters’ Union Local No. 676 Pension Fund (“Pension Fund”) have adopted these procedures for the review and processing of domestic relations orders.

The procedures explain the process followed by the Pension Fund after it receives an order (or proposed order) as well as the rights of the participant and prospective alternate payee. The procedures also contain a list of the information that an order must contain in order to constitute a qualified domestic relations order (“QDRO”) and a list of prohibitions.

The Pension Fund will cooperate with the parties (or their designated representatives) and, upon request, provide information that an interested party may need to properly draft a qualified order.

General Information about the Plan

The Philadelphia Bakery Employers’ and Food Driver Salesmen’s Union Local No. 463 and Teamsters’ Union Local No. 676 Pension Fund (“Plan”) is a defined benefit plan. Benefits are paid in the form of a single life annuity or, in the case of a married participant, a joint and survivor annuity. A single life annuity consists of equal monthly payments for the life of the recipient. A joint and survivor annuity consists of actuarially reduced equal monthly payments to the participant for the participant’s life, and, on the participant’s death, monthly payments to the surviving spouse for the spouse’s life. Each monthly payment to the spouse is one-half of the amount of the monthly payments made to the participant during the participant’s life.

Forms of Benefit Available to Alternate Payees

If a participant has not yet commenced receiving benefits when a domestic relations order is received, the alternate payee may request a “separate interest” or a “shared interest.” Under a separate interest order, the alternate payee would receive equal monthly payments for his or her life. Under a shared interest order, the alternate payee would receive a portion of the participant’s benefits for a period of time, not to exceed the participant’s lifetime. Upon the death of the participant, payments cease unless the participant is receiving a joint and survivor annuity, the alternate payee is the spouse or

former spouse of the participant and the order specifically provides that the alternate payee is to be treated as the “surviving spouse.”

Review of Domestic Relations Orders and the Suspension of Benefits during Review

The Pension Fund will review domestic relations orders to determine whether they qualify as qualified domestic relations orders and will advise the interested parties in writing of its determination. Interested parties include all parties named in the order, their attorneys (if identified) and any representative designated in writing by a party.

If the Pension Fund determines that the order is not a QDRO, it will explain the reason(s) for the determination, along with the procedure for appealing the determination. An appeal, or a request for an extension of time to appeal, must be filed within 60 days after the date the Pension Fund mails the notice of its determination. While the Pension Fund is reviewing the order to determine if it qualifies as a QDRO, it will suspend payment to the participant of any amounts that the domestic relations order awards to the alternate payee.

If the Pension Fund determines that the order is a QDRO, it will notify the parties and will begin making payments (including any suspended payments) to the alternate payee under the QDRO (assuming that the participant has attained his earliest retirement age) after the alternate payee has submitted an application for benefits. However, if an appeal has been filed or if a suit is filed in court, within 60 days of the determination, the Pension Fund will continue to suspend payment of the benefits in controversy until the appeal or suit is resolved.

If the Pension Fund determines that the order is not a QDRO, and the participant is in pay status or has filed an application for benefits and is entitled to commence benefits, the Pension Fund generally will begin making payments to the participant after the 60-day period for filing an appeal has elapsed. However, the suspension of payments will continue if within 60 days of the date the Pension Fund mails its determination (1) an appeal is filed or (2) either party notifies the Pension Fund in writing that they are making the necessary changes in the order and they submit an original order or a certified or otherwise authenticated copy of the order within 60 days of notifying the Pension Fund. If an appeal is filed, and the Pension Fund determines on appeal that the order is not qualified, the Pension Fund will grant both parties 60 days to submit a revised order (or a certified or otherwise authenticated copy).

Notwithstanding the preceding, the Pension Fund will not suspend payments for more than 18 months from the date the first payment to the alternate payee would have been due under the order. In the case of suspended funds, the participant, and alternate payee if applicable, will receive simple interest at the rate of 4% per annum. In the case of a delay in commencement of a participant's benefits, the participant will receive an actuarial increase from the date that he otherwise would have been entitled to commence benefits until the last day of the month immediately preceding the commencement of benefits. The parties may submit subsequent orders (after the above-referenced 18-month period); however, such orders may apply prospectively only.

Submission of Draft Domestic Relations Orders

A participant or alternate payee (or an attorney or other representative of either) may request review of a draft domestic relations order to determine whether it satisfies the requirements for QDROs.

