

PIPELINE INDUSTRY PENSION FUND

PROCEDURES FOR DETERMINING QUALIFIED STATUS OF A DOMESTIC RELATIONS ORDER

These procedures govern the process for determining the qualified status of DROs submitted to the Board of Trustees of the Pipeline Industry Pension Fund ("Fund"). An eligible Participant or beneficiary of the Fund may obtain a copy of these Procedures by written request to the Trustees. These Procedures govern the determination of the qualified status of Domestic Relations Orders, but do not supersede other provisions of the Pipeline Industry Pension Plan ("Plan") or create substantive rights or entitlement to benefits other than those provided under the terms of the Plan.

I. DEFINITIONS

- A. Domestic Relations Order ("DRO") is any judgment, decree, or order (including approval of a 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, and is made pursuant to a State domestic relations law (including community property law). A Proposed DRO, as defined below, is not a DRO.
- B. Qualified Domestic Relations Order ("QDRO") is a DRO that meets the requirements in Section V and has received a Final Determination of qualified status by the Plan.
- C. Proposed DRO is a draft document that relates to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of the Participant, but which has not been issued or approved by a court or other authorized body. *A "Proposed DRO" is not a "DRO," and has no legal effect as described below.*
- D. Alternate Payee (AP) is any spouse, former spouse, child, or other dependent of a Participant who is recognized by a QDRO as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to the Participant.
- E. Shared Payment Method assigns all or a portion of the Participant's benefit payments to the AP, so that the AP receives all or part of each payment made to the Participant. Under this approach, the AP will not receive a payment unless the Participant receives or would receive a payment. That is, the AP's benefits cannot begin prior to the retirement of the Participant, and must end no later than the death of the Participant, unless the AP is the named survivor under a joint-and-survivor election by the Participant. Under the Shared Payment Method, the AP's share reverts to the Participant if the AP predeceases the Participant. The order must specify the portion of the Participant's benefit to be paid to the AP and when the payments to the AP begin and end.
- F. Separate Interest Method assigns all or a portion of the value of the Participant's retirement benefit (rather than just all or a portion of the payments) to the AP. The present value of the Participant's benefit, determined using the definition of actuarial equivalence in the Plan Document, is divided into separate portions as designated by the QDRO, and the AP is given a separate right to receive his/her assigned portion. The AP's portion is then actuarially adjusted to be payable over the AP's lifetime, and although the values will be deemed equal, the monthly amount payable to the AP will not be equal to the reduction in the Participant's benefit unless both parties have the same birthdate. It is common that the AP's benefit is to be paid at a time chosen and in a form selected by the AP rather than at a time and in the form selected by the Participant. The order must specify the portion of the Participant's benefit awarded to the AP and when payments may begin. The requirement to specify the period

covered by the order is satisfied if the AP is given the right to select the form and time of payment. Under the Separate Interest Method, the death of the Participant does not impact the payments assigned to the AP.

- G. Early Retirement Subsidy refers to benefits payable prior to Normal Retirement Age (NRA) that are greater than benefits that are actuarially reduced from NRA. For instance, the Pipeline Industry Pension Fund provides an opportunity to retire five years prior to NRA (a.k.a., the unreduced early retirement age) without a reduction to the accrued benefit. Moreover, reductions for retirement more than five years before NRA are taken from the unreduced early retirement age.
- H. Auxiliary Benefits, such as Plan Disability Retirement benefits, are not subject to division under a QDRO. The Plan disability benefits are auxiliary benefits because upon attainment of early or normal retirement age, a participant receives a benefit that satisfies the accrual and vesting rules of IRC Section 411 without taking into account the disability benefit payments up to that date.

II. PROPOSED DROS

The Plan administrator will treat Proposed DROs as follows:

