

QDRO

Post-Retirement Instruction Packet

Retired Member Post-Retirement QDRO





Working Today for Your Tomorrow

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QDRO ADMINISTRATOR

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Introduction

The following guidelines are for use in drafting a **POST-RETIREMENT** IPERS Qualified Domestic Relations Order (QDRO), the court order that specifies how IPERS pension assets will be divided between a member and a former spouse (the alternate payee).

These guidelines comply with Internal Revenue Code § 414(p)(11), Iowa Code § 97B.39 and Iowa Administrative Code 495 IAC chapter 16(97B) and as such certain provisions of the QDRO are mandatory in order to comply with these laws and regulations.

The terms domestic relations order (DRO), IPERS QDRO, QDRO, and order are used interchangeably in this packet. For more information, visit the IPERS website.

NOTE: IPERS' sole role is to determine if the QDRO submitted can be administered by IPERS, and if so, then qualify, or accept it for administration. IPERS does not determine what should be included in the domestic relations order, other than the mandatory paragraphs.

NOTE: Fewer optional provisions are available once a member has retired and the QDRO is being drafted post-retirement.

Important Information

- IPERS is a defined benefit plan. IPERS benefits paid to members at retirement are determined by a set formula which includes age, length of service and average salary.
- IPERS is **NOT** a defined contribution plan. IPERS benefits are not based on an account balance. Do not submit QDROs that treat the member's interests like a defined contribution plan by splitting an account balance.
- IPERS is a governmental pension plan.
 - o IPERS is **NOT** governed by the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) or most of the provisions of the Internal Revenue Code (IRC) that govern the division of qualified plan assets.
 - o Although this packet uses the terms alternate payee and Qualified Domestic Relations Order, drafters should not confuse those with ERISA or IRC concepts.
- IPERS **WILL NOT** provide lump-sum past or present value calculations of a member's account. The "value" is up to the parties or the judge to determine. A qualified certified public accountant or actuary may be contacted to prepare this type of calculation.
- IPERS can only administer a shared payment method for dividing benefits. Only one account exists and it is the member's account. IPERS will track the alternate payee's status for payment and tax reasons.

- The option selected by the member at the time of retirement cannot be changed. A post-retirement death benefit (selected in the option chosen at the time of retirement) can only be changed if the member selected option 1, 2, or 5.
- In the case of a former spouse alternate payee, the amount payable to the alternate payee under the terms of a QDRO is treated as his/her own property. The alternate payee is therefore liable to pay income taxes on the taxable portion of the amount received.
- A member can review information about his/her account by using [My Account](#).
- If a member is still legally married, the member must obtain written consent from the spouse to submit an updated Beneficiary Designation form to IPERS.
- A properly completed *IPERS Authorization for Release of Information* form must be on file with IPERS before confidential information can be shared with a third-party, including an attorney.
- As a courtesy, IPERS will review and comment on draft QDROs. To make a submission, you must include the Administrative Rule Compliance for QDROs form – make sure it's signed and dated by both parties. If this is not included, the draft order will not be reviewed.
- If you are submitting either a draft or a final DRO for the first time, include a completed Confidential Information form, and all items required for the member and alternate payee. Subsequent submissions for the same file do not require another form.
- If the alternate payee dies before the member, the monthly amounts that would have been payable to the alternate payee shall be restored to the member, pursuant to 495 IAC 16.2(3)d, unless otherwise specified in the order.
- IPERS has a statutory 30-day appeal period after a DRO has been qualified. No benefits will be paid to the member or the alternate payee during the appeal period. However, the parties or their attorney may elect to execute a Waiver of the appeal period during this time.
- Waivers may not be submitted until after the order is qualified and notice has been sent to the parties. Waivers submitted before this time will be rejected.
- **Effective April 17, 2019:** If the alternate payee's application is not returned the alternate payee's funds will be held by IPERS until the application is received. Alternate payee funds will not revert to the member if an application is not received from the alternate payee. Also, IPERS will hold the alternate payee's funds beginning as of the member's first month of entitlement.
- **Effective July 1, 2019:** Successor alternate payees are no longer allowed. If the alternate payee dies, prior to or after payment from the member's account, all funds will revert to the member. All successor alternate payee designations in QDROs that are qualified prior to July 1, 2019 will be honored by IPERS.

