

Instructions for Use of the Model Qualified Domestic Relations Order (“QDRO”)

- ★ Please note that the sample language contained in the attached Model QDRO should not be construed as the only acceptable form.
- ★ Please note that the Model QDRO is not intended to be used as a fill-in form. It is to be used as a reference to draft an Order that pertains to your particular situation. As such, all information that does not pertain to your particular situation should be removed from the Order. In addition, to ensure the accuracy of the information provided, please note that we generally do not accept handwritten documents.
- ★ Should you elect to utilize the attached Model QDRO, the below can be used as a guide to ensure that all the required information is captured within the Domestic Relations Order (“DRO”).
- ★ **Note:** Use of the Model QDRO does not guarantee the acceptance of the DRO as a QDRO.
- FIRST PARAGRAPH:** The first paragraph of the Order must declare the State domestic relations law that applies.

SECTION 1. DEFINITIONS:

- (a) & (b):** Please provide the names, last known addresses, dates of birth, and social security numbers for the Participant and Alternate Payee. Please also identify the Alternate Payee’s relationship to the Participant; i.e. spouse, former spouse, child, other dependent.

Note: - Participant means the original account holder.
-Alternate Payee means the one who will be receiving money from the original account holder.
-You must provide the individuals actual name.

Note: Addresses, dates of birth, and social security numbers may be submitted under separate cover and do not need to be contained within the Order, but must be provided in some format.

Note: Please note that we cannot utilize third-party addresses, including those of the representing attorneys.

- (c):** The Order must contain the name of the Plan to which it applies.

Note: The other language contained within this section of the Order should remain.

SECTION 2. DATE OF MARRIAGE:

- Please provide the dates of the marriage (i.e. date of marriage and date of divorce).

SECTION 3. AMOUNT OF BENEFIT TO BE PAID TO THE ALTERNATE PAYEE:

From the available options stated within this section, please choose the one that best applies to your situation. All others should be excluded from the Order.

The option chosen must provide the following information:

- the percentage or dollar amount to be awarded to the Alternate Payee.
- the 'as-of' date to be used in determining the Alternate Payee's award ("valuation date").
- if applicable, if a percentage is being awarded to an Alternate Payee and the Participant has an outstanding loan balance as of the valuation date, the Order must indicate if the Alternate Payee's awarded interest is to include or exclude the "value" of the outstanding loan.
- indicate whether or not the Alternate Payee's award is to be adjusted for earnings and losses subsequent to the chosen valuation date.

Note: Please note that when an Alternate Payee is awarded earnings and losses on their assigned portion, Vanguard will run a calculation which looks at how the Participant's funds were invested on the valuation date stated in the Order. The calculation then determines the "market performance" on the Alternate Payee's awarded interest by tracking the funds in which the monies are invested, including any fund exchanges, from the valuation date through the date that the Alternate Payee's separate account is established under the Plan. As such, the Alternate Payee will then receive the appropriate market gains or losses on their awarded amount.

- ★ Any contributions that are made to the Plan after the specified valuation date are not included in the earnings and loss calculation. The calculation only looks at the portion of the account balance that has been awarded to the Alternate Payee.

Note: In regards to loan values, included means the Participant's account balance on the valuation date is not reduced by the value of any outstanding loan(s) prior to calculating the split amount. Excluded means the Participant's account balance on the valuation date is reduced by the value of any outstanding loan(s) prior to calculating the split amount.

- ★ The responsibility for the loan will always remain with the Participant; the QDRO can however assign a portion of its "value" to an Alternate Payee.
- ★ The Participant's remaining account balance, after the Alternate Payee's awarded interest has been determined, must always retain enough assets to secure the balance of any outstanding loans.

Note: Any "Notes" contained within this section of the Order may be removed.

If earnings and losses are not to be included, the following language should be included in your Order: "If the total amount assigned to the Alternate Payee in the Order is not immediately available for distribution due to unvested balances, outstanding loans, or investment losses, then the Alternate Payee shall receive 100% of the Participant's account balance as of the date of distribution in lieu of the aforementioned assignment."

In the event the Participant has a Vanguard Brokerage Option ("VBO") or a Self-Directed Brokerage Option ("SDBO") account and the Alternate Payee is entitled to a portion of this balance, the Order must provide for whole number of shares and the specific name(s) of the security the award is to be taken from.

- ★ Any award from the VBO or SDBO account must be based on a valuation date that is consistent with the date of segregation; the awarded interest cannot be as of a retroactive valuation date with the application of earnings and losses.

SECTIONS 4 – 7 or 8 (Miscellaneous section):

- These sections of the Order contain language that is specific to your Plan or is required in a DRO and should remain within the Order.
- Fee Assessment: In the event your Plan assesses a fee for the QDRO Determination process, the language contained in this section is the default practice of the Plan when the DRO is silent on the fee assessment method. The parties may amend this section to provide for the fee to be deducted solely from the account of the Participant, solely from the Alternate Payee's account, or any other allocation method provided by the parties. If the parties choose to amend this section, the DRO should clearly state the fee assessment method and should not provide conflicting direction.

SECTION 8 or 9. RESERVATION OF JURISDICTION:

- The Order must be dated and signed by a judge or appropriate court official.

CERTIFICATION REQUIREMENTS:

- In accordance with the terms of the Plan, an Order must be certified. A certified Order is one that has been signed by a judge or appropriate court official, certified by the court clerk, and stamped with a file number. Please refer to the Plan Procedures to determine if your Plan has any specific requirements other than those stated above.

Note: Please note that while a certified copy of the original Order or a file-stamped copy of the original Order is acceptable for purposes of determining the DROs qualified status, we do not accept photocopies or facsimile copies.

MAILING ADDRESS:

Please forward your completed Order to the following address:

USPS

The Vanguard Group
Attn: QDRO Determination Services
PO Box 982902
El Paso, TX 79998-2902

Overnight

The Vanguard Group
Attn: QDRO Determination Services
5951 Lockett Court, Suite A2
El Paso, TX 79932