

FCA US LLC

Frequently asked questions about Qualified Domestic Relations Orders (“QDROs”)

1. Why are the participant’s benefits being divided?

Generally, property acquired during marriage is deemed a marital asset and is subject to division between the parties under state domestic relations laws. This typically includes the accrual of benefits during the marriage under a qualified retirement plan. The division of qualified retirement plans is subject to federal Qualified Domestic Relations Order “QDRO” rules, which became effective January 1, 1985, pursuant to the Retirement Equity Act of 1984.

2. What is a qualified domestic relations order (QDRO)?

A QDRO is a court order that assigns the right to receive all or a portion of a participant’s benefit under a qualified retirement plan to a non-participant, called an alternate payee, and meets the requirements of the Internal Revenue Code 414(p) and ERISA 206(d)(3).

3. Who is considered an alternate payee?

An alternate payee is the person designated in the QDRO to receive all or a portion of a participant's benefit from the plan. In most cases the alternate payee is the former spouse of the participant; however, a current spouse, child or other dependent can also be designated as an alternate payee in certain situations.

4. Why are QDROs necessary?

Qualified retirement plans that are subject to Internal Revenue Code of 1986 must contain anti-assignment provisions. These provisions prohibit a participant's benefit from being assigned to someone else; however, QDROs are one of the exceptions to the anti-assignment provisions. If a QDRO has been approved, the alternate payee is permitted to receive the benefit awarded in the QDRO directly from the plan.

5. How can a QDRO be obtained?

Although it is very common for an attorney representing one of the parties in divorce proceedings to draft a QDRO, using an attorney is not required. A participant, former spouse or other party, such as a paralegal or other professional, may prepare a QDRO. However, keep in mind that QDROs must be filed with the courts and the involvement of an attorney or other legal professional is helpful in getting an order filed. Also, the division of retirement benefits involves many complex tax and legal issues. Therefore, it is recommended that individuals seek the advice of legal counsel or other qualified experts for guidance in this process.

6. Who do I contact if I have questions about QDROs or the QDRO Process?

Defined Benefit Pension Plan:

The **Willis Towers Watson QDRO Service Center** is the resource for all questions relating to QDROs for the defined benefit pension plans. You may contact the Service Center at **1.855.481.2661**, Monday – Friday between 9:00 a.m. and 8:00 p.m., Eastern time, or you may obtain information online at:

<https://qdro.willistowerswatson.com/sites/fca/>

Defined Contribution Savings Plan:

Bank of America Merrill Lynch QDRO Processing Center is the resource for all questions relating to QDROs for the defined contribution savings plans. You may contact the Processing Center Monday through Friday during the hours of 9:00 a.m. to 5:00 pm EST directly by calling 877.MER-QDRO or 877.637.7376 for UAWSP and SESP.

Web-site:

www.qdro.morneaushepell.com

Access code: MLX210

7. What type of assistance is available for preparing defined benefit plan QDROs?

Assistance can be found by using the Willis Towers Watson QDRO Drafter, which is a web based tool to draft the QDRO, or by following one of the model QDROs that are available online or can be obtained by calling the Willis Towers Watson QDRO Service Center. Both the QDRO Drafter and the model QDROs will provide examples of language and various provisions that will meet the requirements for a QDRO under federal law and the retirement Plans sponsored by FCA.

8. What is the QDRO Drafter?

The Willis Towers Watson QDRO Drafter is a web-based tool that allows the attorneys or the parties to draft defined benefit plan QDROs online and provides the ability to save and/or print a signature ready order in PDF format. The user responds to a series of questions related to the parties, including the proposed award to the alternate payee, and the QDRO Drafter uses those responses to create a draft QDRO. The parties can submit the order to the Willis Towers Watson Service Center for preliminary review before filing it with the court, or send it to the court for filing. The QDRO Drafter website is:

