

# **FCA US LLC**

## **QUALIFIED DOMESTIC RELATIONS ORDER (QDRO) PROCEDURES**

FCA US LLC ("FCA") has established these procedures to determine the qualified status of domestic relations orders ("QDRO"s) pursuant to Section 414(p)(6)(B) of the Internal Revenue Code of 1986, as amended ("IRC") and Section 206(d)(3)(G)(ii) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). These Procedures set forth guidelines for FCA and Willis Towers Watson ("WTW"), its administrative QDRO consultant, to determine the qualified status of domestic relations orders received by the following retirement plans ("Plan(s)"):

Defined Contribution Plans:

- **FCA US LLC Salaried Employees' Savings Plan**
- **FCA US LLC UAW Savings Plan**

Defined Benefit Plans:

- **FCA US LLC Pension Plan** (the former Chrysler Group LLC Pension Plan ("CPP") which includes benefits accrued under the following merged Plans:
  - The Chrysler Group LLC Subsidiaries Pension Plan ("Subs Plan")
  - The Chrysler Group LLC Salaried Employees' Retirement Plan ("SERP")
  - The Chrysler Group LLC Executive Salaried Employees' Retirement Plan ("ESERP")
- **FCA US LLC – UAW Pension Plan**
- **FCA US LLC—SPFPA Pension Plan**
- **FCA US LLC—IUE Pension Agreement**
- **American Motors—Union Retirement Income Plan**
- **Jeep Corporation—UAW Retirement Income Plan**

### **I. REQUIREMENTS FOR A QDRO**

Pursuant to IRC 414(p) and ERISA 206(d)(3), a QDRO is defined as follows:

- A. **THE ORDER MUST BE A DOMESTIC RELATIONS ORDER ("DRO"):**
  - 1. A DRO is defined as any judgment, decree or order (including a property settlement agreement);
  - 2. It must relate to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of a Participant ("Alternate Payee"); and
  - 3. It must be made pursuant to a State domestic relations law (including a community property law).
- B. The DRO must create or recognize the existence of an Alternate Payee's right to, or assign to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under a Plan.
- C. **The DRO MUST STATE THE FOLLOWING FACTS:**
  - 1. The name and last known address of both the Participant and the Alternate Payee. For identification and benefit payment purposes the Social Security numbers and dates of birth for both the Participant and Alternate Payee must also be provided.

The Social Security numbers and dates of birth should be provided in an Addendum to the order that is not filed with the court;

2. The amount or percentage of the Participant's benefits to be paid by the Plan to the Alternate Payee, or the manner in which such amount or percentage is to be determined;
3. The number of payments or period to which such order applies; and
4. The name of the Plan to which the DRO applies.

D. The DRO MAY NOT PROVIDE FOR THE FOLLOWING:

1. The order must not require the Plan to provide for any type or form of benefit or any option, not otherwise provided under the Plan;
2. The order may not require the Plan to provide increased benefits (determined on the basis of actuarial value); or
3. The order may not require the payment of benefits to an Alternate Payee, which are required to be paid to another Alternate Payee under another order previously determined to be a QDRO.

## II. **RECEIPT OF A DOMESTIC RELATIONS ORDER**

A. NOTIFICATION OF RECEIPT OF A DRO

1. Upon receipt of a DRO, WTW shall acknowledge receipt of the DRO and notify the Participant, the Alternate Payee and their attorneys, if known, of the receipt of such order by mail. Such notification shall be sent to the addresses provided in the order. However, if the Participant or the Alternate Payee has submitted a written designation of a representative to receive any further communications, such notification shall instead be sent to the respective representative.
2. A copy of these QDRO procedures shall accompany the notification.

B. REVIEW OF THE DRO

1. The order shall be evaluated for compliance with the requirements for a QDRO as provided in provisions of IRC Section 414(p) and ERISA Section 206(d)(3) and the terms and procedures of the Plan.
2. If WTW determines that the order fails to meet the requirements for a QDRO, the parties shall be notified by mail. Such notification shall contain an explanation for the negative determination.
3. If the sole reason for the non-qualification of the order is that the order has not been filed with the court (i.e., it is a draft or proposed QDRO), the order shall be considered "pre-approved" and the parties shall be notified of such by mail.
4. If WTW determines that the order meets all of the qualifications of a QDRO, the parties shall be notified by mail and given instruction regarding the effectuation of the provisions of the QDRO.

