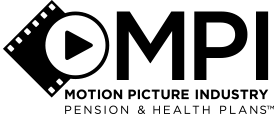
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Divorce and Your MPI Benefits

FAQ’s

Motion Picture Motion Picture Industry Pension Plan (the “Pension Plan”) and the Motion Picture Industry Individual Account Plan (the “IAP”)

(collectively, “MPI”)

**Is a former spouse entitled to the Participant’s Benefits?**

Your divorce may impact your retirement benefits. Part of your retirement benefits may be awarded to your former spouse as part of your divorce proceedings.

**Can MPI give me legal advice concerning my retirement benefit and my divorce?**

MPI staff cannot provide legal advice concerning the division of retirement benefits.

**Do I have to hire a lawyer?**

While it is not mandatory that divorcing parties are represented by an attorney, MPI recommends that both the Participant and the former spouse make themselves aware of laws concerning the division of retirement accounts.

**Is the property settlement agreement sufficient in order for MPI to make a payment to a former spouse?**

No. The documents that are needed in order for MPI to make a payment to a former spouse are:

* Final Judgment for Dissolution of Marriage or Legal Separation
* Qualified Domestic Relations Order (“QDRO”)
* Joinder (If the QDRO is not filed in a California court, no Joinder is necessary.)

**Why do I need a Joinder for a QDRO file in a California court?**

California law provides that an order or judgment in a dissolution or other family law proceeding is not enforceable against MPI unless MPI have been joined as a party to the proceeding. For the protection of the Participant, former spouse, and MPI, MPI requires that MPI is joined as a party to divorce proceedings in order for MPI to comply with a QDRO. The Joinder documents are available from your local family court and should be filed in the county where your divorce is filed.

Upon receipt of a Joinder or Notice of Adverse Interest, MPI will place a legal hold on all or a portion of the Participant’s benefits. This hold is intended to preserve the former spouse’s rights until MPI has received a court-approved QDRO specifying the division of retirement benefits.

**What is a QDRO?**

A QDRO is a court order that will provide MPI with instructions on how and when to pay your former spouse. For a copy of a model QDRO, please contact MPI.

Please note that neither party is required to use MPI’s model QDRO language. However, this model has been prepared by MPI Counsel and will meet with MPI Counsel’s approval. Because of the complexity of some of the provisions of MPI and the laws applicable to division of retirement benefits, MPI strongly recommends that you use the model QDRO.

The MPI model QDRO addresses most issues concerning the community property division of retirement benefits; including when payments may commence, preservation of the former spouse’s interest in the event of death of either party before or after benefits commence, and division of any retiree increases. Again, MPI staff cannot advise either party concerning legal issues. Therefore, both parties should hire attorneys or familiarize themselves with the laws concerning the division of plan benefits. MPI strongly recommends that MPI Counsel review a draft of the Domestic Relations Order ("DRO") before it is submitted to the court.

**What if I don’t send my DRO to MPI Counsel for pre-approval? Will MPI make payments as long as it has a judge’s signature?**

A retirement plan may only make payments under a court order. If MPI has been joined in the proceeding and if the order has been determined to be a QDRO under the rules of MPI and the laws affecting QDROs.

Any order received that was not approved by MPI Counsel in advance will be referred to the MPI Counsel for a determination whether the order satisfies both MPI requirements and the laws affecting QDROs. However, if the DRO has to be revised and resubmitted to the court, it will delay payments.

**Do I need to serve a Joinder and QDRO for each Plan – Pension Plan, Individual Account Plan (IAP)?**

No. One Joinder and one QDRO can be used for both plans, eliminating the need for two separate orders.

**Legal processes may be served on the Executive Administrative Director at MPI:**

Executive Administrative Director

Motion Picture Industry Pension Plan

Motion Picture Industry Individual Account Plan

11365 Ventura Boulevard, Studio City, California 91604-3148

**Mailing Address:**

P.O. Box 1999, Studio City, California 91614-0999

**PLEASE NOTE:** MPI staff cannot assist the Participant or the former spouse with preparation of any court documents. MPI does not receive copies of orders directly from the court. It is the responsibility of the Participant, former spouse, or the attorneys for the parties to serve MPI with any court-approved order.

**What *does* MPI do?**

MPI and MPI Counsel review all draft DROs submitted to ensure they meet the requirements of the applicable law, MPI provisions, and MPI QDRO requirements.  MPI does not take any position as to the division of benefits or whether or not a former spouse is entitled to receive a portion of a Participant’s benefits.  This is something that the parties and their attorneys must decide.  Nor does MPI enter the order in court -- this is done by either or both parties.

**How do I obtain all the necessary information on the Pension Plan and the IAP?**

Individual retirement records, such as accrued benefit and hours, are confidential. These records may be disclosed only to the Participant or to someone authorized by the Participant in writing or by court order. We strongly recommend you use our form so that all the necessary information is submitted with your request.

Alternatively, MPI will provide information requested through a validly issued subpoena or Joinder.