- A. The Plan administrator will review any Proposed DRO to determine if it would be a QDRO if submitted to the Plan as a DRO. Upon receipt of a Proposed DRO, the Plan will review the Proposed DRO and mail a good faith opinion evaluating the Proposed DRO and a copy of these Procedures (or information as to how a copy may be obtained) to the person who submitted the Proposed DRO to the Plan.
- B. If the Plan administrator receives a Proposed DRO after the Participant's benefit has commenced, this will have no effect on the Participant's receipt of his/her benefits. The Plan will continue to pay the Participant his/her full benefit until a DRO, as defined above, has been received.
- C. If the Plan administrator receives an application for benefits after it receives a Proposed DRO or if the Plan receives a Proposed DRO while an application for benefits is pending, it may suspend processing the Participant's benefit for at least 30 days and up to 90 days following the later of the Plan's receipt of an application for benefits or the Plan's receipt of the Proposed DRO. In addition to the notice and review Procedures described in Section A, above, upon the later of the Plan's receipt of a Proposed DRO or an application for benefits, the Plan will notify the person who sent the Proposed DRO that the Plan has received an application for benefits and, if applicable, that the processing of the application will be suspended. If no DRO is received within the suspension period specified, the Plan may release the suspension and process the application for benefits or, if the Plan determines that a DRO may be forthcoming, the Plan may extend the suspension of the processing of the benefit for up to a total of 90 days based on the facts and circumstances.
- D. The Plan administrator will review the Proposed DRO, notify the parties and their representatives whether or not it would be a QDRO, if issued by a court or other authorized body, and advise such persons that the Plan's determination of the status of a Proposed DRO is only preliminary; the parties must still submit a DRO to the Plan for formal review by the Plan administrator.

III. NOTIFICATION

- A. After receipt and review of a DRO, the Plan administrator will notify the Participant and all APs named in the DRO. The written notice will contain a copy of the order, and these Procedures unless otherwise provided.

1. The Participant and any AP may designate a representative for receipt of copies of any notices that are sent to them under to these Procedures.
2. It is the responsibility of the AP to insure that a DRO is submitted promptly and before a Participant's benefit is distributed. The failure of the Plan to give notice of an application received or to suspend processing of an application prior to the receipt of a DRO will not give rights to the AP that do not exist under the law based on the submission of a Proposed DRO.

IV. SEPARATE ACCOUNTING AND DELAY OF BENEFIT PAYMENTS DURING DETERMINATION PERIOD

During the period when the Plan is determining whether a DRO that has been submitted is a QDRO, the Plan will separately account for and/or delay the payment of benefits to the Participant who is in pay status during the determination period as follows:

- A. If the Plan receives a DRO allocating to an AP all or a portion of the Participant's accrued or monthly benefit, that portion of the Participant's accrued or monthly benefit allocated to the AP by the order will be withheld and separately accounted for pending a final determination of the qualified status of the DRO. The balance of the Participant's benefit, if any, will be paid to the Participant.
- B. If an application for benefits is received after the Plan's receipt of a DRO but while the Plan's consideration of the order is pending, the processing of the Participant's benefit shall be suspended until a determination can be made as to the amount to which the AP would be entitled if the DRO were qualified. If a preliminary determination can be made concerning the amount of the AP's entitlement, the AP's portion will be withheld and separately accounted for until a final determination of the qualified status of the DRO is made by the Plan. The balance of the Participant's benefit will be paid to the Participant if the Participant's portion can be determined and paid.
- C. If a DRO is received by the Plan after the Plan receives an application for benefits but before the distribution of the Participant's benefit has begun, the Plan will proceed as if the application for benefits was received after the receipt of the DRO as set forth above.
- D. If the Plan receives written notice of divorce, separation proceedings, or that a DRO is proposed or pending, but has not received a DRO, processing the Participant's benefit may be suspended for 30 days following the later of the Plan's receipt of an application for benefits or written notice of the divorce and pending DRO, to determine if there is a DRO and to what extent a DRO may affect the Participant's benefits. If no DRO is received within 30 days, the Plan may process the application for benefits or, if it is determined that an order may be forthcoming, may extend the hold on the Participant's benefits for up to an additional 60 days based upon the facts and circumstances.
- E. If there is any reasonable doubt or conflicting claims as to the existence of or the effect of a DRO or a Proposed DRO, the Plan may suspend processing of the Participant's benefits (or any portion thereof) for such time period necessary to resolve any outstanding legal issues or legal interests of affected parties.

