

WISCONSIN ENERGY
CORPORATION

STATE OF WISCONSIN

CIRCUIT COURT
FAMILY COURT BRANCH

@ @ ____ COUNTY

@ @ _____,

Petitioner,

and

Case No. @ @ _____
@ @ (classification code) _____

@ @ _____,

Respondent.

QUALIFIED DOMESTIC RELATIONS ORDER WITH RESPECT
TO TAX REDUCTION ACT STOCK OWNERSHIP PLAN

IT IS HEREBY ORDERED AS FOLLOWS:

- I. DEFINITION OF TERMS AND FACTUAL RECITALS - RETIREMENT EQUITY ACT OF 1984 (hereinafter called the "Retirement Act").
- A. *Domestic Relations Order.* The term "Domestic Relations Order" means a Judgment, Decree, or Order (including approval of a property settlement agreement) which:
1. relates to the provision of child support, maintenance payments, or marital property rights to a spouse, former spouse, child, or other dependent of a Participant; and
 2. is made pursuant to a state domestic relations law (including a community property law).
- B. *Qualified Domestic Relations Order.* The term "Qualified Domestic

Relations Order" means a Domestic Relations Order which:

1. creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to receive all or a portion of the benefits payable with respect to a participant under a plan.
2. clearly specified certain facts, as set forth in paragraph II herein; and
3. does not alter the amount or form of benefits under a plan, as set forth in paragraph III herein.

C. *Plan.* The name of the Plan to which this Order applies is: WISCONSIN ENERGY CORPORATION TAX REDUCTION ACT STOCK OWNERSHIP PLAN. Said Plan is also referred to as the "Plan".

D. *Participant.* The term "Participant" means the employee spouse.

Said Participant is: @@ _____, whose date of birth is: @@ _____, whose Social Security number is: @@ _____, and whose mailing address is: @@ _____.

E. *Alternate Payee.* The term "Alternate Payee" means a spouse, former spouse, child or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under a Plan with respect to such Participant, and for purposes of the Employment Retirement Income Security Act of 1974 (hereinafter called "ERISA"), shall be considered a beneficiary under the Plan.

Said Alternate Payee is: @@ _____, whose date of birth is: @@ _____, whose Social Security number is @@ _____, and whose mailing address is: @@ _____, and the Successor Alternate Payee is: @@ _____.

II. ASSIGNMENT OF RETIREMENT BENEFITS.

- A. Amount of percentage of Participant's benefit to be paid by Plan to each Alternate Payee, or manner in which such amount or percentage is to be determined is: @@ _____ shares (or @@ ____ % of the account balance as of @@ _____).
- B. Benefit is to be paid to the Alternate Payee in a single payment as soon as practicable following receipt and acceptance by the Plan Administration of a certified copy of the court - executed Qualified Domestic Relations Order.

III. COVENANTS REGARDING NONALTERATION OF BENEFITS.

Pursuant to section 414(p)(3) of the Code, said Order:

- A. Does not require any Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan;
- B. Does not require any Plan to provide increased benefits (determined on the basis of actuarial value);
- C. Does not require the payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order.

IV. DEATH OF ALTERNATE PAYEE - PROVISION FOR DESIGNATION OF BENEFICIARY.

- A. The Alternate Payee may designate the following beneficiary with respect to @@his/her retirement benefits created @@and/or assigned herein as follows:
@@ _____.

V. INTENDED TAX TREATMENT OF DISTRIBUTION OR PAYMENTS.

- A. The Alternate Payee shall include all of the taxable portion of said retirement benefits if, as and when received in @@his/her gross taxable income. For purposes of section 402(a)(9) of the Code, the Alternate Payee shall be treated as the distributee of Payee under this Order. Said retirement benefits, when paid, shall not be taxable income or deduction on

- the Participant's income tax returns.
- B. For purposes of sections 402(e)(4)(M), 402(a)(2), and 403(a)(2) of the Code, the balance to the credit of the Participant shall not include any amount distributed, paid @and/or payable to the Alternate Payee under this Order. If any distribution or payment of the balance to the credit of an employee would be treated as a lump sum distribution, then, for purposes of this subsection, the payment under this Order of the balance to the credit of the Alternate Payee shall be treated as a lump sum distribution.
- C. Payments to the Alternate Payee before the Participant attains age 59½ are not subject to the ten percent (10%) additional income tax that would otherwise apply under certain circumstances if the Participant had received said amounts.
- D. With respect to the rollover of a distribution under this Order, the portions of the distribution so transferred shall be treated as a qualifying (tax-free) distribution as set forth in section 402(a)(5)(A) of the Code:
1. if within one taxable year of the Alternate Payee, the balance to the credit of the Alternate Payee by reason of this Order is distributed or paid to the Alternate Payee;
 2. the Alternate Payee transfers any portion of the property @he/she receives in such distributions to an "eligible retirement plan", within 60 days after the date on which the Alternate Payee receives said distribution, as described in section 402(a)(5)(E)(iv) subclause (I) or (II) of the Code; and
 3. in the case of a distribution of property other than money, the amount so transferred consists of the property distributed.

VI. MISCELLANEOUS PROVISIONS.

- A. It is intended that this Order will qualify as a Qualified Domestic Relations Order under REA, and the provisions herein shall be administered and interpreted in conformity with the Act.
- B. The Court retains jurisdiction to amend this Order, but only for the purpose of establishing or maintaining its qualifications as a Qualified Domestic Relations Order under REA; provided that no such amendment shall require

the Plan to provide any type or form of benefit, or any option, not otherwise provided under said Plan, and further provided that no such amendment or the right of the Court to so amend will invalidate this Order as "qualified" under said Act.

C. A true/certified copy of this Order shall be served upon the Plan Administrator forthwith. Said Order shall take effect immediately and remain in effect under further order of the Court.

D. It shall be the responsibility of Participant and Alternate Payee to keep the Plan Administrator of the Plan located at: Stock Transfer Office, Wisconsin Electric Power Company, 231 West Michigan Street, Milwaukee, Wisconsin 53203 advised of their respective current addresses.

SO STIPULATED:

Participant, @ @ _____ Dated:

Alternate Payee, @ @ _____ Dated:

Date: March ____, 1997.

BY THE COURT:

@ @ _____
Circuit Court Judge Branch @ @ _____

APPROVED AS TO FORM:

Attorney for Participant

Attorney for Alternate Payee