

Oklahoma Teachers Retirement System

MARITAL PROPERTY VALUATION

401(a) Defined Benefit Account

Member's Name _____ Member's SS# or Client ID# _____

This valuation is provided as information only. A Qualified Domestic Order (QDO) must be submitted on the proper forms, sealed by the court, and be approved by Oklahoma Teachers Retirement System before it is official.

I. Marital Property--Total Value

Only the benefits accrued during the term of the marriage are subject to division as marital property. Please provide the term of the marriage in paragraph I.A., and Oklahoma Teachers Retirement System will calculate the lump sum value of the account as well as the monthly retirement benefit accrued during the term of the marriage.

- A. Marital Property Subject to Division.** As retirement benefits or interest are calculated based on date of employment (first remittance) to date employment terminates (last remittance), so also is the calculation of marital property rights as a subset of the full account. Determine the value based on marital property rights accrued from _____ (date of marriage or union) to _____ (date of divorce or dissolution).
- B. Death or Withdrawal Award (*Lump Sum Amount*)** 70 O.S. § 17-109(B)(5)(b). In the event the Member dies or elects to withdraw his/her accumulated contributions upon termination of employment (in lieu of taking a lifetime retirement benefit outlined below in paragraph C), the total value accrued during the term of marriage is \$ _____ = (\$ _____ *employee remittances* + \$ _____ *interest*).
- C. Retirement Award (*Monthly Benefit Amount*)** 70 O.S. § 17-109(B)(5)(c). In the event the Member applies to retire and begin his/her lifetime monthly benefit from OTRS (in lieu of withdrawing the account outlined in II.B.), the maximum monthly retirement benefit payable for the lifetime of the member at normal retirement age is \$ _____ **per month**. This formula is based on the service and the highest salaries accrued during the marriage: (_____ *years of service*) x (2%) x (\$ _____ *salary average*) ÷ 12 months.

II. Percentage Award for Ex-Spouse or Alternate Payee's Value

Payment to an alternate payee will be made in the like manner and at the same time payment is made to the member. 70. O.S. §17-109(B)(7). If the percentage award for alternate payee is provided in paragraph II.A., then the Alternate Payee award values may be calculated by Oklahoma Teachers Retirement System.

- A. Percentage Award for Alternate Payee:** _____ % (0-100%). This percentage is applied to ***Total Value of Retirement Property (outlined in Section I)*** to find the value of the lump sum and/or monthly award for the Alternate Payee.
- B. Percentage applied Lump Sum Award.** The value payable to Alternate Payee in the event of member death before retirement or total withdrawal is: \$ _____ = (_____ % x \$ _____).
- C. Percentage applied to Monthly Retirement Benefit Amount.** The amount payable to Alternate Payee in the event of retirement is \$ _____ **monthly** = (_____ % x \$ _____). This percentage is calculated based on a percentage of the member's lifetime benefit; however, the Qualified Domestic Order may stipulate a limited number of monthly payments or a limit on total payment amount.

II. ALTERNATE PAYEE AWARD

Payment to an Alternate Payee will be made in the like manner and at the same time payment is made to the member. 70. O.S. §17-109(B)(7). Only the benefits accrued during the term of the marriage (outlined in A below) are subject to the percentage amounts listed in B and/or C. Note: If both percentage amount and dollar amounts are listed, the lesser of the two will be applied as award for the Alternate Payee. Modifications may be made to this QDO as outlined in D.

