

METHODS OF DIVISION OF DEFINED BENEFIT PLANS

A **Separate Interest** QDRO divides the Participant's retirement benefit (rather than just the payments) into two separate portions with the intent of giving the Alternate Payee a separate right to receive a portion of the retirement benefit to be paid at a time and in a form different from that chosen by the participant.

A **Shared Interest** QDRO is used to split the actual benefit payments made with respect to a Participant under the Plan to give the Alternate Payee part of each payment. Under this approach, the Alternate Payee will not receive any payments unless the Participant receives a payment, i.e. the Alternate Payee agrees to wait until the Participant retires in order to begin receiving payments.

Below is a chart of some of the basic differences between the methods.

	SEPARATE INTEREST	SHARED INTEREST
Duration of Payment	Paid of AP's Life Expectancy*	Payable over the P's Life Expectancy**
Payment Commencement	AP may commence benefits following P's attainment of the earliest retirement age allowed by Plan. Must, in most instances, commence by the time P commences receipt of benefits.	AP commences benefits when P commences benefits.
Form of Payment	AP can select any form in accordance with plan provisions except for a joint and survivor option with a subsequent spouse.	AP only eligible for the form of benefit elected by the P at commencement.

*AP means Alternate Payee

**P means Participant