

*The FRS Investment Plan*

*Qualified Domestic  
Relations Order*

Procedures

# Index

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# I. Qualified Domestic Relations Order (QDRO) Overview

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## **What's a Domestic Relations Order?**

A Domestic Relations Order is a court order, judgment, or decree issued under a state's domestic relations law. It recognizes the right of the following individuals (referred to as "alternate payees") to receive all or part of the member's account in the FRS Investment Plan:

- Spouse
- Former spouse
- Child
- Other dependent of the member

A Domestic Relations Order must be submitted and qualified to become a QDRO.

## **What's a Qualified Domestic Relations Order (QDRO)?**

A QDRO is a Domestic Relations Order that has been determined to meet specific requirements mandated by the provisions of the FRS Investment Plan.

The Domestic Relations Order must be qualified by the FRS Investment Plan's Qualified Order Team before any payments are made to an alternate payee.

## II. Creating a QDRO

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### Considerations Before Seeking a QDRO

Before starting the process of seeking a QDRO, it's important to learn the following information:

- Is the member entitled to a benefit under the FRS Investment Plan?
- If you're a member, you can call the FRS Plan Administrator toll-free at 1-866-446-9377, Option 4 to get your benefit information.
- All other parties can work with the member or the member's attorney for member-specific information. Sometimes it may be necessary to subpoena the information from The State Board of Administration of Florida.
- The member can be restricted from retirement plan activity once the Qualified Order Center receives a draft domestic relations order, court order, or joinder.

### Your Steps for Creating a QDRO

There are many ways to draft the terms of a QDRO. The FRS Investment Plan's model language form is what it considers acceptable for a QDRO, if the required information is accurately completed. However, using FRS Investment Plan's model language form isn't required. These Procedures and Model Language are intended to provide general guidance and not legal advice.

Dividing retirement benefits in domestic relations proceedings involves complex matters such as marital rights, legal issues, and tax consequences. You may want to consult with an attorney about your case to see if the model form is sufficient or if some modifications are necessary to address issues applicable to your particular situation.

Follow the steps below (either using the model language form or creating your own) to complete a Domestic Relations Order that meets FRS Investment Plan's QDRO requirements.

#### Using Model QDRO Language Form

1. Complete the model language form without changing or adding language.
2. Have your order signed by a judge.

3. Obtain an original court-certified copy of the order from the clerk of the court. See details about **court-certified copies** below.
4. Send the court-certified order to:

FRS Plan Administrator  
Attention: Qualified Order Center  
P.O. Box 1433  
Lincolnshire, IL 60069-1433

### **Creating Your Own Form**

1. Complete a draft (not signed by a judge) of your domestic relations order, making sure it satisfies all of the FRS Investment Plan's QDRO requirements outlined later in this document.
2. Send the draft order to:

FRS Plan Administrator  
Attention: Qualified Order Center  
P.O. Box 1433  
Lincolnshire, IL 60069-1433  
Fax: (847) 883-9313 (draft orders only)

3. If you're notified that the draft order is preapproved, obtain a court-certified copy of the order from the clerk of the court and mail it to the address in Step 2. See details about **court-certified copies** below.
4. If the draft was denied, you'll need to make the necessary revisions based on the reasons stated in the Denial Notice and resubmit your order to the address in Step 2.

### **Court-Certified Copies**

An original court-certified order is signed or stamped by the judge or other court official and has an original stamp or seal from the clerk of the court stating the order is a certified copy. A photocopy or a faxed copy of a court-certified order is **not** acceptable for qualification requirements.

### **What Happens With Your Order**

After the order is received, the Qualified Order Center will:

- Restrict the member's benefit activity, as outlined on page 7;
- Review the order to ensure that it meets all the qualification requirements;
- Notify all parties within 30 days of receiving the order whether it meets all qualification requirements; and
- If the order is qualified, direct the appropriate retirement plan recordkeeper to establish separate benefits for the alternate payee.

## General Requirements for QDRO Approval

There are ten general qualification requirements that a Domestic Relations Order must meet. In addition, the order must satisfy the FRS Investment Plan's **QDRO requirements** as described in the last sections of this document. Otherwise, the order will be **denied**. The order must:

1. Be a court order, judgment, or decree (certified and signed by a judge or other state-approved court official);
2. Relate to the alimony payments or marital property rights of a spouse or former spouse, or to the support of a child or other dependent of a retirement plan member;
3. Contain a statement that the order is issued pursuant to a state domestic relations law;
4. Clearly identify the plan name;
5. Include the following information for the member and alternate payee:
  - Name
  - Last known mailing address
  - Last 4 digits of the member's and Alternate Payee's Social Security number
  - Date of birth;
6. Describe the amount or percentage of benefits to be paid and when to calculate the award;
7. Not require the plan to pay more benefits than the member has earned;
8. Indicate the manner of payment and when payments may begin;
9. Not require the plan to provide any benefit not otherwise provided by the plan; and
10. Not require payments to an alternate payee that are already required to be paid to another alternate payee under a previously issued QDRO.