If the participant is not in pay status but is eligible to receive benefits and has applied for benefits, the Pension Fund will delay the commencement of any benefits for a period of 60 days from the date that the Pension Fund notifies the parties of the results of its review. If the participant is in pay status, the Pension Fund will suspend the portion of the participant's benefits that the draft domestic relations order would award to the alternate payee for a period of 60 days from the date that the Pension Fund notifies the parties of the results of its review.

If an original, certified or authenticated copy of an order is received by the Pension Fund within the 60-day period after the Pension Fund sends its determination, the Pension Fund will review the order and continue to suspend benefits in accordance with the procedures described in "Review of Domestic Relations Orders and the Suspension of Benefits During Review."

If an original, certified or otherwise authenticated copy of an order is not received by the Pension Fund within the 60-day period, and the Pension Fund does not receive either (1) a copy of a court scheduling order, or (2) a request by both parties to extend the time, then the Pension Fund will commence payment of benefits to the participant or, in the case of a participant who is in pay status, release any withheld fund to the participant. In the case of withheld funds, the participant will receive interest at the rate of an annual 4% simple interest rate. In the case of a delay in commencement of a participant's benefits, the participant will receive an actuarial increase from the date he otherwise would have

been entitled to commence benefits until the last day of the month immediately preceding the commencement of benefits.

If a participant is not in pay status and has not applied for benefits, parties may submit revised draft orders at any time and without regard to the 60-day time limits set forth above.

Items the Domestic Relations Order Must Include

A domestic relations order is an order issued by a court under a state's domestic relations law that provides for child support, alimony, or marital property rights for a child, a spouse, or a former spouse. Such an order must include the following information:

The name of the plan to which it applies. The names and last known addresses of the participant and the alternate payee (Social Security Numbers must be provided to the Fund Office but should not be included in order).

The amount to be paid (whether a specific dollar amount, a percentage, or the manner in which such amount is to be determined).

The period of time that benefits are to be paid to the alternate payee. (If the alternate payee under a separate interest order requests a life annuity, this satisfies this requirement.)

The order must provide when benefits should begin to be paid to the alternate payee. Benefits cannot commence until the participant's earliest retirement age.

The order must provide for what happens when the participant dies. In the case of a separate interest order, the Pension Fund will assume that the death of the participant will not affect the alternate payee's benefits if the separate interest provides for an immediate assignment. If the separate interest provides for a deferred assignment (that is, not assigned until the earlier of the participant or alternate payee's benefit commencement date), the Pension Fund will assume that the death of the participant will extinguish the deferred assignment to the alternate payee and instead, will result in payment of that portion of the qualified pre-retirement survivor annuity that corresponds to the same portion of the participant's accrued benefit awarded to the alternate payee (the Pension Fund will require that the alternate payee be designated as the participant's surviving spouse for purposes of this portion of the qualified pre-retirement survivor annuity). However, in the case of a shared interest order, the Pension Fund will treat the benefits as ending on the participant's death unless the participant is required to elect a joint and survivor annuity and the order provides that the alternate payee is to be treated as the participant's surviving spouse.

Note: In the case of a shared interest order, if the participant dies prior to the commencement of his benefits, the alternate payee will not be entitled to receive any benefits unless the order provides that the alternate payee is to be treated as the participant's surviving spouse for purposes of the qualified preretirement survivor annuity.

The Order Must Provide What Happens When The Alternate Payee Dies

If the alternate payee dies before commencing benefits and the alternate payee was awarded a separate interest benefit (whether with an immediate or deferred assignment), the alternate payee's interest will end and, unless there is a contingent alternate payee, the alternate payee's interest will revert to the participant if the participant has not commenced benefits or, if the participant has commenced benefits, to the Plan. An alternate payee may only be a spouse, former spouse, minor child, or other dependent of the participant. The order must relate to the provision of child support, alimony, or marital property rights.

If the alternate payee dies after commencing benefits, under a separate interest order, the interest ends immediately upon the alternate payee's death. Under a shared interest order, if the alternate payee dies after commencing benefits, the alternate payee's share will revert to the participant unless there is a contingent alternate payee named in the order.

What the Order May Not Require

In order to constitute a QDRO, the order may not require the following:

- The order may not require payments to the alternate payee that exceed the actuarial value of the participant's benefits.
- The order must not require the Pension Plan to provide any type or form of benefit or any option that the Pension Plan does not otherwise provides to participants or alternate payees under the plan's documents
- The order may not require the Pension Plan to pay the alternate payee effective on a date before the Pension Fund receives the order.
- The order may not require the Plan to pay benefits as a separate interest to the alternate payee if the participant is already receiving benefits nor may the order change the benefit form if the participant is already receiving benefit payments.