Drafting Guidelines – Mandatory Paragraphs

- Open and save IPERS Post-Retirement Model QDRO as your working document. Remove the watermark.
- The paragraphs that appear in the model are mandatory and only allow for minor modifications.

PARAGRAPH 1 AND 2

These paragraphs are mandatory for inclusion. Use template language found in the IPERS Pre-Retirement Model QDRO.

PARAGRAPH 3 (Determines the amount to pay the alternate payee)

Sample A: Straight Percentage Method

3. IPERS is directed to pay benefits, pursuant to the QDRO, to the alternate payee as a marital property settlement under the following formula: **(insert a number)** percent – or – **\$(insert dollar amount)** of the gross monthly benefit payable. This percentage **(shall or shall not)** be applied to benefits accrued by the member during postretirement periods of employment.

Percentage Multiplier Note: This can range from 0-100%.

Sample B: Service Factor Method

3. IPERS is directed to pay benefits to the alternate payee as a marital property settlement under the following formula: **(insert a number)** percent of the gross monthly distribution payable to the member, multiplied by the “service factor.” The numerator of the service factor is: **(insert one of the numerator types found below)**. The denominator is the member’s total quarters of service covered by IPERS and used in calculating the member’s distribution amount, pursuant to Iowa Code §§ 97B.49A-97B.49D, not to exceed 120 quarters (for special service members) or 140 quarters (for regular service or hybrid members). The service factor percentage **(will or will not)** be applied to accruals and subsequent distributions to the member during postretirement periods of reemployment.

Numerator Types:

The numerator of the service factor is: **# quarters.**

-OR-

The numerator of the service factor is: **the number of quarters covered during the marriage period of MM/DD/YYYY through MM/DD/YYYY.**

Service Percentage Factor Note: The service factor percentage method reflects the Iowa Supreme Court’s decision in In re: Marriage of Benson, 545 N.W.2d 252 (Iowa 1996).

Numerator and Denominator Note: Under a defined benefit plan, a member's lifetime monthly pension benefit is figured based on a set formula which includes age, average salary and length of service. To calculate the service factor method in a QDRO, the maximum length of service for special service members is 120 quarters in the denominator. For regular service and hybrid members it is 140 quarters in the denominator. The maximum number of quarters in the denominator is equal to the maximum number of years a member can receive an increase in the multiplier under Iowa Code §§ 97B.49A-97B.49D (regular, protection occupation, special service and hybrid classes). Quarters of service beyond the maximum number of quarters used under Iowa Code §§ 97B.49A-97B.49D are not used in calculations to determine a member's monthly pension benefit.

Sample C: Sum Certain Method

3. IPERS is directed to pay benefits to the alternate payee as a marital property settlement under the following formula: **(insert percent or dollar amount)** of the member's gross monthly payment. The total amount payable by IPERS to the alternate payee under this order, including amounts expressly directed in this order to be paid from monthly payments, refunds, death benefits, and dividends, as applicable, shall be aggregated and shall not exceed the amount of the marital property award pertaining to the member's IPERS account. The total dollar amount payable by IPERS to the alternate payee **(shall or shall not)** include amounts payable from benefits accrued by the member during postretirement periods of employment.

Sum Certain Note: A sum certain is a set dollar amount. For example: \$15,000.00, to be paid as a percentage or dollar amount, of the member's monthly pension payment, until the sum certain, or \$15,000.00 is paid.

PARAGRAPH 4 (Determines how long to pay the alternate payee)

4. If the member receives a monthly benefit, IPERS will pay benefits to the alternate payee for the following period: **CHOOSE ONE: Life of the member –OR– Until the sum certain specified in this order has been paid.**

Drafting Guidelines

OPTIONAL PARAGRAPHS/PARAGRAPH 5

These must be labeled as subparagraphs A, B, or C. Renumber subsequent paragraphs as needed. Each paragraph should have the required heading as noted.