V. DETERMINATION OF QUALIFICATION

- A. In making the determination of qualified status of a DRO or a proposed DRO, the administrator may consult with Fund counsel or other advisors.
- B. A DRO shall be determined to be a QDRO only if it satisfies all of the following requirements:
1. It must specify the name, date of birth, Social Security number, and last known mailing address of the Participant and each AP covered by the order. Except for the name, this information may be provided in a separate document rather than in the DRO itself to protect the privacy of the parties.
 2. It must create or recognize the existence of an AP's right, or assign to an AP the right, to receive all or a portion of the benefits payable with respect to a Participant under the Plan.
 3. It should specify whether the payment of benefits is to be under the Shared Payment Method or the Separate Interest Method, and must specify the amount or percentage of the Participant's monthly or accrued benefit that is to be paid by the Plan to the AP, or the manner in which such amount or percentage is to be determined. For a Separate Interest QDRO, the amount payable to the AP should not be a specified dollar amount, as it will need to be actuarially adjusted for the AP's lifetime. A dollar amount is permissible for a Shared Payment QDRO.
 4. It must specify the number of payments, or periods, to which such order applies or the manner in which these are determined.
 5. It must specify the Plan to which such order applies.
 6. It must not require a Plan to provide any type or form of benefits, or any option, not otherwise provided under the terms of the Plan.
 7. It must not require the Plan to provide increased benefits (determined on the basis of actuarial value). An order does not require a Plan to provide increased benefits if the order does not provide for the payment of benefits to which the Participant would be entitled in the absence of the order.
 8. It must not require the payment of benefits to an AP that are required to be paid to another AP under another order previously determined to be a QDRO.
 9. A DRO cannot require payment of Auxiliary Benefits to an AP.
 10. If applicable, the AP is entitled to file with the Plan a beneficiary designation in the same manner as a Participant in the Plan, except the joint and survivor annuity provisions do not apply to the AP's spouse.
- C. A DRO shall not fail to be treated as a QDRO solely because it is issued after the Participant's divorce, annuity starting date or death of the Participant or after an existing QDRO. Therefore, DROs received after the Participant's divorce, annuity starting date or death of the Participant, are subject to the following in addition to the other requirements of these Procedures:
1. If a DRO has not been submitted to the Plan, the Plan may assume that no DRO has been entered and may process applications from and pay benefits to beneficiaries in accordance with that assumption unless and until a DRO or written notice of a DRO is received. Any order received will

have prospective effect only. The Plan is not liable or required to modify or reverse any payment, transaction, or application of funds that was issued or initiated prior to receipt of the DRO.

2. If the Plan has received written notice of a DRO, the Plan will suspend the processing of a benefit application from a beneficiary for up to 30 days (and may extend this for up to an additional 60 days) to allow for the submission of a DRO. If a DRO is not received by the Plan by the end of the suspension period, any order received will have prospective effect only. The Plan is not required to modify or reverse any payment, transaction, or application of funds in accordance with any order that is received after the extension period that would have affected such payment, transaction, or application of funds; nor is the Plan or any other party liable for any such payment, transaction, or application of funds.
 3. The DRO cannot require the Plan to change the form of a benefit after the benefit form is effective.
 4. A DRO that is first issued following the retirement of a Participant must be a Shared Payment QDRO. Separate Interest QDROs are not permissible after normal or early retirement payments have begun.
- D. If an order does not satisfy all of the listed requirements, it will be determined to be an unqualified DRO. Any order previously determined to be unqualified that is resubmitted in an amended form shall be subject to all the rules and requirements of these Procedures as if such order were received for the first time.
- E. The Participant, all APs, and any counsel for these parties of which the Plan administrator has notice will be notified in writing of the Plan administrator's decision concerning the qualified status of the DRO. The determination will state that the decision about the qualified status of the DRO may be appealed to the Trustees and give information about the Plan appeal procedures.
- F. If the Plan administrator determines that the order is a QDRO, the determination letter may describe the understanding of the Plan as to its provisions and effect, and any interpretations or assumptions by the Plan and how they pertain to the order. The determination will also state that if the parties disagree with any of the interpretations of the Plan, they may appeal the interpretation or assumption to the Trustees, or have the order amended to conform to their intent.
- G. If the DRO is found to be deficient, the determination letter will state in what respect the order is deficient, and how it may be amended to qualify under the law and the Plan. The letter will also state that if the parties disagree with the determination of the Plan administrator as to the failure of the order to qualify, they may appeal the interpretation to the Trustees, or they may have the order amended to conform to the Plan's requirements.

VI. FINAL DETERMINATIONS

- A. When a final determination is made by the Plan administrator concerning the qualified status of the DRO, payment of segregated benefits shall be made as follows:
1. If the QDRO requires a Separate Interest Method of Payment, the Plan administrator will request an actuarial equivalence determination from the Plan's actuary at the time that the first party requests to begin receiving benefits.