- A. **Marital Property Subject to Division.** This Order assigns a portion of the 401(a) defined benefit plan to the Alternate Payee in recognition of marital property rights accrued from _____ (date of marriage or union) to _____ (date of divorce or dissolution). Where percentage amounts are indicated below within B and/or C, the percentage amount is applied to the portion of benefits accrued during the term of marriage outlined above. Note: If both percentage and dollar amounts are listed in B and/or C below, the lesser of the two will be applied.
- B. **Death or Withdrawal Award (*Lump Sum Amount*)** 70 O.S. § 17-109(B)(5)(b). In the event the Member dies or elects to withdraw his/her accumulated contributions (in lieu of taking a lifetime retirement benefit outlined below in paragraph C), the Alternate Payee is awarded a lump sum amount of \$_____ **OR** _____ % of the Member's accumulated contributions plus interest.
- C. **Retirement Award (*Monthly Payment Amount*)** 70 O.S. § 17-109(B)(5)(c). In the event the Member applies to retire and begin his/her lifetime monthly benefit from OTRS (in lieu of withdrawing the account outlined in II.B.), the Alternate Payee is awarded \$_____ **OR** _____ % of the monthly benefit for a period not to exceed the lifetime of either the Member or the Alternate Payee. Unless death occurs before this obligation is fulfilled, the Alternate Payee shall receive this monthly payment over the period of (select only one):
1. _____ the lifetime of the Member **OR**
 2. _____ certain number of payments until _____ monthly payments have been paid.
 3. _____ certain amount of award until the award of \$_____ is paid in full.
- D. **Modification(s)/Amendment(s) to QDO.** 715:10-25-5. Indicate which, if any, of the following modifications are to be applied to this QDO.
1. _____ ***Terminate alternate payee monthly benefits upon remarriage of the alternate payee.*** Note: Monthly Payment will terminate upon OTRS receipt of a certified copy of a marriage license or a copy of a certified order issued by the court declaring remarriage of alternate payee.
 2. _____ ***Terminate alternate payee rights to joint annuitant retirement contract.*** Retirement contracts with joint annuitant options (Option 2 or Option 3) pop up to Maximum Benefit if joint annuitant predeceases member. Selecting this item allows OTRS to change the retirement option as if the alternate payee predeceased the member.
 3. _____ ***Additional Modifications are included as separate documents or attachments.*** All attachments must be listed as II.D.3 to allow it to be approved as part of this QDO.

NOTE: The Court retains jurisdiction to enforce, revise, modify, or amend this Order insofar as necessary to establish or maintain its qualification as a Qualified Domestic Order; provided, however, neither this Order nor any subsequent revision, modification, or amendment shall require OTRS to provide a form or amount of benefits not otherwise provided by OTRS and the amendments must be approved by OTRS.

III. AGREEMENT OF THE PROVISIONS OF THIS QUALIFIED DOMESTIC ORDER.

- A. ERISA. This qualified domestic order (QDO) and the provisions contained within shall not be subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C.A, §§1001 et. seq., as amended from time to time, or rules and regulations promulgated there under, and court cases interpreting said act. **§ 17-109 (B)(9)**.
- B. Order Limitations. This QDO does not require Oklahoma Teachers Retirement System (OTRS) to provide any type or form of benefit, or any option not otherwise provided under the state law as related to the Retirement system. The order does not require OTRS to provide increased benefits. This order does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee pursuant to another order previously determined to be a QDO or an order recognized by the Retirement System as valid prior to the effective date of this act. **§17-109(B)(6)**.
- C. Commencement. Payment to an alternate payee will be made in a like manner and at the same time payment is made to the member. Two options are provided (II.B) & (II.C) for alternate payee to receive distribution, depending on which way the member decides to take distribution of this account. This order shall not require payment of benefits prior to the retirement date or withdrawal of the related member. Only the member decides when to make application for distribution. **§17-109 (B)(7)**.
- D. Termination. Amount in II.B. will be paid to Alternate Payee if Member dies before retirement. The obligation of OTRS to pay an alternate payee pursuant to a QDO shall cease upon the death of the related member. **§17-109(B)(8)**. In the event that the alternate payee dies prior to the full distribution of QDO benefits, such benefits shall revert back to the Member.
- E. Compliance. If either the Member, his/her beneficiary, or the alternate payee receives any amount of distribution that should have been paid to the other, the recipient is designated a constructive trustee for the amount received and shall immediately transmit such amount back to OTRS or the person to whom the amount should have been paid. An alternate payee who has acquired beneficiary rights pursuant to a valid QDO must fully comply with all provisions of the rules promulgated by the Board of Trustees pursuant to this subsection in order to continue receiving his or her benefit. **§17-109(B)(11)**.
- F. Validity. This Order, including modifications and revisions of the QDO, is valid and binding only upon presentation to and acceptance by OTRS.

Dated this _____ day of _____, 20_____

Judge of the District Court

Counsel for Member OBA #: _____

Member _____

Alternate Payee _____ OTRS ACCEPTED _____

Court Seal (required):

INSTRUCTIONS FOR COMPLETING THE QUALIFIED DOMESTIC ORDER FORM:

HEADING:

Line 1 - 2: Identify the County and State of the Court that issued this QDO.

Line 3 - 4: Identify the Petitioner and Respondent

Line 5: Identify the Case Number that references this Qualified Domestic Order

SECTION I: RECITALS

- A. Identifies the OTRS 401(a) Retirement Plan as marital property to be divided for QDO..
- B. Indicate whether the Petitioner or the Respondent is the Member of OTRS.
- C. To be a valid QDO, it must be at least 30 months from date of marriage to the current date.
- D. Complete the information requested *on the line above* the identified areas. The names of the member and alternate payee must be on this page; however, you may provide the social security numbers and mailing addresses on a separate document.