Dividends/Cost-of-Living Increases

If IPERS pays a dividend, a cost-of-living increase, or any other postretirement benefit increase to the member, the alternate payee shall receive a share of said increase. The alternate payee's share of such increase shall be **(insert number)** percent OR **(in the same proportion as determined in Paragraph 3)** OR **(shall be determined on a pro rata basis)**.

Designation of Beneficiary—Lump Sum Postretirement Death Benefits: Only if member selected option 1, 2, or 5 at time of retirement.

The alternate payee shall be deemed to be a designated beneficiary with respect to postretirement death benefits. The alternate payee shall be eligible to receive **(insert number)** percent OR **\$(insert number)** OR **(the same proportion as determined in Paragraph 3)** of any lump-sum death benefit payable to the member's beneficiaries. This designation shall be irrevocable unless modified or revoked in a subsequent Qualified Domestic Relations order.

BE AWARE

As this is a post-retirement QDRO, withholding of the alternate payee's share of award from the member's monthly benefit payment will not commence until the alternate payee's application is generated and sent from IPERS. This will occur only after the DRO is qualified, notice has been given to the attorneys of record, and the 30-day appeal period noted within that notice has passed. Once the completed application is received, the alternate payee will receive their award commencing with the next applicable payroll.

IPERS has no duty or responsibility to search for alternate payees. Alternate payees must notify IPERS of any change in their mailing address.

Submitting Your Order To IPERS

As a courtesy, IPERS will review and comment on draft orders before they are submitted to the Court. If the draft DRO is complete, this review will take approximately 20 business days. Please be respectful of this courtesy because there is no law or administrative rule requiring IPERS to do so.

Attention: IPERS QDRO Administrator

Email: legal@ipers.org

Fax: 515-281-0045

Mail: IPERS

P.O. Box 9117

Des Moines, Iowa 50309-9117

Draft DRO

The draft DRO must be accompanied by:

- *Administrative Rule Compliance for QDROs* - a newly signed and dated form must accompany each Draft AND subsequent revised Draft
- *Confidential Information* form

Final QDRO

The signed order must be accompanied by:

- *Confidential Information* form – unless previously submitted

Definitions

- Beneficiary:** A beneficiary receives a known amount of money from a plan after your death, in the form of a lump-sum payment, if applicable. A member may name more than one beneficiary, as lump-sum amounts may be subdivided. IPERS options that have a lump-sum death benefit component are 1, 2 and 5.
- Contingent annuitant:** A person, named by the member, who is guaranteed lifetime monthly payments upon the death of the member. A member designates a contingent annuitant (in place of a beneficiary) only if the member chooses option 4 or 6 at retirement. (See [IPERS' member Handbook, Glossary of Terms](#))
- NOTE: The terms “beneficiary” and “contingent annuitant” are often confused. They have very different meanings and are not interchangeable. A beneficiary may receive a death benefit when a member dies, but the monthly pension payment amount a member receives is based only on the member’s life expectancy. A monthly pension payment with a contingent annuitant option is based on the life expectancy of both the member and the contingent annuitant. If a member dies before their contingent annuitant, the contingent annuitant will continue to receive monthly payments at 25, 50, 75 or 100% of what the member received monthly, for their lifetime. Once the contingent annuitant passes away, all payments stop.
- Defined benefit plan:** Any plan which is not a defined contribution plan. (26 U.S.C. §414(j))
- An employer pension plan that uses a formula to guarantee a specified benefit at retirement. As a defined benefit plan, IPERS provides guaranteed benefits using a formula based on a member’s age, years of service, and covered wages. (See [IPERS' member Handbook, Glossary of Terms](#))
- Defined contribution plan:** A plan which provides for an individual account for each participant and for benefits based solely on the amount contributed to the participant’s account, and any income, expenses, gains and losses, and any forfeitures of accounts of other participants which may be allocated to such participant’s account. (26 U.S.C. §414(i))
- Qualified order:** A QDRO that has been approved by IPERS as administrable and is of record on a member’s account.