**How do I know my portion of the benefits?**

MPI can provide, upon request by the Participant, an estimate of the community property interest of the Participant’s account using a commonly applied formula. The Participant may request this estimate, called a QDRO estimate, by providing the following information to MPI:

* The Participant’s name and Social Security number.
* The former spouse’s name, Social Security number, and date of birth.
* The date of marriage.
* The date of separation.
* The date of determination, which is the estimated date of retirement. If no date of determination is provided, the estimate will default to the Normal Retirement Date.

Please remember that the information provided is an estimate and may not reflect the Participant’s actual benefit at retirement. However, the information can be useful in determining the former spouse’s community property share of the Participant’s retirement benefits under this formula. Please allow four weeks for preparation of the estimate.

MPI will provide a copy of the Summary Plan Description to any requesting party. However, any information of a confidential nature will only be released to the Participant or an authorized party.

**How are my benefits divided?**

Under a commonly applied formula, the number of hours earned while you were married is divided by your total hours at retirement, then multiplied by one-half to determine your former spouse’s portion of Benefits.

Under the time rule, if you earned 10 years of service credit while you were married but you retire with 20 years of service credit, your former spouse will receive 25% of your total retirement allowance (10 years / 20 years x ½ = 25 %). There are other methods for dividing retirement benefits, so you should consult with an attorney to explore your options.

**Will MPI recover payments for back child support or spousal support?**

Under Federal law, MPI is unable to distribute amounts to anyone other than the Participant, with the exception of those amounts payable under a QDRO. The Judicial Council of California has a form Qualified Domestic Relations Order for Support (Earnings Assignment Order for Support) FL-460, which MPI has accepted in the past.

**Who gets taxed if a QDRO is for support?**

Under the federal QDRO laws, whenever the alternate payee is the spouse or former spouse of the participant, such spouse or former spouse will be taxed on the QDRO distribution. This is true even if the QDRO was drafted for child support arrearage purposes.

If the QDRO is for child support purposes, you may designate the child as the Alternate Payee in the QDRO. While MPI will accept a QDRO either way, if the child is named as the Alternate Payee, then the Participant will be taxed on the distribution.

**What is the earliest date on which payments may be withdrawn from Participant's benefit plan? Can the former spouse receive payments prior to the Participant?**

Yes, if the QDRO allows for this provision and the Participant has met the minimum requirement to retire and begin receiving benefits.

The Individual Account Plan benefit is payable in the form of a one-time lump sum to the Alternate Payee as soon as administratively feasible after a QDRO is served on MPI and determined by the administrator of the MPI to be a QDRO. If the allocations under the IAP for the preceding plan year have not yet been completed, the benefit under the IAP may be paid in two installments.

**If my former spouse does receive part of my retirement benefits, can MPI make a direct payment to my former spouse?**

Yes. If there is a Joinder and a QDRO on file with MPI, we can make a direct payment to your former spouse. Also, we will issue separate Form 1099s for both you and your former spouse.

**What if the former spouse wants to waive the Participant’s benefits?**

In order for a beneficiary to waive his or her rights to benefits in a divorce decree, the divorce decree must specifically identify the benefits being waived.

**What if a Joinder and/or QDRO are pending and the parties decide to stay married?**

If the parties are staying married, then they should get the pending court case dismissed.  If they can provide MPI with a copy of the case dismissal by the court, then MPI will release any applicable hold.

**How do I change the provisions in a QDRO after it is signed by a judge?**

If either party disputes the allocation of benefits set forth in a QDRO, that party should consult with his or her attorney on the matter.

**What if the former spouse decides to waive the Participant’s benefits after a Joinder and/or QDRO is signed by a judge?**

If MPI receives an order that meets the QDRO requirements and is signed by a judge, MPI must administer such a court order, unless MPI receives a subsequent court order to the contrary.

**What happens if I get divorced after retirement?**

In the event that the Pension Plan is served with a Summons on Joinder after the Participant is retired, the Participant’s monthly retirement benefit will be reduced according to a court-approved QDRO. There is often a lapse between the time a Joinder is received and the time a QDRO is received. Normally, this would mean that the Participant’s benefit would be suspended until the Pension Plan receives a conformed QDRO. The Pension Plan is restrained by the Joinder from making benefit payments to the Participant until the former spouse’s interest can be determined. To avoid unnecessary hardship on our Participants, the Pension Plan will only suspend 50% of the Participant’s Pension Plan benefit until a QDRO has been received. At that time, the Pension Plan will determine whether the Participant has been underpaid and will restore the corrected benefits to the Participant.

**What about health benefits?**

Please note that the former spouse is not an eligible dependent under the Health Plan effective with the date of the divorce. You must notify the Motion Picture Motion Picture Industry Health Plan (the “Health Plan”) immediately when you are divorced, to ensure that no benefits are paid to ineligible dependents. The Health Plan may recover any benefits wrongfully paid on behalf of an ineligible dependent from either the participant or the dependent. Please also consult the Summary Plan Description for the Health Plan for rules concerning the former spouse’s COBRA rights.