<https://qdro.willistowerswatson.com/sites/fca/>

9. How do we know which Model QDRO to use or which type of QDRO to draft on the QDRO Drafter?

There are model QDROs for the following defined benefit Pension/Retirement 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 Consolidated Plan (FCON)** (the former FCA US LLC—IUE Pension Agreement) which includes benefits accrued under the following merged Plans:
 - FCA US LLC—SPFPA Pension Plan
 - Select Deferred Vested Participants and Beneficiaries transferred from the FCA US LLC Pension Plan
- **FCA US LLC – UAW Pension Plan**
- **American Motors—Union Retirement Income Plan**
- **Jeep Corporation—UAW Retirement Income Plan**

There are two different “types” of model QDROs for the defined benefit plans. The “**Separate Interest**” models should be used when the participant has not yet started receiving a benefit from the plan. A Separate Interest QDRO provides a benefit to the alternate payee that is payable for his/her own lifetime and allows the alternate payee to elect his/her own benefit commencement and form of benefit that is separate from the plan participant’s. The “**Shared Payment**” models should be used if the participant is currently receiving a benefit from the plan. A Shared Payment QDRO provides a benefit to the alternate

payee that is a “sharing” of the current monthly benefit that the participant is receiving. If a participant is already receiving a benefit from the plan when the QDRO is filed, a Separate Interest QDRO cannot be qualified, only a Shared Payment can be qualified and accepted.

Once you have determined which “type” of QDRO is appropriate to draft, then you will need to know which plan benefits the QDRO is intending to award the alternate payee, so that you can identify the plan by its correct name. Please note that there is a separate model for the FCA US LLC Pension Plan (former CPP) because of the complexities involved due to the former plans that merged into the CPP. Therefore, it is necessary to identify if the Subs Plan and/or SERP/ESERP benefits are to be included in or excluded from the award to the alternate payee if a QDRO is drafted for the former CPP plan. Additionally, there are separate models for the SERP/ESERP and Subs Plan respectively, that should be used if the participant does not participate in any other portion of the CPP and only the SERP/ESERP or Subs Plan benefit is to be awarded to the alternate payee from that plan, or if the intent is to provide a different award to the alternate payee from each of the merged plan benefits.

The defined benefit plan model QDROs, along with the QDRO Procedures, may be requested by contacting the **Willis Towers Watson QDRO Service Center at 1.855.481.2661** or they are also available online at <https://qdro.willistowerswatson.com/sites/fca/>

Regardless of the version followed, these model QDROs are intended as examples of acceptable orders that would generally be qualified by the plans; they should not be relied upon by any party as the sole method of dividing retirement benefits, nor are the model QDROs or any of the QDRO-related informational documents intended as legal advice.

10. How do we know which plans or benefit structures the participant participates in so that we know which plans or benefit structures to identify in the QDRO?

The participant may contact the **FCA Benefit Connect Service Center at 1-888-409-3300** to obtain information on his/her plan benefits. Information relating to a participant’s specific plan participation may only be provided to a non-participant in the plan if the participant provides written, notarized authorization for such information to be provided to the non-participant. Such written, notarized authorization must specify what specific information or type of information may be provided and to whom it should be provided. The participant’s written authorization and the request for the information should be submitted to the Willis Towers Watson QDRO Service Center. If the participant’s written authorization cannot be obtained, the information will be provided if a subpoena requesting the information is properly served on the plan.

11. Can a QDRO be drafted to apply to more than one plan?

While it is generally permissible for a QDRO to be drafted to apply to more than one plan sponsored by FCA, it is strongly recommended that you do not do so. The order would have to contain separate provisions relating to each plan and for the administration of each plan benefit to be acceptable. The plans may have different rules relating to timing of commencement, forms of payment, subsidies, supplements or other benefit increases and that makes the drafting and administration of a combined plan order very difficult and often very confusing for all involved. However, a QDRO that applies to both a defined benefit and a defined contribution plan will not be qualified, as those plans are administered by separate QDRO administrators. Additionally, it could delay the alternate payee’s benefit commencement from both plans. For example, if the provisions in the order relating to one plan are unacceptable, the entire order cannot be qualified until all provisions in the order are acceptable. Please note that the FCA US LLC Pension Plan (former CPP and the merged SERP/ESERP and Subs Plan are not separate plans. Therefore, a model QDRO is provided that includes all applicable merged plan benefits. However, the benefits structures of each merged plan remain intact. Therefore, a QDRO for the plan can either include all of the participant’s applicable merged plan benefits or specific merged plan benefits can be excluded

from the award to the alternate payee. Additionally, if different awards are intended from each merged plan benefit, then separate QDROs should be drafted to divide each portion of the plan separately.