2. If the order is determined to be a QDRO, the amount held separately for the AP will be paid to the AP. Should the parties express an intent in writing to appeal the Plan's determination or amend the order, the determination is not final and the payments shall continue to be held separately until the determination of the qualified status of the order, not to exceed 18 months. If the parties indicate in writing that they do not intend to amend the order or to appeal the Plan's determination, the determination is final and the Plan may proceed with distribution of the amounts previously withheld in accordance with the terms of the order.
3. If the order is determined not to be a QDRO, the amount held separately for each AP will continue to be held separately for 180 days from the date of the determination letter to allow the parties to amend the order or file an appeal. If within the 180-day period following a determination that an order is not a QDRO the parties neither submit an amended order nor file an appeal, at the end of the 180-day period the determination is final and any amounts held separately with respect to any AP will be forwarded to the Participant. If at any time during the 180-day period the parties each indicate in writing that they do not intend either to appeal the Plan's determination or amend the order, the determination will be final (as defined below) and the amount held separately will be released.
4. If a final determination is not made within eighteen (18) months from the receipt of the original order by the Plan office, any amounts held separately with respect to any AP will be forwarded to the Participant. A determination that an order is a QDRO after the close of the eighteen month period will be applied prospectively only.

VII. BENEFIT PAYMENT ISSUES

- A. Rounding Up of Time Periods. If an order includes a period of time representing the portion of benefits applicable to the marital share of pension benefits to be divided, and such time period includes fractions of months, such as months of participating service or months of time in which the Participant has accrued benefits under the Plan, the Plan reserves the right to round those partial months up to the next whole number of months.
- B. When Benefits Begin. The earliest date that a QDRO may provide for an AP to begin receiving benefits is the Participant's earliest retirement eligibility date under the Plan. If the AP elects to receive benefits before the Participant's normal retirement date, and before the Participant has begun receiving benefits, the portion of the Participant's benefits assigned to the AP will be computed by taking into account only benefits actually accrued as of the date payment begins. The AP's benefits will be actuarially reduced from the Participant's normal retirement date, and then actuarially adjusted to reflect his/her age (if the benefit is to be payable over his/her lifetime) and benefit payment option. If the AP has not elected to receive his/her benefits before the Participant's benefit commencement date, the AP will be notified by the Plan when the Participant's benefits have commenced.
- C. When Benefits Cease.
 1. If the Participant has not already retired at the time of the DRO, benefits are payable in either of two ways.
 - a. Under either the Shared Payment or Separate Interest Method, if the AP dies before his/her benefits commence, that interest will revert to the Participant. The Fund will not recognize any contingent AP.

- b. Under the Separate Interest Method, the AP's interest will not revert to the Participant if the AP predeceases the Participant after the AP's benefits have commenced. The AP's right to receive benefits will be unaffected by the Participant's death if the AP's benefits have commenced. However, by operation of the Plan document, if the AP predeceases the Participant/Retiree, the Participant/Retiree's monthly benefit payments, beginning with the payment following the date of the Alternate Payee's death, will be increased by an amount that is equal to 50% of the monthly amount that was paid to the AP before the AP's death.
 - c. Under the Shared Payment Method, the AP's benefit will begin on the later of the Participant's receipt of benefit or the effective date of the QDRO and end with the earlier of the date of the AP's or the Participant's death, unless the AP has been designated as the surviving spouse.
2. If the DRO is presented to the Fund Office after the Participant has already retired, the AP may only receive benefits as a Shared Payment. The AP's portion of the Participant's benefits will end at the earlier of the Participant's or the AP's death. Upon the Participant's death, the AP's benefits will cease unless the AP has been designated as the surviving spouse for purposes of receiving a survivor annuity. If the AP predeceases the Participant, the AP's portion of the benefits will revert to the Participant.

D. Surviving Spouse

1. Under the Shared Payment Method, the AP will be treated as the Participant's Surviving Spouse for purposes of receiving all or a portion of the pre-retirement survivor annuity but only as provided by the DRO. If the DRO fails to include this designation and the Participant dies before commencing his benefits, the AP will receive no benefits from the Plan. The AP will be treated as the Surviving Spouse for the post retirement benefit only if provided by the DRO or if the Surviving Spouse was already designated as the Surviving Spouse at the time of the Participant's retirement. In the former situation, the QDRO must provide that the Participant is required to elect to receive his benefit in the form of a joint and survivor annuity naming the AP as the surviving spouse.
2. Under the Separate Interest Method, the AP need not be designated as the Participant's Surviving Spouse because the AP's benefit will not be affected by the death of the Participant. If the Participant dies before the AP commences benefits, the Plan Administrator will utilize a totally severed approach. The AP will receive his/her share of the benefits assigned under this DRO, but will not be eligible to receive the preretirement survivor annuity.

