



Retirement Plan Information - Help

Participant: The Participant is the spouse whose retirement plan you are dividing. The spouse that is to receive benefits under the QDRO is the Alternate Payee

Plan Name: You must supply the complete legal name of the Retirement Plan. This information can be obtained from Retirement Plan statements received by the Participant, a Summary Plan Description provided by the employer, or a telephone call to the Retirement Plan or employer. A QDRO with an incorrect plan name will be rejected by the Plan.

Plan Administrator: You must supply the name of the Plan Administrator. The Plan Administrator may be the employer or it may be a third party. This information can be obtained from Retirement Plan statements received by the Participant, a Summary Plan Description provided by the employer, or a telephone call to the Retirement Plan or employer.

Plan Address: You must supply the complete address for the Retirement Plan. The judge may not sign a QDRO if the Plan Administrator's address is omitted.

Plan Telephone Number: You must supply the telephone number, including area code for the Retirement Plan.

Employer: You must supply the name of the employer whose retirement plan to being divided by the QDRO.

Date of Hire: This is the date that the Participant began working for the employer whose plan is being divided. This date may be before your marriage date.

Defined Contribution Plan:

If employee is retired, what form of benefit was selected?

Joint and Survivor annuity: A scheduled monthly payment to the recipient for his/her life followed by a monthly payment to the recipient's named beneficiary for the beneficiary's life after the recipient's death. The beneficiary's monthly payment may or may not be the same amount as the monthly payment to the recipient, depending upon the type of Joint and Survivor Annuity.

Single Life annuity: A scheduled monthly payment to the recipient for his/her life only. Once the recipient dies, the monthly payments stop. Also known as a straight-life annuity.

Date of Division of Account: This means the date the account is to be valued and divided between Husband and Wife. This is usually the separation date, however, Husband and Wife can agree to use a different date. Normally, the Former Spouse's share is credited with any gains and losses between the Date of Division and actual distribution by the Plan.

Method of Division: There are two ways to determine the amount of money to be distributed to the Former Spouse. (1) A percentage of the account as of Date of Division can be used, or (2) an actual dollar amount. A Plan Administrator for a defined contribution plan will normally reject any other method of division.

Is former spouse's share adjusted for gains and losses after Date of Division through date of distribution? Normally, the former spouse does share in gains and losses after the Date of Division. This is because once the account is divided, each person's share becomes his/her separate property. If Date of Division is earlier than the date the funds are actually distributed by the Plan to Former Spouse, (for example date of division may be Date of Separation and Date of Distribution may be two years later) Former Spouse may be required to share in the gains and losses of the account during that interim period, if not stated otherwise in the QDRO. In other words, if the account gained in value during the interim period, the former spouse's share at Date of Division would be adjusted upward through Date of Distribution. Just as importantly, if the account lost value in the interim, the former spouse's share would be adjusted downward.

Separate account held by plan administrator or distribution from plan as soon as possible? Some plans will allow the Former Spouse to set up a separate account within the plan. Some plans will allow a distribution directly to the Former Spouse or a rollover to the former spouse's own Individual Retirement Account (IRA). We need to know which you prefer.

What is the difference between an outright distribution and a rollover to Former Spouse's IRA? If the Former Spouse elects an outright distribution there will most likely be income tax due on the balance that is distributed to the Former Spouse. If the Former Spouse elects a rollover to the Former Spouse's own IRA the taxes will normally be deferred until the former spouse begins taking distributions from their IRA. The Former Spouse should check with his/her tax advisor.

If a former spouse takes an outright distribution pursuant to a QDRO, he/she will avoid the 10% penalty that would apply if the participant took an early distribution.

Loans outstanding against the account balance: Many defined contribution plans allow the Participant to borrow from his/her account. Valuation of the Account Balance

at Date of Division will be different depending upon whether the loan amount is then added back to the account balance for purposes of Valuation. Another issue: Who is responsible for repayment of the loan - Husband, Wife or both? This issue may have been addressed in your Marital Settlement Agreement.

Have any other QDROs been filed with the Plan: This would apply to any interim QDROs filed during your dissolution process, or any previous QDROs filed between the Participant and a spouse previous to the current Alternate Payee.