

MILWAUKEE COUNTY PLAN OF DEFERRED COMPENSATION
Administrative Procedures for Processing
Plan Approved Domestic Relations Orders

Introduction

The Administrator of the Milwaukee County Plan of Deferred Compensation (the "Plan") establishes these procedures for processing plan approved domestic relations orders ("PADRO"). This document constitutes the Plan's written PADRO procedures and is incorporated in the Plan by reference.

The Plan, a deferred compensation plan under section 457(b) of the Internal Revenue Code, provides that a Participant's benefits are not subject to assignment or alienation, whether voluntary or involuntary. However, with respect to divorces and certain other domestic relations orders, there is an exception for benefits paid to an "Alternate Payee" pursuant to a PADRO in accordance with ¶ 18 of the Plan. An Alternate Payee must be the Participant's spouse, former spouse, child or other dependent.

A PADRO is an order, decree or judgment that relates to the provision of child support, alimony payments or marital property rights and is issued pursuant to a state domestic relations law that has been determined by the Administrator to meet the requirements of the Plan. Such order must create or recognize the right of an Alternate Payee to receive all or a portion of the Deferred Compensation under the Plan payable to the Participant. Once these rights are recognized under a PADRO, the Alternate Payee may receive payment from the Plan without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Plan may establish a segregated account for the Alternate Payee pursuant to Paragraph 5 below.

The Plan will comply with the terms of a domestic relations order only if the order meets the requirements as explained in these procedures.

PADRO Procedures

1. **Determination as to Order's Status.** The Administrator shall make a determination within a reasonable time as to whether the order is a PADRO. During the review period, the Administrator will suspend a Participant's withdrawal and distribution rights with respect to that portion of his Account that is to be awarded pursuant to the Order. The hold period shall be no longer than 18 months from the date the court order is provided to the Plan. The Administrator may request that legal counsel review the order.

(a) **PADRO Requirements.** An order shall be a PADRO if the Administrator determines that the court order on its face and without reference to any other document meets all of the following criteria:

(i) States a specific purpose that relates to the provision of child support, alimony, equitable distribution, or marital property rights to a spouse or former spouse of a Participant and is issued pursuant to a domestic relations law of any state or territory of the United States by a court of law or other state authority.

(ii) Clearly and unambiguously names the Plan.

(iii) Clearly specifies: the name, mailing address, birth date and Social Security number of the Participant; the name, mailing address, birth date and Social Security number of the Alternate Payee; and the relationship of the Alternate Payee to the Participant.

(iv) Provides the date to be used as the assignment date for dividing and valuing a Participant's Account. The Administrator will value the Participant's Account as of the Plan's valuation date coincident with or immediately preceding the order's assignment date.

(v) Clearly specifies the amount or percentage, or the manner in which the amount or percentage is to be determined, of the Participant's Account to be paid to the Alternate Payee. The amount of the benefit cannot exceed in value those benefits to which the Participant is entitled on the assignment date.

(vi) Specifies that any distribution to the Alternate Payee may be made in any manner that the Participant could receive a distribution. Notwithstanding the foregoing, an Alternate Payee cannot receive a distribution in the form of a joint and survivor annuity with a subsequent spouse.

(vii) Does not require the Plan to provide any type or form of benefit or any option not otherwise provided under the Plan.

(viii) Does not require the Plan to provide increased benefits.

(ix) Does not require payment to the Alternate Payee that was to be paid to another person under any court order.

(x) States whether gains and losses should be credited to the Alternate Payee's awarded benefits.

(xi) Expressly provides for the payment of benefits in the event of the Alternate Payee's death prior to receiving the full amount of benefits

(b) **Review and Cure Period.** The Administrator will notify the parties if the domestic relations order is or is not a PADRO within a reasonable period. If the order is determined not to be a PADRO, the Administrator will identify the amendments required to qualify it as a PADRO.

2. **Giving Effect to a PADRO.** If the Administrator determines that an order is a PADRO, the Administrator shall cause the payment of amounts to the Alternate Payee or to a segregated account as provided by the PADRO. Assets from the Participant's Account will be allocated on a pro rata basis from all investment funds as of the date the Administrator segregates the Alternate Payee's benefit.

3. **Processing Fees.** The Administrator may apply a PADRO processing fee to cover administrative costs for making a determination on the court order and deduct the fee pro rata from the segregated account of Alternate Payee and the Account of the Participant.

Administrative Checklist Summary

When the Plan receives a domestic relations order, the Administrator will:

1. Place a hold on the Participant's Account until the status of the court order is determined, but no longer than 18 months from the date the court order is received by the Plan.

2. Notify the Participant and the Alternate Payee of the receipt of the court order.

3. Determine whether the court order is a PADRO.

4. Notify Participant, Alternate Payee and/or respective legal counsel in writing whether the court order is or is not a PADRO.

5. If the court order is a PADRO, make payment to the Alternate Payee upon a valid election or to the segregated account as soon as possible.

6. Deduct any PADRO fees pro rata from each party's account.