5. WTW shall notify the plan administrator of the order's qualified status and shall provide instructions for implementation of the provisions of the QDRO.

### **III. RESTRICTION ON DISTRIBUTION OF BENEFITS**

#### **A. NOTICE OF AN ALTERNATE PAYEE'S POTENTIAL INTEREST**

Upon receipt of one of the following documents below, an administrative hold shall be placed on the Participant's applicable Plan benefit or account. Such administrative hold shall serve as an indication of an Alternate Payee's potential interest in the Plan(s). Distribution of benefits not currently in payment status shall be restricted. However, distribution of benefits that are currently in payment status shall only be restricted as provided in Section III.C., below. With respect to defined contribution (savings) plans, the Participant will not be permitted to obtain a plan loan while the administrative hold is in place. However, the Participant's ability to change investment elections in his or her account shall not be affected by the administrative hold.

1. Written notification of a claim on the plan benefit(s) submitted by a potential Alternate Payee or his or her representative.
2. A domestic relations order, including a proposed order, a decree of divorce, a property settlement agreement or other document which indicates that an ex-spouse, spouse, or child was awarded an interest in the Plan(s).

#### **B. RELEASE OF ADMINISTRATIVE HOLD**

Upon receipt of one of the following documents below any administrative hold which has been placed on a Participant's Plan benefit or account shall be removed:

1. A Divorce Decree, Judgment, or Property Settlement Agreement which unambiguously provides that the Participant is awarded all of his or her interest in the Plan(s).
2. A QDRO that has been deemed qualified and its terms implemented.
3. A subsequent court order vacating the QDRO.
4. A written, signed and notarized statement from the Participant's former spouse, in which the former spouse waives his or her interest in the Participant's Plan benefit. This method shall only be accepted if a QDRO has not been received by the Plan(s). If a QDRO exists, the QDRO must be vacated before the hold will be removed.

#### **C. SEGREGATION OF ACCOUNT**

If the Participant's benefits are presently payable (i.e., Participant is in receipt of benefit payments), at such time that a DRO, as defined in Section I.A., above (not a proposed DRO) is received by the Plan, WTW shall direct the segregation of the amount assigned to the Alternate Payee in the order as soon as administratively feasible after receipt of the DRO. For the purposes of this provision, any segregated amount is merely an internal accounting of an Alternate Payee's potential interest in the Plan. If the DRO does not contain sufficient information for the Plan to determine the Alternate Payee's potential interest, the benefit will not be segregated. Additionally, if benefits are not immediately

payable to the Alternate Payee under the terms of the DRO, then this provision regarding the segregation of benefits shall not apply.

1. If within an 18 month period (which begins on the month the first payment would be required to be made to the Alternate Payee if the order was a QDRO), WTW determines that the order is a QDRO, WTW shall direct the payment of the segregated amounts to the Alternate Payee in accordance with the terms of the QDRO.
2. If *during* the 18 month period, WTW determines that the order is not a QDRO, the segregated amounts will be released to the Participant, as if there had been no order. However, if the Alternate Payee or his or her representative provides information satisfactory to the Plan that a subsequent, modified order is being sought, the Plan shall continue to hold the segregated amounts pending receipt of a subsequent modified order.
3. If at the *end* of the 18 month period, WTW determines that the order is not a QDRO or the issue is not resolved, WTW shall direct the release of the segregated amounts to the Participant, as if there had been no order.
4. If the determination that the order is a QDRO is made more than 18 months after the amounts had previously been segregated, payments to the Alternate Payee shall be applied on a prospective basis only.