12. How do the merged plans affect a QDRO for the CPP (FCA US LLC Pension Plan)?

A QDRO identifying the FCA US LLC Pension Plan (former CPP) would apply to the participant's entire benefit under the plan, which would include the merged plan benefits from the SERP/ESERP and The Chrysler Group LLC Subsidiaries Pension Plan ("Subs Plan"). If any of those benefits are not intended in the award to the alternate payee, they must be specifically excluded in the QDRO. In the alternative, if the intention is to only award the alternate payee a specific merged plan benefit, such as the SERP or ESERP or only the Subs Plan benefit, the QDRO must state that as well. Model QDROs are available that contain options for excluding or including only certain benefits under the CPP, and those same options are available on the QDRO Drafter.

13. When may an alternate payee start benefit payments or receive a distribution?

A QDRO for a Pension (defined benefit) Plan may provide that the alternate payee may commence his/her benefit payments anytime on or after the participant has obtained his/her earliest retirement age under the terms of the plan. After the QDRO has been qualified, the alternate payee may contact the **FCA Benefit Connect Service Center at 1-888-409-3300** to obtain information on the participant's earliest retirement date and/or to request benefit commencement.

14. Can an alternate payee be named as the participant's surviving spouse in a defined benefit Pension/Retirement Plan?

Under a Separate Interest QDRO, the participant's death either before or after the alternate payee's benefit commencement date will not have any effect on the alternate payee's benefit or his/her right to receive the Separate Interest benefit awarded under the QDRO. Therefore, it is not necessary to name the alternate payee as the participant's surviving spouse for pre-retirement surviving spouse benefits. The model QDROs are drafted to reflect this.

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 benefits, with regard to the participant's remaining separate benefit and excluding the participant's subsequent qualifying surviving spouse from receiving a surviving spouse benefit. This will result in the alternate payee receiving a surviving spouse benefit in addition to the alternate payee's separate interest benefit. Neither the model QDROs or the QDRO Drafter contain provisions for the designation of the alternate payee as the surviving spouse for these purposes. The model order would need to be modified to include additional provisions if any surviving spouse designation is intended. The alternate payee will not be treated as the surviving spouse for any purpose unless the order specifically provides for the designation.

15. Can an alternate payee be named as the participant's beneficiary for lump sum death benefits available under the SERP/ESERP or the Jeep Corporation—UAW Retirement Income Plan?

An order pertaining to either the SERP or ESERP that is received prior to the Participant's election of a benefit commencement date may provide that the Alternate Payee shall be the beneficiary and will receive all or a portion of the contributory and noncontributory lump sum death benefits.

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 death benefit available under the Plan if the participant commenced benefit payments prior to September 4, 1990.

16. Can a proposed QDRO be submitted for pre-approval prior to submitting the order for court approval?

Proposed/draft defined benefit QDROs may be submitted to the Willis Towers Watson QDRO Service Center for review to determine if the language in the order is acceptable. If the order has deficiencies and cannot be pre-approved, the parties will be informed of the deficiencies. Pre-approval greatly facilitates the processing of the QDRO and reduces the amount of effort and time involved.

Orders must be submitted to the following:

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

Fax 310.789.5984, or by Email to: WTWQDRO@willistowerswatson.com .

17. Who do we contact if it becomes necessary to amend/cancel or vacate a QDRO that is in effect?

If a QDRO has been qualified and the parties would like to amend or vacate the QDRO, please contact the Willis Towers Watson QDRO Service Center to inquire as to how and under what circumstances a QDRO can be amended or vacated after it has been qualified.