### III. Changing a Previously Approved QDRO

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#### What a Revised Order Must Indicate

Any order attempting to change or replace an existing QDRO—in addition to meeting all the QDRO requirements—must:

- Specifically state that it **amends** or **supersedes** the previously qualified order; and
- Provide a way to identify the previous QDRO, such as a date when it was signed by the court.

Send the order to:

FRS Plan Administrator  
Attention: Qualified Order Center  
P.O. Box 1433  
Lincolnshire, IL 60069-1433

#### General Information on Special Situations

If the alternate payee has already requested a total distribution under an FRS Investment Plan QDRO, the revised order may only award the alternate payee an increased benefit. If the revised order seeks a decreased benefit for the alternate payee, the order will be denied.

#### Transfer of FRS Pension Plan Benefit to FRS Investment Plan

An active FRS Member may elect to transfer his or her benefit in the FRS Pension Plan (Defined Benefit Plan) to the FRS Investment Plan. If a Member has a previously existing QDRO on a benefit in the FRS Pension Plan, the Member's Investment Plan QDRO must clearly state in the order that the Investment Plan QDRO vacates the QDRO on the FRS Pension Plan before the benefit can be transferred or an FRS Investment Plan QDRO can be qualified. The QO Team will review and qualify the Investment Plan QDRO.

## IV. Canceling a Previously Approved QDRO

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### What an Order Must Indicate

Any order attempting to cancel an existing QDRO must:

- Specifically state that it **nullifies** or **vacates** any previously qualified order on the FRS Pension Plan benefit or any previously existing order for the FRS Investment Plan.
- Provide a way to identify the previous QDRO, such as a date when it was signed by the court.

Send the order to:

FRS Plan Administrator  
Attention: Qualified Order Center  
P.O. Box 1433  
Lincolnshire, IL 60069-1433

### General Information on Special Situations

If the alternate payee has already requested a total distribution under the FRS Investment Plan QDRO, the canceling order will be denied.

## V. Benefit Restrictions on Member's Plan

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### Placing Benefit Restrictions

The member's benefit activity will be restricted when the Qualified Order Center receives one of the following:

- Draft domestic relations order
- Court order
- Joinder

The retirement plan administrator will start the process to prevent the member from withdrawing money, which otherwise may be payable to the alternate payee if the order is approved as a QDRO.

### FRS Investment Plan

The restriction lasts until the order is qualified or for a maximum period of 18 months per order. The member will be able to change investment choices and contribution amounts during the restriction period. However, no distributions will be allowed by the member during the restriction period:

### Removing Benefit Restrictions

When a court order or draft order is on file, account restrictions and suspensions of benefit payments (if applicable) may be removed when any of the following events occurs:

- A Domestic Relations Order becomes qualified.
- A subsequent court-certified order, such as a divorce decree, is received. The new order must state that the alternate payee has waived his or her rights to the member's benefits under the plan or that the member is entitled to 100 percent of the benefit under the plan.
- A subsequent court-certified order is received that cancels the order that caused the restriction to be placed on the plan.
- A notarized letter signed by the alternate payee is received requesting that restrictions be removed and naming the plan(s) affected. This method of removing a restriction is an available option **only** when a draft order has been submitted.
- A qualified order isn't submitted within the 18-month restriction or suspension period.

*Note: Any new order received after a restriction has been removed will begin a new restriction period.*

## VI. Glossary

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### Definition of QDRO-Related Terms

**Account balance**—The dollar amount in the member’s defined contribution plan.

**Alternate payee**—Any spouse, former spouse, child or other dependent of a member who is recognized by a Domestic Relations Order as having a right to receive all or a portion of the member’s retirement benefits payable under the plan.

**Benefit commencement date**—The date on which the member is scheduled to receive or actually begins receiving benefits in a defined contribution plan.

**FRS Investment Plan Qualified Order Team** —The group responsible for determining whether a Domestic Relations Order meets all requirements for a QDRO.

**Transfer Date**— The Transfer Date is the date the member transferred a benefit from the FRS Pension Plan (Defined Benefit Plan) into the FRS Investment Plan via an accumulated benefit obligation.

**Valuation date**—The date on which the member’s benefit is valued to determine the alternate payee’s award.

**Vested account balance**—The dollar amount of the member’s account balance in the FRS Investment Plan that the member has the right to keep after ending FRS-covered employment.

