

To: Members of the Concordia Retirement Plan

From: Concordia Plan Services

Date: February 2016

RE: Member's Assignment of Interest in the Concordia Retirement Plan
to a Divorced Spouse

CONCORDIA RETIREMENT PLAN QDRO GUIDELINES

The Concordia Retirement Plan (the "CRP") was established by The Lutheran Church—Missouri Synod (the "Synod") for the workers of the Synod, its member congregations, controlled organizations, and affiliated agencies. The purpose of the CRP is to provide benefits to Members after retirement and to continue such benefits to qualifying dependents after the retired Member's death. Potentially, up to five types of benefits under the CRP are payable to qualifying Members: (i) a "Primary Retirement Benefit" ("PRB"), (ii) a "Supplemental Retirement Account" ("SRA") benefit; (iii) a "Retirement Cash Account" ("RCA") benefit, (iv) benefits attributable to amounts, if any, rolled over from the Concordia Retirement Savings Plan into the CRP ("CRSP Rollover"), and (v) for those eligible, a Retiree Medical Supplement ("RMS").

As a general rule, the CRP does not permit a Member to assign or transfer an interest in the CRP to another person. At the same time, however, the Board of Trustees (the "Board") recognizes that a Member, because of a divorce or legal separation, may wish or need to assign a portion of that Member's retirement benefits to a spouse.

Generally, such assignment of retirement benefits is accomplished through a court-ordered domestic relations order which satisfies certain technical requirements set forth in the federal tax laws. This type of order is known as a "Qualified Domestic Relations Order" ("QDRO"). While the QDRO rules do not apply to a "church plan," such as the CRP, the CRP will permit such an assignment if the order meets the technical requirements to be classified as a QDRO and is not inconsistent with the terms of the CRP and these guidelines. A model document is provided to facilitate the preparation of a QDRO. It is the responsibility of legal counsel representing the Member and the former spouse to determine if the model is satisfactory to their respective parties. If it is not, then the following minimum technical and substantive provisions must be contained in the domestic relations order submitted for review:

Technical Requirements

1. The order must clearly specify the name and last known mailing address of the Member and the name and last mailing address of the former spouse.
2. The order must clearly specify the name of the CRP (*i.e.*, the Concordia Retirement Plan).
3. An assignment of benefits under the CRP will only be permitted to be made to a former legal spouse who is of the opposite sex from that of the Member.
4. The order must clearly specify the former spouse's right to receive an interest in each of the PRB, the SRA, the RCA, and/or CRSP Rollover. No assignment of an interest in the RMS will be permitted.
5. The order must clearly specify the number of payments or periods to which it applies.
6. The order must create or recognize the existence of a former spouse's right to, or assign to a former spouse the right to, receive all or a portion of the separate benefits (PRB, SRA, RCA, and/or CRSP Rollover) payable with respect to a Member under the CRP.
7. The order must not provide any type or form of benefit, payment, or option not permitted by the specific terms of the CRP.
8. The order must not require the CRP to provide increased benefits determined on the basis of an actuarial valuation by the CRP's actuary.
9. The order must neither provide for a "separate interest" approach, nor provide for the assigned interest to be actuarially adjusted based upon the life of the former spouse, except with respect to an assigned interest required by these guidelines to be paid in a lump sum.
10. A former spouse has no right to demand a lump sum distribution of any CRP benefits that have been assigned by the Member and that are not required by these guidelines to be paid only in a lump sum. The Board, however, reserves the right to make such a lump sum payment in the event it decides it is in the best interest of the CRP to do so.
11. The order must not require a payment of benefits which is already being paid to another divorced spouse pursuant to a previous QDRO.
12. The order must provide that, in the event that the CRP Plan Administrator inadvertently pays to the Member any benefits that are assigned to the former spouse pursuant to the terms of the order, the Member shall immediately reimburse the former spouse to the extent that such person has received such assigned benefit payments, and shall forthwith pay such amounts so received directly to the former spouse within ten (10) days of receipt.
13. The order must provide that all payments made pursuant to the order shall be conditioned on the certification by the former spouse and the Member to the CRP Plan Administrator of such information as the Plan Administrator may reasonably require from such parties to make the necessary calculation of the benefit and assigned benefit amounts.

14. Separate assignments of benefits should be made for each of the PRB, SRA, RCA, and CRSP Rollover in accordance with the separate rules set forth in the respective sections below.