- Refund:** Whereby a member terminates covered employment and applies for a return of contributions and interest (and any qualifying employer contributions and interest) payable as a one-time lump-sum payment, thereby closing the member's account with IPERS.
- Shared payment method:** The member maintains his/her IPERS account in whole. The alternate payee is added to the account as a third party payee with award of a share of a payment to occur at a future date when there is a qualifying distribution from the member's account and the alternate payee has subsequently been awarded a share by way of a qualified QDRO.
- Trigger event:** A distribution or series of distributions of benefits made with respect to a member. (495 IAC 16.2(1))
- Waiver:** IPERS will accept a waiver of the 30-day appeal period AFTER a final order is qualified if the member is currently in retirement benefits or if the member wishes to apply for a refund. (495 IAC 16.2(3)"p")

Post-Retirement Model QDRO

IN THE DISTRICT COURT OF IOWA IN AND FOR _____ COUNTY, IOWA

IN RE THE MARRIAGE OF _____ AND _____

UPON THE PETITION OF

Petitioner

AND CONCERNING

Respondent

)
)
) (EQUITY Case No.):
)
)
) IPERS POST-RETIREMENT
) QUALIFIED DOMESTIC
) RELATIONS ORDER
)
)

IT IS HEREBY ORDERED:

That the Alternate Payee named below shall have the right to receive payments from the retirement plan named below pursuant to the agreement of the parties to divide their marital property, or by order of a court of competent jurisdiction, subject to the requirements of Internal Revenue Code § 414(p)(11), Iowa Code § 97B.39, and the administrative rules.

1. The Member is **(insert name)**. The Alternate Payee is **(insert name)**. Current mailing addresses for the Member and Alternate Payee are provided on the Confidential Information form accompanying this Order. The Alternate Payee shall inform the retirement plan of all changes of address.

2. The retirement plan subject to the provisions hereof is as follows: Iowa Public Employees' Retirement System (IPERS), 7401 Register, Drive P.O. Box 9117, Des Moines, IA 50306-9117.

3. IPERS is directed to pay benefits to the Alternate Payee as a marital property settlement under the following formula: (See [IPERS Post-Retirement QDRO Instruction Packet - Drafting Guidelines —Paragraph 3](#)).

4. IPERS will pay benefits to the Alternate Payee for the following period:

5. Payments to the Alternate Payee shall not begin before this Order is accepted by IPERS as a Qualified Domestic Relations Order and the appropriate appeal period has passed or been waived by the signature of both parties.

The following optional paragraphs may be added here as subparagraphs labeled as A or B:

- Dividends/Cost-of-Living Increases
- Designation of Beneficiary – Lump-Sum Postretirement Death Benefits

**As this is a post-retirement QDRO, awards of any post-retirement death benefits are only possible if the Member selected Options 1, 2 or 5 at retirement.

(See [IPERS Post-Retirement QDRO Instruction Packet](#))

6. The taxable portion and basis will be prorated to each respective recipient if the payee is the Alternate Payee.

7. IPERS is **(herein or not)** authorized to release information from the Member's account, including but not limited to benefits statements, benefit estimates, the Member's election of benefit option, and the Member's designation of beneficiary or contingent annuitant, to the Alternate Payee without the consent of the Member.

8. The parties acknowledge that this Order shall not require IPERS:

- to provide increased benefits over what would otherwise be payable based on the Member's record, as determined on the basis of actuarial value;
- to provide any type or form of benefits, or any option, not otherwise provided under IPERS; or to provide 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.

9. The Court directs that a copy of this Order and a completed copy of the *Confidential Information*

form, containing the Member's and the Alternate Payee's current mailing addresses, full social security numbers, and dates of birth be provided to IPERS. Within a reasonable time after receiving a copy of this Order, IPERS shall determine whether the Order is accepted and shall notify attorneys for the Member and the Alternate Payee of such determination.

10. The Member, the Alternate Payee, and the Court intend this Order to be a Qualified Domestic Relations Order as defined in Internal Revenue Code § 414(p)(11), Iowa Code § 97B.39, and the administrative rules.

