



March 25, 2025

David Yacaginsky
PO Box 137
Woden, ACT 2606 AS

Uploaded via LMESC

Dear Mr. Yacaginsky:

The purpose of this letter from the Lockheed Martin Pension Plans Administrative Committee (the "Committee") is to advise you of the decision regarding the appeal of your denied claim for benefits under the Federal Systems Component of the Lockheed Martin Corporation Retirement Plan III, part of the Lockheed Martin Salaried Employee Retirement Program (the "Plan"). You claim that no benefits assigned under your qualified domestic relations order ("QDRO") should be payable to the alternate payee identified in the QDRO.

The Committee reviewed the information you submitted, including your appeal letter, the initial claim denial letter from Lockheed Martin Corporation ("LMC") Pension Plan Services (dated November 13, 2024) and your comments on such letter, the initial QDRO determination letter (dated September 14, 2001), your requests for supplemental documents and the letter from LMC Pension Plan Services responding to these requests (dated November 26, 2024), the email exchanges you submitted, and the FAQs on Drafting QDROs from the Department of Labor. The Committee also reviewed the QDRO (dated September 7, 2001), the QDRO Procedures in effect when the QDRO was processed by LMC's QDRO Administrator, your online messaging exchanges with the Lockheed Martin Employee Service Center ("LMESC") regarding the QDRO, and the pension estimate reflecting the QDRO offset (dated October 15, 2024).

The Committee considered your claim that no benefits can be assigned to the alternate payee under the QDRO based on your reasoning that your benefits had no value during the marital period because you were not vested by March 23, 2000 (the end of the marital period identified within the QDRO). In analyzing this claim, the Committee reviewed the terms of the QDRO which provides that the alternate payee is assigned 50% of the benefits that accrued during the period beginning July 21, 1979 and ending March 23, 2000 (the "Marital Period"). The QDRO further provides that the alternate payee's share of benefits is to be determined based on the participant's present value at the time of commencement. ("[T]he Plan Administrator is directed to determine the Alternate Payee's share of Participant's retirement benefit according to the Majauskas formula to be fifty (50) percent of the Participant's maximum present value at commencement of payment of benefits to the Alternate Payee.") No language within the QDRO requires that LMC calculate the benefits assigned to the alternate payee based on the vesting status that existed during the Marital Period. The Committee noted that you had benefits accrue during the Marital Period even though you did not fully satisfy the vesting conditions of the Plan until June 2000. The Committee also considered that when you and the alternate payee commence benefits under the Plan, you will remain fully vested in your benefits under the Plan. Because the QDRO assigns benefits that accrued during the Marital Period, the Committee determined that a portion of your benefits under the Plan were properly assigned to the alternate payee pursuant to the terms of the QDRO.

The Committee considered your concern that the court improperly entered the domestic relations order that was determined to be a QDRO. When a plan administrator receives a domestic relations order, the plan administrator must determine whether the order satisfies the requirements of a QDRO under section 414(p) of the Internal Revenue Code of 1986, as amended, and section 206(d) of the Employee Retirement Income Security Act of 1974. If the order is determined to be a QDRO, the plan administrator has a fiduciary duty to pay benefits in accordance with the terms of the QDRO. The Committee considered that this domestic relations order satisfies the requirements of a QDRO and, therefore, LMC has a fiduciary duty to comply with the terms of the QDRO and must administer benefits pursuant to the QDRO as it is written. To the extent you have concerns that the court improperly entered the order, or that the order does not reflect the intent of the parties, you must address that matter with the court.

The Committee also considered your claim that LMC did not send you a copy of the letter that indicates LMC determined the order was a QDRO. In reviewing this claim, the Committee considered your assertion that you did not receive a copy of a letter that included your name and address in the letterhead and noted that the copy of the QDRO approval letter that you received only included your name in the "cc" section of the letter. At the time this letter was sent, LMC's QDRO Administrator maintained one copy of the letter that identifies all who were mailed a copy of the letter in the "cc" section at the end of the letter. Because you were identified in the "cc" section of this letter, the Committee determined that LMC's QDRO Administrator sent you a copy of this letter.

In summary, you claim that no Plan benefits may be assigned to the alternate payee pursuant to the terms of the QDRO because you did not fully vest in your benefits prior to the end of the Marital Period. The Committee has determined that a portion of your benefits under the Plan were properly assigned to the alternate payee pursuant to the terms of the QDRO. You also claim that LMC did not notify you when the order was determined to be a QDRO. The Committee has determined that you received notice based on the records maintained by LMC's QDRO Administrator. Therefore, the Committee has denied your claim for benefits.

You (or your authorized representative) are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits. For this purpose, a document or record is relevant if it was relied upon in making the benefit determination or if it was submitted, considered, or generated in the course of making the benefit determination.

If you disagree with this determination, you may have the right to bring a civil action under Section 502 (a) of the Employee Retirement Income Security Act of 1974.

Sincerely,
Lockheed Martin Pension Plans
Administrative Committee

cc: Employee Service Center