#### **IV. ISSUES RELATING TO THE QUALIFICATION OF DEFINED CONTRIBUTION (SAVINGS PLAN) QDROS**

##### **A. Award of Vested Balance Only**

The order may only provide for an award of a Participant's vested account balance. Orders awarding of any portion of an unvested account balance (determined as of the date the Alternate Payee's separate plan account is established) will be rejected.

##### **B. Award Valuation Date**

The order must include a specific valuation date for determining the award or provide language defining a specific event as the valuation date, such as the date of account segregation, or the date the order is filed, or it will be rejected. The award will be determined as of the valuation date provided in the order, or the next administratively feasible valuation date if the valuation date stated in the order is not a valid valuation date (i.e., a weekend or holiday, etc.). Orders containing a valuation date that is in the future will not be qualified. Please note that orders for the FCA US LLC Salaried Employees' Savings Plan cannot contain an award valuation date prior to April 1, 1996.

##### **C. Outstanding Loan Balance**

If the Participant has an outstanding loan balance on the valuation date provided in the order, and the order is awarding the Alternate Payee a specific percentage of the Participant's account, the order must instruct whether or not the outstanding loan balance should be included in or excluded from the Participant's total account balance prior to determining the Alternate Payee's award. Additionally, the order cannot shift any

responsibility for loan repayment to the Alternate Payee, as the obligation for repayment of any loan must remain with the Participant.

D. Allocation of Investment Earnings/Losses

The order must provide instruction as to whether or not earnings/losses are to be allocated to the Alternate Payee's award from the award valuation date to the date a separate account is established for the Alternate Payee. The Alternate Payee's award will be subject to earnings/losses from the date a separate account is established for the Alternate Payee until the date of distribution. The order cannot provide otherwise, and will be rejected if it includes a provision to the contrary. Additionally, earnings/losses will be calculated in accordance with reasonable procedures established by the FCA US LLC Employee Benefits Committee. The order cannot provide instruction to calculate earnings/losses that vary from the procedures established by the Committee.

E. Source and Allocation of the Alternate Payee's Account

The benefit will be derived pro rata from among all funds and contribution sources that make up the Participant's account balance, with the exception of the loan account, if applicable. Additionally, the Alternate Payee's separate account will be established in the same funds from which they were derived from the Participant's account. The order cannot provide otherwise, and will be rejected if it includes any provisions to the contrary. The only exception is when the Participant is invested in SDB. In that case investments are liquidated from the SDB account and moved to cash and invested in the Money Market Fund within the SDB and then transferred to the Money Market Fund outside the SDB

V. **ISSUES RELATING TO THE QUALIFICATION OF DEFINED BENEFIT (PENSION) PLAN QDROS**

A. WHEN PAYMENTS ARE TO BEGIN AND END

Pursuant to IRC Section 414(p)(2)(C), an order must specify the number of payments or the period to which the order applies (i.e., when payments to an Alternate Payee are to begin and when they will end).

1. Benefit Commencement

The earliest date that an order can provide for an Alternate Payee to begin receiving benefits is the Participant's attainment of his or her "Earliest Retirement Age" as defined under IRS Code Section 414(p)(4)(B) and the terms of the Plan. The Earliest Retirement Age means the earlier of:

(i) the date on which the Participant is entitled to a distribution under the Plan, or;

(ii) the later of:

(a) the date the Participant attains age 50, or;

(b) The earliest date on which the Participant could begin receiving benefits under the Plan if the Participant separated from service.

The Alternate Payee may not delay commencement of benefits beyond the Participant's benefit commencement date or the Participant's Normal Retirement Date, if earlier.

If the Alternate Payee elects to receive benefits before the Participant's Normal Retirement Date, the portion of the benefits assigned to the Alternate Payee shall be actuarially adjusted for early commencement, as applicable.

## 2. When the Benefit Shall End

The order must provide instruction as to whether the Alternate Payee's benefit payments are to be actuarially adjusted for payment over the lifetime of the Alternate Payee, or if they are to remain payable based on the Participant's lifetime.