## VII. How Death May Affect a QDRO

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### What Happens if a Member or Alternate Payee Dies

- If a Member dies before a draft order is received, the FRS Investment Plan QO Team retains its discretion to determine the proper course of action if a draft order is received.
- If a Member dies after a draft order is received, the order will be reviewed
- If a Member dies before a court order is received, the order will be reviewed.
- If a Member dies after a court order is received, the order will be reviewed.
- If an Alternate Payee dies before a draft order is received, the FRS Investment Plan QO Team retains its discretion to determine the proper course of action if a draft order is received.
- If an Alternate Payee dies after a draft order is received, the FRS Investment Plan QO Team retains its discretion to determine the proper course of action.
- If an Alternate Payee dies before the QO Team receives a court order, when the order is received, the order will be reviewed.
- If an Alternate Payee dies after the QO Team receives a court order, the order will be reviewed.

## VIII. Contact Us

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### Where to Send an Order

Send all draft or court-certified orders to:

FRS Investment Plan QO Team  
Attention: Qualified Order Center  
P.O. Box 1433  
Lincolnshire, IL 60069-1433  
Fax: (847) 883-9313 (draft orders only)

Overnight deliveries:

FRS Investment Plan QO Team  
Attention: Qualified Order Center  
100 Half Day Road  
Lincolnshire, IL 60069

### How to Correspond With Us

If you have a question or need more information, send an e-mail message to [QOCenter@hewitt.com](mailto:QOCenter@hewitt.com), and we'll respond to you within two business days. Include the following information:

- Your name
- Employee's name
- Plan name as the FRS Investment Plan
- Last four digits of the member's Social Security number

For your own security, don't include personal and confidential information (such as a full Social Security number or your order) in the e-mail, except for the information we've requested.

You can get more information on our Qualified Order Center Web site at [www.qocenter.com](http://www.qocenter.com).

## IX. Defined Contribution Plan Requirements and Guidelines

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The following are the FRS Investment Plan's requirements and guidelines that will be used to process a QDRO for the defined contribution plan(s). If an order doesn't follow the requirements, it will be **denied**.

### **Benefit Assignment**

- The assignment to the alternate payee must be a dollar amount, a percentage of the member's account balance as of a valuation date, or a marital fraction assignment as of the Transfer Date.
- The benefit can't be defined as a portion of the increase in value between two dates.
- The valuation date can't be a date prior to August 1, 2002.
- The valuation date can't be a future date (unless the future date is defined as the liquidation date).
- The assignment to the alternate payee can't exceed 100 percent of the member's account balance as of the valuation date.
- The order must specify a valuation date.
- A marital fraction assignment is permissible only where the member previously transferred his or her benefit in the FRS Pension Plan (Defined Benefit Plan) to the FRS Investment Plan.
- The marital fraction must clearly define the numerator of the marital fraction as the number of months of service credited to the member under the terms of the Plan from the date of marriage to the date of divorce.
- The marital fraction assignment must clearly define the denominator of the marital fraction as the number of months of service credited to the participant under the terms of the Plan up to the Transfer Date.
- The marital fraction assignment must clearly define the percentage of the member's account balance to be awarded as of the Transfer Date. No other valuation date is acceptable for a marital fraction assignment
- If the order attempts to award the Alternate Payee a share of any non-vested Plan benefits, the order will be denied.

- The order can include or exclude earnings and losses from the valuation date to the liquidation date. If the order doesn't address earnings and losses, the alternate payee will not receive earnings and losses between the valuation date and the liquidation date.
- If the order includes earnings and losses, earnings and losses will be calculated according to plan provisions. The order can't provide direction on how to calculate any earnings and losses.
- The alternate payee's benefit will be subject to earnings and losses from the liquidation date to the date of distribution from the plan.
- The benefit will be awarded pro rata across all funds and contribution sources.

### **Form of Payment and Timing of Receiving Benefits**

- After the order is qualified, the benefit assigned to the alternate payee will be established in a separate account.
- The alternate payee is eligible for payment as soon as administratively possible after the order is qualified.
- The order can't provide payment or rollover instructions. The alternate payee must request a distribution or rollover through the FRS Investment Plan Administrator or online at [www.MyFRS.com](http://www.MyFRS.com).
- The alternate payee is eligible for any available form of payment under the provisions of the FRS Investment Plan,

### **Survivorship**

- After the order is qualified, the death of the member or the alternate payee won't impact the amount assigned to the alternate payee.
- A beneficiary for the alternate payee can't be named in the order. When a separate account is established, the alternate payee will have the chance to choose a beneficiary.
- If the alternate payee doesn't choose a beneficiary and dies, the benefit will be paid according to the provisions of Florida Law (see Section 121.4501(20)).