Assignment of Primary Retirement Benefit

1. The order must clearly specify the percentage of the Member's monthly benefits to be assigned or the formula for determining such percentage.
2. The order must provide that, in the event the CRP provides for increased PRB benefits after payments have commenced to the former spouse or the order provides for a designated dollar amount to be assigned to the former spouse, the former spouse will not be entitled to a proportional share of any such increase.
3. The order must provide that, in all circumstances, the former spouse must commence to receive the assigned PRB benefits no later than the Member's "normal retirement date" (as such term is defined in the CRP). A former spouse, however, may elect to receive the assigned monthly benefit at any time after the Member's "early retirement date" and before the Member's "normal retirement date" (as such terms are defined in the CRP). Under such circumstances, the benefit received will be reduced (according to the terms of the CRP) to reflect such early distribution. The former spouse may elect this early benefit option even if the Member chooses to defer receipt of the retained monthly benefit.
4. If the Member dies before the former spouse has requested a monthly benefit, and if a survivorship interest in the PRB benefit has been assigned under the order to the former spouse:
 - a. where the Member was less than age 55, the survivorship interest in the assigned monthly benefit will be payable when the Member would have reached age 55 and will be 70 percent of the benefit the former spouse would have received if the Member had lived to age 55;
 - b. where the Member was age 55 or older and had not, at the date of the order, begun receiving PRB benefits, the survivorship interest in the assigned monthly benefit will be payable immediately and will be 70 percent of the benefit that would have been immediately available at that time to such former spouse; or
 - c. where the Member was age 55 or older and had, at the date of the order, begun receiving PRB benefits, the survivorship interest in the assigned monthly benefit will be payable immediately and will be based upon the PRB benefit election option the Member was receiving at the date of the order as follows:
 - (i) if the Member had selected a Single Life Annuity, the benefits assigned to the former spouse will terminate;
 - (ii) if the Member had elected a Joint and 70% Survivor Annuity, the former spouse will thereafter receive the survivorship interest equal to 70 percent of the benefit that would have been immediately available at the Member's death to such former spouse; or

- (iii) if the Member had elected a Joint and 100% Survivor Annuity, the former spouse will thereafter receive the survivorship interest equal to the full benefit that would have been immediately available at the Member's death to such former spouse.
- 5. If the Member dies after the former spouse has been receiving the assigned monthly benefit, and if a survivorship interest in the PRB benefit has been assigned under the order to the former spouse:
 - a. where the Member had not, at the date of the order, begun receiving PRB benefits, the survivorship interest in the assigned monthly benefit will be payable immediately and will be 70 percent of the benefit being received by such former spouse immediately prior to the Member's death; or
 - b. where the Member had, at the date of the order, begun receiving PRB benefits, the survivorship interest in the assigned monthly benefit will be payable immediately and will be based upon the PRB benefit election option the Member was receiving at the date of the order as follows:
 - (i) if the Member had selected a Single Life Annuity, the benefits assigned to the former spouse will terminate;
 - (ii) if the Member had elected a Joint and 70% Survivor Annuity, the former spouse will thereafter receive the survivorship interest equal to 70 percent of the benefit being received by such former spouse immediately prior to the Member's death; or
 - (iii) if the Member had elected a Joint and 100% Survivor Annuity, the former spouse will thereafter receive the survivorship interest equal to the full benefit being received by such former spouse immediately prior to the Member's death (*i.e.*, payments to the former spouse will not change).
- 6. The former spouse's right to the survivor portion of the assigned PRB benefit derives solely from the survivorship interest in the monthly retirement benefit assigned under the order, if any. Any assignment of the survivorship interest in the assigned monthly benefit must be in all of the assigned monthly benefit.
- 7. An assignment to the former spouse of a survivorship interest in the non-assigned portion of the Member's benefit will not be permitted, except in a case where, at the date of the order, the Member had already commenced receiving the Member's benefit as a joint and survivor annuity and, in that event, any assignment of the survivorship interest in the non-assigned portion of the Member's benefit must be in all of the non-assigned portion of the Member's benefit.
- 8. If the former spouse predeceases the Member prior to the commencement of PRB benefits, the former spouse's portion of benefits will revert to the Member. If the former spouse has commenced such benefits, and the former spouse predeceases the Member, the amount being paid to the former spouse will revert to and thereafter be paid to the Member. If the Member predeceases the former spouse, then upon the subsequent death of the former spouse, the former spouse's survivorship interest, if any, in the assigned benefits will terminate. The former spouse has no right to assign such benefit to a beneficiary, such person's estate, or the Member.

9. A former spouse is not entitled to receive the lump sum death benefit provided for under the CRP, unless such former spouse is named as the designated beneficiary of the Member at the time of the Member's death.