## 3. QDROs filed After the Participant's Benefit Commencement (Post-Retirement)

If the order is filed after the Participant has already commenced his or her benefit, only a Shared Payment QDRO can be qualified. In a Shared Payment QDRO the form of benefit elected by the Participant shall dictate the form and terms of benefit the Alternate Payee shall receive and the Alternate Payee is limited to receiving his or her benefit as a portion of the actual monthly benefit that the Participant is receiving. However, if the Participant is receiving payment in the form of a joint and survivor annuity with the Alternate Payee as the survivor, and the order requires that this form of payment must be maintained, the participant cannot cancel the election. If the order does not require the joint and survivor annuity to be maintained, the Participant can cancel this election, in accordance with the terms of the plan, if applicable.

## B. DEATH ISSUES

### 1. The Participant Predeceases the Alternate Payee Prior to Benefit Commencement

The Participant's death shall have no effect on the Alternate Payee's right to his or her benefit awarded under the order.

### 2. The Participant Predeceases the Alternate Payee after Benefit Commencement

a. If the Alternate Payee's benefit is a separate interest based on his or her own separate lifetime, the Participant's death after the Alternate Payee has commenced benefit payments shall have no effect on such payments.

b. If the Alternate Payee's benefit is payable based on the Participant's lifetime under a Shared Payment order, at the Participant's death, the Alternate Payee's benefit payments awarded under the order shall cease. Any further payment to any party, including the Alternate Payee, shall be dictated by the form of benefit elected.

### 3. The Alternate Payee Predeceases the Participant

a. If the Alternate Payee predeceases the Participant before the Alternate Payee has commenced his or her benefit no benefit shall be payable on behalf of the Alternate Payee and the benefit shall revert to the Participant.

- b. If the Alternate Payee predeceases the Participant after the Alternate Payee has commenced his or her benefit either of the following shall apply:
  - If the benefit is a separate interest payable based on the Alternate Payee's lifetime, benefit payments shall end at the Alternate Payee's death.
  - If the benefit is payable based on the Participant's lifetime under a Shared Payment QDRO, the Alternate Payee's portion of the benefit shall revert to the Participant.

4. Pre-Retirement or Post-Retirement Surviving Spouse Designation

- a. A Separate Interest QDRO may provide that the Alternate Payee shall be treated as the Participant's surviving spouse for the pre-retirement and/or the post-retirement surviving spouse benefit, with regard to the Participant's remaining separate benefit (i.e., in addition to the Alternate Payee's separate interest benefit). The Alternate Payee will not be treated as the surviving spouse for any purpose unless the order specifically provides for such.
- b. A Shared Payment QDRO submitted after the Participant has commenced benefits may provide that the Alternate Payee must remain as the surviving spouse under the joint and survivor annuity if the Participant elected such benefit at retirement, or the order may provide that the Participant is permitted, under the terms of the plan, to cancel the joint and survivor election and thus, cancel the Alternate Payee's surviving spouse designation. The order may not provide for a new surviving spouse designation.
- c. A Shared Payment QDRO submitted prior to the Participant's benefit commencement may provide that the Alternate Payee is to be treated as the Participant's surviving spouse for the pre-retirement and/or the post retirement surviving spouse benefit, and must specify to what extent (i.e., all or a specific portion of the benefit) such designation is being made.

5. Lump Sum Death Benefits

- a. An order pertaining to either the SERP or ESERP that is received while the participant is an active employee may provide that the Alternate Payee shall be the beneficiary and will receive all or a portion of the contributory lump sum death benefit.
- b. An order pertaining to the Jeep Corporation—UAW Retirement Income Plan may provide that the Alternate Payee is to receive all or a portion of the lump sum death benefit available under the Plan if the participant commenced benefit payments prior to September 4, 1990.

C. EARLY RETIREMENT SUBSIDIES, SUPPLEMENTS OR SEPARATION PROGRAMS

- 1. If the Alternate Payee commences his or her benefit at the same time the Participant commences benefit payments, the Alternate Payee's benefit shall include a portion of any employer subsidy, supplement or separation program received by the Participant, unless the QDRO specifically provides otherwise.

This includes the subsidy attributable to the unreduced benefit commencing as early as age 58 under the ESERP, SERP and CPP for retirements on and after January 1, 2014.