E. Early Retirement Subsidy.

1. If the AP's benefits begin before the Participant retires, the AP's benefits will be actuarially reduced from the Participant's normal retirement age. If the Participant later retires and is entitled to an early retirement subsidy, the AP's benefits may be recalculated to include a portion of the subsidy on a prospective basis only, but only if the order so provides.
2. In a Shared Payment QDRO, an AP may receive a portion of the Participant's benefit including any subsidy, without specific reference in the order.

- F. Other Additional Benefits. The AP will not share in any additional benefits that the Participant might receive in the future, such as a cost-of-living adjustment or any retirement enhancement, unless the QDRO specifically states that the AP is entitled to a portion of such benefits. If the QDRO is silent on the issue, the AP will not be entitled to any additional benefits.

- G. Subsequent DRO. If, after a DRO has been received by the Plan (either before or after it is determined to be qualified), a new DRO is received modifying the earlier order, the two orders will be considered together and a determination made whether the resulting order constitutes a QDRO as defined in ERISA. If the earlier order has been determined to be a QDRO, the changes will have only prospective effect.

VIII. APPLICATION AND INFORMATION REQUIRED FROM ALTERNATE PAYEES

It is the responsibility of the AP to comply with the following Procedures:

- A. Before benefit payments to the AP commence, the AP must complete such forms and provide such information as required by the Plan and the order.
- B. If the AP is given the right under the order to elect from among benefit forms available under the Plan, the Plan will provide the AP with a description of such benefit form options at the time the AP elects to commence his/her benefits. The AP may not elect to receive the benefit in the form of a qualified joint and survivor annuity with the subsequent spouse of the AP as the surviving spouse.
- C. Each AP under a QDRO must advise the Trustees of any change in his/her name, address, or marital status as well as any change or amendment to the QDRO. Until a written notice has been provided to the Trustees, the Trustees are fully protected in complying with, and in conducting the affairs of the Plan in a manner consistent with the information set forth in the QDRO.
- D. The Fund is not required to modify or reverse any payment, transaction, or application of funds occurring before the receipt of any document that would have affected such payment, transaction, or application of funds; nor are the Trustees or any other party liable for any such payment, transaction, or application of funds.

IX. EFFECT OF DETERMINATION OF QUALIFIED STATUS OF ORDER

- A. Upon a final determination that a DRO is a QDRO, the AP(s) named in the order will be treated as a beneficiary of the Plan for all purposes, including ERISA's disclosure requirements, except PBGC premiums.
- B. Under the Internal Revenue Code, the party to whom the payments are taxed is determined based on whether the AP is a spouse or former spouse--in which case the payments are taxed to the AP--or a child or dependent of the Participant--in which case the payments are taxed to the Participant. The Plan must follow federal law since state law is preempted.


X. DISCRETION OF TRUSTEES

In construing these Procedures, any submitted DRO, appeal, or terms of the Plan, the Trustees have full and exclusive authority and discretion to determine all questions of eligibility, methods of providing or arranging for benefits and all related matters. All determinations made and actions taken by the Trustees will be conclusive and binding upon the Plan, the Participant, the Participant's spouse and beneficiaries, and any APs named in the order.

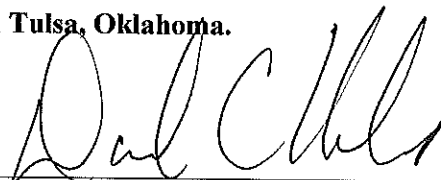
XI. MODIFICATION TO QDRO PROCEDURES

The Trustees have the right to amend or modify these Procedures without notice to any party. The Trustees will make available a copy of the Procedures to each party of a DRO pending for determination. No amendment or modification, unless required by law or applicable regulation, will cause an order previously determined to be a QDRO to fail to retain that status, or cause an order previously determined not to be a QDRO to be recharacterized as a QDRO.

THUS DONE AND SIGNED this 4th day of December, 2019, in Tulsa, Oklahoma.

By: 

Paul Somerville, Co-Chairman
Board of Trustees

By: 

Daniel C. Hendrix, Co-Chairman
Board of Trustees