Assignment of Supplemental Retirement Account or Retirement Cash Account

1. The order must clearly specify the dollar amount (or percentage) of the Member's SRA or RCA benefit to be assigned or the formula for determining such amount.
2. The order must provide that, in the event the CRP provides for increased SRA or RCA benefits after payment has commenced to the former spouse, the former spouse will not be entitled to a proportional share of any such increase.
3. If, at the date of the order, the Member has not begun receiving the SRA or RCA benefit as an annuity, an interest in the SRA or RCA assigned to a former spouse will be payable only as a lump sum, and the portion of the SRA or RCA assigned to such former spouse will be paid as soon as possible after acceptance of the order. If the former spouse dies before receiving such SRA or RCA benefit lump sum payment, the SRA or RCA benefit lump sum payment will be paid to such person's estate.
4. If, at the date of the order, the Member has begun receiving SRA or RCA benefits as an annuity, then if the Member predeceases the former spouse to whom SRA or RCA benefits have been assigned, and if a survivorship interest in the SRA or RCA benefits has been assigned under the order to the former spouse, the survivorship interest in the assigned monthly benefit will be payable immediately and will be based upon the SRA or RCA benefit election option the Member was receiving at the date of the order as follows:
 - a. if the Member had selected a Single Life Annuity, the benefits assigned to the former spouse will terminate;
 - b. if the Member had elected a Joint and 70% Survivor Annuity, the former spouse will thereafter receive the survivorship interest equal to 70 percent of the benefit being received by such former spouse immediately prior to the Member's death;
 - c. if the Member had elected a Joint and 100% Survivor Annuity, the former spouse will thereafter receive the survivorship interest equal to the full benefit being received by such former spouse immediately prior to the Member's death (*i.e.*, payments to the former spouse will not change); or
 - d. if the Member had elected the Ten-year Certain and Life Annuity, then:
 - (i) if the Member died before the end of the ten-year guaranteed payment period, then a lump sum payment of the actuarial equivalent value of the remaining unpaid assigned guaranteed benefit will be paid to the former spouse as soon as possible; or
 - (ii) if the Member died after the end of the ten-year guaranteed payment period, then the benefits assigned to the former spouse will terminate.

5. The former spouse's right to the survivor portion of an assigned SRA or RCA benefit payable as an annuity derives solely from the survivorship interest in the monthly retirement benefit assigned under the order, if any. Any assignment of the survivorship interest in the assigned monthly benefit must be in all of the assigned monthly benefit.
6. An assignment to the former spouse of a survivorship interest in the non-assigned portion of the Member's benefit will not be permitted, except in a case where, at the date of the order, the Member had already commenced receiving the Member's benefit as a joint and survivor annuity and, in that event, any assignment of the survivorship interest in the non-assigned portion of the Member's benefit must be in all of the non-assigned portion of the Member's benefit.
7. If the former spouse predeceases the Member prior to the commencement of SRA or RCA benefits payable as an annuity, the former spouse's portion of benefits will revert to the Member. If the former spouse has commenced such benefits, and the former spouse predeceases the Member, the amount being paid to the former spouse will revert to and thereafter be paid to the Member. If the Member predeceases the former spouse, then upon the subsequent death of the former spouse, the former spouse's survivorship interest, if any, in the assigned benefits will terminate. The former spouse has no right to assign such benefit to a beneficiary, such person's estate, or the Member.

Assignment of CRSP Rollover

1. The order must clearly specify the dollar amount (or percentage) of the Member's CRSP Rollover benefit to be assigned or the formula for determining such amount.
2. If the Member predeceases the former spouse to whom CRSP Rollover benefits have been assigned, and if a survivorship interest in the CRSP Rollover benefits has been assigned under the order to the former spouse, the survivorship interest in the assigned monthly benefit will be payable immediately and will be based upon the CRSP Rollover benefit election option the Member was receiving at the date of the order as follows:
 - a. if the Member had selected a Single Life Annuity, the benefits assigned to the former spouse will terminate;
 - b. if the Member had elected a Joint and 70% Survivor Annuity, the former spouse will thereafter receive the survivorship interest equal to 70 percent of the benefit being received by such former spouse immediately prior to the Member's death;
 - c. if the Member had elected a Joint and 100% Survivor Annuity, the former spouse will thereafter receive the survivorship interest equal to the full benefit being received by such former spouse immediately prior to the Member's death (*i.e.*, payments to the former spouse will not change); or
 - d. if the Member had elected the Ten-year Certain and Life Annuity, then:
 - (i) if the Member died before the end of the ten-year guaranteed payment period, then a lump sum payment of the actuarial equivalent value of the remaining unpaid assigned guaranteed benefit will be paid to the former spouse as soon as possible; or

- (ii) if the Member died after the end of the ten-year guaranteed payment period, then the benefits assigned to the former spouse will terminate.
- 3. The former spouse's right to the survivor portion of an assigned CRSP Rollover benefit derives solely from the survivorship interest in the monthly retirement benefit assigned under the order, if any. Any assignment of the survivorship interest in the assigned monthly benefit must be in all of the assigned monthly benefit.
- 4. An assignment to the former spouse of a survivorship interest in the non-assigned portion of the Member's benefit will not be permitted, except in a case where, at the date of the order, the Member had already commenced receiving the Member's benefit as a joint and survivor annuity and, in that event, any assignment of the survivorship interest in the non-assigned portion of the Member's benefit must be in all of the non-assigned portion of the Member's benefit.
- 5. If the former spouse predeceases the Member, the amount of CRSP Rollover benefits being paid to the former spouse will revert to and thereafter be paid to the Member. If the Member predeceases the former spouse, then upon the subsequent death of the former spouse, the former spouse's survivorship interest, if any, in the assigned benefits will terminate. The former spouse has no right to assign such benefit to a beneficiary, such person's estate, or the Member.