11. The Court retains jurisdiction to amend this Order, but only for the purpose of establishing or maintaining its qualification as a Qualified Domestic Relations Order as defined in Internal Revenue Code § 414(p)(11), Iowa Code § 97B.39, and the administrative rules.

NOTE: If you are e-filing this Order, in lieu of the signature block below, please include the names and mailing addresses for the parties' attorney(s) of record after paragraph 11 of the Order. Often, IPERS receives Orders directly from the Clerk of Court. Without the attorney information, IPERS cannot send the determination letter indicating the results of the review.

Date: _____

Judge, _____ Judicial District

Approved as to form:

Name
Address
City, State, Zip
Email Address
Attorney for Petitioner

Name
Address
City, State, Zip
Email Address
Attorney for Respondent

The IPERS MODEL QDRO watermark should be removed prior to sending to IPERS and filing with the Court. **Do not hesitate to call with any questions.**

Forms

Confidential Information Form

Administrative Rule Compliance Form

IPERS 30-Day Appeal Form



QDRO Confidential Information Form

This form is required to be submitted when a draft or final domestic relations order is submitted for review by IPERS.

495—16 (97B)

16.2(2) Requirements.

...

a. Mandatory provisions. A domestic relations order is a QDRO if such order: (1) Clearly specifies the member's name and last-known mailing address, member identification number or social security number, and the names and last-known mailing addresses and social security number of alternate payee. This information shall be provided to IPERS on IPERS' Confidential Information form;

The following **MUST** be provided to IPERS. This form is **NOT** to be filed with the Order.

	First Middle Last	Complete Mailing Address	Email Address	Date of Birth MM/DD/YYYY	Member Identification Number or Social Security No.
Member					
Alternate Payee					

Information supplied by: _____

Signature: _____ Date: _____



QDRO Administrative Rule Compliance Form

In accordance with administrative rules, IPERS requires this form be signed and included with all draft QDROs (and subsequent revised draft QDROs) submitted for review and preapproval. This expedites the review and qualification of the QDRO.

If this page is not included with the draft/revised draft, the Order **WILL NOT** be reviewed.

495—16 (97B)

16.2(3) Administrative provisions.

o. The parties or their attorneys in a dissolution action involving an IPERS member shall decide between themselves which attorney will submit a proposed domestic relations order to IPERS for review. IPERS shall not review a proposed order that has not been approved as to form by both parties or their counsel by enclosure of the Administrative Rule Compliance for QDROs form. A rejection under this paragraph shall not preclude IPERS from placing a hold on a member’s account until the status of a proposed order as a QDRO is resolved or the hold is released pursuant to the terms of paragraph 16.2(3)“h.”

The undersigned certify compliance with this administrative rule in relation to the enclosed draft QDRO being submitted to IPERS for review:

ATTORNEY FOR THE PETITIONER

ATTORNEY FOR THE RESPONDENT

EMAIL ADDRESS

EMAIL ADDRESS

DATE

DATE

-OR-

-AND-

-OR-

PETITIONER

RESPONDENT

EMAIL ADDRESS

EMAIL ADDRESS

DATE

DATE



QDRO 30-Day Appeal Period Waiver Form

MAY ONLY BE FILED AFTER RECEIVING NOTICE OF QUALIFICATION

The two undersigned signatories certify they have received, reviewed, and agree with IPERS decision to qualify this domestic relations order. Therefore, the signatories request the 30-day appeal period be waived.

495—16 (97B)

16.2(3) Administrative provisions.

...

p. If a member has filed for and is receiving monthly pension benefits, or wishes to file an application for retirement or a refund and has a qualified domestic relations order pending on the member’s account, the parties (the member and the alternate payee or their counsel of record) may execute a waiver of the 30-day appeal period following review and qualification of the member’s domestic relations order, using a form approved by the System.

MEMBER’S NAME: _____

MEMBER’S IPERS ID: _____

DATE ORDER QUALIFIED BY IPERS: _____

ATTORNEY FOR THE PETITIONER

ATTORNEY FOR THE RESPONDENT

DATE

DATE

-OR-

PETITIONER

RESPONDENT

DATE

DATE