2. If the Alternate Payee commences his or her benefit prior to the Participant's commencement date, the Alternate Payee's benefit shall be determined by taking into account only benefits actually accrued as of the benefit determination date specified in the order. Therefore, the Alternate Payee shall not receive any subsidy, supplement or separation program, including the subsidy attributable to the unreduced benefit commencing as early as age 58 under the ESERP, SERP and CPP for retirements on and after January 1, 2014.
3. If the Alternate Payee commences his or her benefit prior to the Participant's commencement date and the Participant subsequently commences benefit payments and receives an early retirement subsidy, supplement or separation program the order must specify whether or not the Alternate Payee's benefit shall be recalculated to include a portion of such subsidy, (including the subsidy attributable to the unreduced benefit commencing as early as age 58 under the ESERP, SERP and CPP for retirements on and after January 1, 2014), supplement or separation program on a prospective basis. The Alternate Payee's benefit shall not be recalculated to include any subsidy, supplement or separation program, unless the QDRO specifically provides for such recalculation.

**D. ADDITIONAL BENEFITS**

The Order may provide that the Alternate Payee shall receive a proportionate share of any cost-of-living ("COLA") increase or other post-retirement or ad-hoc benefit increase made to the Participant's benefit after the Participant's benefits have commenced. If the order does not provide for such, the Alternate Payee will not receive any portion of any increase to the Participant's benefit.

**VI. REVIEW OF DETERMINATION OF ORDER'S QUALIFIED STATUS**

If either party disagrees with a qualification determination such party must contact WTW immediately upon receipt of notification of qualification, and provide notification and explanation in writing of such disagreement. WTW shall respond in writing to such notification and shall instruct the parties on the necessary course of action, as applicable, which may include instructing the Participant or an Alternate Payee to file an appeal of the qualification determination in accordance with the Plan's general procedures for filing and reviewing claims (which the parties may always do on their own volition).

**VII. DISTRIBUTION OF BENEFITS PURSUANT TO A QDRO**

**A. BENEFIT NOT PRESENTLY PAYABLE**

If, pursuant to the terms of the Plan and/or the QDRO, the Alternate Payee's benefit is not currently payable, it shall be noted in the Participant's record that the Participant's benefit is subject to a QDRO.

**B. BENEFIT PRESENTLY PAYABLE**

**1. Defined Contribution (Savings) Plan Benefits**



After the order is qualified and the Alternate Payee's award is established, the Alternate Payee will be notified by letter confirming that the alternate payee's account has been set up and will also be sent a separate letter containing a PIN. The Alternate Payee will be instructed to call the **Merrill Lynch Retirement Benefits & Savings Contact Center at 1-800-483-7283 (SAVE)** for account information or to request distribution or rollover.

## 2. Defined Benefit (Pension) Plan Benefits

At such time that the Alternate Payee is or becomes eligible for benefit commencement, the Alternate Payee must contact the **FCA Benefit Connect Service Center at 1-888-409-3300** to request benefit commencement, or to request an estimate.

## **VIII. REQUESTS FOR INFORMATION AND SUBMISSIONS OF ORDERS FOR REVIEW**

- A. A request to receive Participant specific information such as accrued benefit, account balance or plan participation information shall only be released to a non-participant if the Participant authorizes the release of such information with a signed, notarized, written release or if a subpoena requesting such information is properly served on the plan.
- B. General information, such as a model QDRO, QDRO Procedures, plan document or summary plan description is available to assist in the preparation of a QDRO, and may be obtained by contacting the Willis Towers Watson QDRO Service Center at the address below.
- C. All orders, including draft orders, should be submitted to the QDRO Service Center for review at the following address:

**Willis Towers Watson QDRO Service Center  
P.O. Box 712728  
Los Angeles, CA 90071  
Attn: FCA QDRO Team**

**Toll-Free: 1-855-481-2661  
Fax: 1-310-789-5984  
Email: [WTWQDRO@willistowerswatson.com](mailto:WTWQDRO@willistowerswatson.com)**