SECTION II: ALTERNATE PAYEE AWARD

- A. **Marital Property Subject to Division.** This identifies the timeline/period of the marriage applied to the retirement account to be divided. The percentage amounts listed in B & C (below) will be applied to the value of this account outlined in this paragraph.
- B. **Death/Withdrawal (*Lump Sum Award*).** If the dollar amount (\$___) is completed, then the award amount listed is payable to the Alternate Payee if member terminates employment and withdraws the account. If the percentage amount (___%) is completed, this percentage amount will be applied to sum the remittances accrued during the term outlined in II.A (above) and the interest accrued will be calculated on date of death or withdrawal. If both dollar amount and percentage is completed in this paragraph, the lesser of the two shall apply. *If this paragraph is not completed, the Alternate Payee receives nothing if the member decides to withdraw the account or if the client dies before retirement.*
- C. **Retirement (*Monthly Payment Award*).** If the dollar amount (\$___) is completed, then that dollar amount will be the gross payable monthly benefit to the alternate payee. If the percentage amount (___%) is completed, the percentage amount will be applied to the lifetime monthly benefit earned during the term of marriage outlined in II.A. (above). If both dollar amount and percentage is completed in this paragraph, the lesser of the two shall apply. *If this paragraph is not completed, the Alternate Payee receives nothing if the member decides to retire and draw monthly retirement benefits for life.*
 - C.1 Check this item if Alternate Payee will receive payments for the lifetime of the member.
 - C.2 Check this item if Alternate Payee is to receive a limited number of payments. Write only whole numbers to indicate the number of monthly payments payable to Alternate Payee.
 - C.3 Check this item if monthly payments are made until a sum certain amount has been paid. Write in the dollar amount at which monthly payments to the alternate payee cease.

D. Modifications/Amendments. Some common modifications/amendments may be applied.

D.1 Check this item if this QDO is to terminate at remarriage of alternate payee. This does not apply to lump sum payments outlined in II.B. This would only apply if member retires and OTRS is notified that alternate payee has remarried before fulfilling the QDO payment requirements outlined in paragraph II.C.

D.2 Retirement contracts (under the Option 2 or Option 3) allow the member to take a reduced monthly benefit (based on the date of birth of the joint annuitant) in order to provide the annuitant a lifetime monthly benefit at death of member. The member may not change the joint annuitant listed on the contract; however, checking this option allows the QDO to treat the retirement contract as if the joint annuitant (usually the alternate payee) predeceased the member. In this event, the monthly benefit “pops up” to the maximum monthly benefit for the remainder of the member’s lifetime without affecting the benefits to the alternate payee outlined in this QDO.

D.3 Checking this item and listing attachment as II.D.3. allows simple modifications or revisions to be made to this QDO. Where applicable, the court order with the paragraph highlighted, could be included to the attachment. If there is more than one attachment or modification to the QDO, please list as II.D.3 (a), II.D.3(b), II.D.3(c),.....etc. All modifications and revisions are subject to receipt and approval by OTRS. Any items that require OTRS to provide a form or an amount of benefits not otherwise provided by OTRS may be rejected.

SECTION III: AGREEMENT OF THE PROVISIONS FOR QUALIFIED DOMESTIC ORDER.

This section outlines with statutory references for this order to qualify as a QDO under OTRS. If amendments or revisions in D.3. require revision or removal of any items listed in Section III, they must be redlined and initialed to indicate the intent or the override being sought by Court Order.

Oklahoma Teachers Retirement System requires bolded sections of the signature/date fields to be completed by the court issuing the Order. At a minimum the signature of Judge, date, and the Court Seal are required for OTRS approval.

If OTRS accepts the QDO, a letter of acceptance and copy of the QDO will be mailed to the Member and the Alternate Payee (Minus the Member and Alternate Payees Social Security Numbers and Addresses). The OTRS designee to accept the QDO and send letter of acceptance to member and alternate payee, will sign this QDO form, and submit copy of the acceptance letter, and this QDO to member’s file.

**Oklahoma Teachers Retirement System
Oklahoma Administrative Code: OAC 715.
RULES: Chapter 10 General Operations.**

Subchapter 25. Qualified Domestic Order

715:10-25-1. Definition

715:10-25-2. Filing a qualified domestic order

715:10-25-3. Contents of a qualified domestic order

715:10-25-4. Payment to alternate payee

715:10-25-5. Termination of a qualified domestic order

715:10-25-6. