



**Qualified Domestic Relations Order (QDRO) Procedures for the
Edison International Retirement Plan for Bargaining Unit Employees of Midwest
Generation, LLC (“Plan”)**

What is a Qualified Domestic Relations Order (QDRO)?

A QDRO is a judgment, decree, or order (including the approval of a property settlement agreement) that awards all (or a portion) of a participant’s plan benefit to an alternate payee. The alternate payee may be the participant’s spouse, former spouse, child, or other dependent. The QDRO must be made pursuant to a state’s domestic relations or community property law, and must satisfy certain legal requirements before it may be accepted.

Benefits Payable Under a QDRO

A QDRO is only used to divide marital property or provide child support or alimony payments. The Plan cannot distribute benefits to anyone other than the participant without an approved QDRO. If the parties cannot agree on the division of property or the payment of support, a court may issue a QDRO, without participant approval, awarding all or a portion of the participant’s benefits to an alternate payee or multiple alternate payees.

QDRO Administrator

The administrator for purposes of the submission and review of draft QDROs for the Plan is Domestic Relations Administration Group (“DRA”), Conduent. Correspondence to DRA should be sent to the EIX Benefits Connection, using the following addresses:

For US Mail

EIX Benefits Connection
P.O Box 5221
Cherry Hill, NJ 08034-5221

For Overnight Delivery

EIX Benefits Connection
101 Woodcrest Road
Cherry Hill, NJ 08003

If you have questions about the QDRO process, you may also contact DRA by calling the EIX Benefits Connection at (866) 693-4947 from 7:30 a.m. to 5:30 p.m. Pacific Time Monday through Friday, excluding holidays. When calling the EIX Benefits Connection, please be sure to mention that you are calling about a QDRO, and have the participant’s Social Security number available for reference purposes. The EIX Benefits Connection representative will transfer the call to DRA.

Notice of Adverse Interest

A notice of adverse interest is a written notice from an individual (usually a spouse, former spouse, or dependent child) or the individual's legal representative claiming an interest in the participant's Plan benefit. It can be any written documentation (court document, judgment, dissolution decree, joinder, or other writing) indicating a pending division or award of Plan benefits, or notice that a QDRO is being sought.

Notices of adverse interest should be sent to DRA c/o the EIX Benefits Connection at either address listed on page 1 of these Procedures. Your notice must include your signature, date, current address, social security number, date of birth and a phone number. Please do not send a photocopy of your written notice.

The following is an example of a written notice of adverse interest:

My name is *John Doe*, SSN xxx-xx-xxxx. I am the legal spouse of *Jane Doe*, SSN xxx-xx-xxxx, an employee of Edison International.

I intend to obtain a Qualified Domestic Relations Order claiming an interest in any benefits accumulated by *Jane Doe under the Edison International Retirement Plan for Bargaining Unit Employees of Midwest Generation, LLC*. Please prohibit any distribution of plan benefits pending receipt of a QDRO.

Signature and Date

Current Address

Date of Birth

Phone Number

When DRA receives a notice of adverse interest for the Plan, an *administrative hold* will be placed on the participant's benefits in the Plan. However, if the participant is in "pay status" (i.e., DRA receives the notice after the participant's annuity starting date), a hold will be placed on Plan payments only upon receipt of an approved court certified Joinder or Restraining Order, or upon qualification of a QDRO.

Administrative Holds

An administrative hold will prevent distributions from the Plan, even if the participant terminates employment with the company or retires. Notification of an administrative hold will be provided to the participant.

Upon receipt of one of the following documents below, any administrative hold which has been placed on a participant's Plan benefits shall be removed:

- A divorce decree, judgment, or property settlement agreement is received which unambiguously provides that the participant is awarded all of his or her interest in the Plan.
- A QDRO has been received and its terms implemented.

- A subsequent court order vacating the QDRO (or amending the QDRO to unambiguously provide that the participant is awarded all of his or her interest in the Plan) is received.
- The participant's ex-spouse provides a written, signed and notarized waiver of 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. If a QDRO exists, the QDRO must be vacated (or must be amended to unambiguously provide that the participant is awarded all of his or her interest in the Plan) before the hold will be released.

If at the end of the 18-month period after the administrative hold was first placed it is determined that a domestic relations order is not a QDRO (or the issue as to whether such domestic relations order is a QDRO is not resolved), then DROA may release the administrative hold on the participant's account at such time or at a later time, in compliance with ERISA Section 206(d)(3)(H), Code section 414(p)(7)(E), and other applicable guidance.

If an administrative hold is removed (or if no administrative hold was put in place because DROA did not receive a written notice of adverse interest or a proposed or final QDRO), the participant will be entitled to payment of benefits from the Plan in accordance with regular Plan terms (i.e., there will be no additional restrictions on distributions to the participant).

QDRO Preparation

A QDRO must meet certain legal requirements before it will be approved by DRA.

The QDRO must clearly specify the following:

- The name and address of both the participant and the alternate payee. For identification and benefit payment purposes the Plan also requires that the Social Security numbers and dates of birth for both the participant and alternate payee also be provided. The Social Security numbers and dates of birth may either be provided in the order, or in a separate attachment to the order;
- 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;
- The number of payments or period to which such order applies (i.e., when payments to the alternate payee are to begin and when they are to end); and
- The name of each plan to which the order applies.

A QDRO may not contain certain provisions:

- The order must not require the Plan to provide for any type or form of benefit or any option that is not otherwise provided under the Plan;
- The order may not require the Plan to provide increased benefits (determined on the basis of actuarial value);

- The order may not require the payment of benefits to an alternate payee that are required to be paid to another alternate payee under another order previously determined to be a QDRO.

