

BENEFICIARY DESIGNATION RULES

Background

Each Participant with an Accrued Benefit is required to complete a **Beneficiary Designation Form** upon which he or she will designate who is to receive his or her benefits in the event of the death of the Participant. This form constitutes instructions to the trustee who is to receive the Accrued Benefit of the deceased Participant and takes precedence over any other document, including the Participant's will or family trust. It is, therefore, extremely important that the Participant complete a new updated Beneficiary Designation Form whenever there is change in his or her desired Beneficiary or a change in marital or family status.

Information Required

The Participant is required to complete the form in full and must provide the following information:

- (1) Name of Participant
- (2) Social security number of Participant
- (3) Address and telephone number of Participant
- (4) Name of primary Beneficiary, relationship and their address
- (5) Name of secondary Beneficiary, relationship and their address

The primary Beneficiary, if still living, will be entitled to the Accrued Benefit upon the death of the Participant. If the primary Beneficiary predeceases, or dies simultaneously to, the Participant, the secondary Beneficiary will be entitled to the benefits.

The Participant may name as many primary Beneficiaries or secondary Beneficiaries as he or she chooses, just so long as their wishes are made clear to the Trustee. For example, a typical designation would be to name "my wife Mary" as the primary Beneficiary and "my three children, Jack, Emily and Raymond, equally" as the secondary Beneficiary.

Spousal Rights

With the enactment of the Retirement Equity Act of 1984, the spouse of the Participant has certain rights with regards to the disposition of the deceased Participant's Accrued Benefit. Once a spouse has been married to the Participant for one year, the general rule is that the spouse IS the primary Beneficiary, regardless of any other documentation to the contrary, including the latest Beneficiary Designation Form, the Participant's will or family trust, any prenuptial agreement, etc. The spouse of a year or more will not be the Beneficiary if, and only if, the spouse waives his or her rights to be the Beneficiary. The waiver language, along with space for the spouse's signature, is at the bottom of the Beneficiary Designation Form. It is not required, but we suggest that the Plan Administrator require the spousal signature be notarized. The spousal waiver is permanent and may not be rescinded. Once the spouse waives his or her rights, they cannot ever reclaim their rights.