Receipt of a Domestic Relations Order

Notification of receipt of a DRO:

- Upon receipt of a domestic relations order, DRA shall 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.
- A copy of these QDRO procedures shall accompany the notification.

Review of the DRO:

- The order shall be evaluated for compliance with the requirements for a QDRO as provided in provisions of Internal Revenue Code Section 414(p) and ERISA Section 206(d) and the terms and procedures of the Plan.
- If DRA 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 and an explanation of the review procedures under the Plan.
- If the sole reason for the non-qualification of the order is that the order has not been filed with the court, the order shall be considered "pre-qualified" and the parties shall be notified of such by mail.
- If DRA 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. All, or a portion, of the participant's benefit will be awarded to the alternate payee in accordance with the terms of the QDRO.

Additional Issues in Determining an Order's Qualified Status

- The order may only provide for the division of a participant's vested benefits. Orders directing the division of any portion of unvested benefits will be rejected.
- If the participant is not in pay status and the order uses the time rule to determine the alternate payee's interest in the participant's Plan benefit (i.e., the ratio of the participant's Plan service during marriage to the participant's total Plan service), the alternate payee's interest must be determined as of the alternate payee's annuity starting date. If the order instead awards a specified percentage as of a specified date, the date must be on or after January 1, 2012 and must be the first of a month. Unless the order specifies otherwise, once the alternate payee's interest is determined, the alternate payee shall not be entitled to additional Plan benefits, even if the participant subsequently qualifies for additional Plan benefits.

- If the participant is in pay status, the order cannot change the survivor benefit (if any) that is payable upon the participant's death.
- The Plan does not permit domestic relations orders to make, change, or revoke beneficiary designations for the participant. If the alternate payee is currently the participant's designated beneficiary for the Plan, and the participant wishes to change his or her beneficiary designation for the Plan, the participant must contact EIX Benefits Connection and make a new Plan beneficiary designation in accordance with Plan terms.

Distribution of Benefits Pursuant to QDRO

Participant Not In Pay Status:

- After DRA has approved the QDRO and notified the alternate payee, the alternate payee shall have the right to elect to receive benefit payments on or after the date on which the participant attains or would have attained the "earliest retirement age" as that term is defined by the Code section 414(p)(4) (if permitted under the QDRO).
- The alternate payee may elect distribution of his/her awarded interest in any form available to the participant under the terms of the Plan as of the date such distribution may commence (if permitted under the QDRO).
- If the alternate payee's annuity starting date is before the participant's normal retirement date, the alternate payee's benefit calculation shall include adjustments for actuarial factors related to such earlier commencement in accord with the terms of the Plan. Absent an earlier alternate payee request, distribution of alternate payee's interest shall commence no later than as of the date on which distribution of participant's Plan benefits commence. Provided that distribution of alternate payee's interest has not yet commenced, the Plan shall notify alternate payee in writing at the last address in its files should the Plan commence payment of any Plan benefits to the participant. Absent termination or modification of the Plan, once distribution of any benefits awarded to the alternate payee begins, no further adjustment shall be made to the amount of alternate payee's awarded benefit interest except as provided by the terms of the Plan.
- In the event of the alternate payee's death prior to the alternate payee's commencement of benefits, 50% of the present value of the interest awarded to the alternate payee shall be distributed in a lump sum to the alternate payee's estate (unless the alternate payee has designated a beneficiary in accordance with Plan terms, in which case, the distribution will instead be made to the alternate payee's designated beneficiary). The remainder of the present value of the alternate payee's interest will no longer be payable from the Plan.
- In the event of the participant's death prior to the alternate payee's commencement, the interest awarded to the alternate payee in a QDRO approved by DRA shall nonetheless be paid to the alternate payee, regardless of any subsequent surviving spouse or other death beneficiary designation that may have been made by the participant.

- If the alternate payee's payment form is a single life annuity, benefits are payable for the alternate payee's lifetime **only** and no future benefits will be payable to the alternate payee's estate or beneficiaries.
- If, after the date the alternate payee's interest is determined, the Plan makes an adjustment to the participant's benefit, the adjustment will not change the alternate payee's benefit entitlement under the Plan.

Participant In Pay Status:

- The alternate payee shall commence his/her portion of the benefit as soon as administratively possible after DRA approves the QDRO. Payments to the alternate payee of his/her portion of the benefit will continue until the earlier of the participant's death or the alternate payee's death.
- In the event of the alternate payee's death prior to the participant, the alternate payee's portion shall revert back to the participant.

Taxes on Plan Payments

If the alternate payee is the spouse or former spouse of the participant, the alternate payee shall be treated as the distributee under Internal Revenue Code Sections 61, 72 and 402 as to any payment or distribution that is made directly to the alternate payee and shall be solely responsible for any income or other taxes due with respect to such amounts.

If the alternate payee is the participant's child or other dependent, the participant is responsible for any income or other taxes due with respect to such amounts.

Alternate payees should consult a financial planner or tax advisor for information prior to any distribution from the qualified plans.

Information Requests

Plan participants can obtain estimates of their current accrued benefit and certain other information through the EIX Benefits Connection (866-693-4947 or www.eixbenefits.com).

Anyone else (other than the participant) seeking Plan benefit information will only be provided available information pursuant to a subpoena or written authorization from the participant. Procedures for subpoena service can be obtained by contacting DRA.

Sample QDROs (i.e., model orders) are available upon request. The company recommends you seek appropriate legal assistance in the completion of your QDRO.

Once the QDRO is ready to be filed with the Court, we suggest you obtain pre-approval from DROA as to the proper form and content of any proposed QDRO you anticipate filing.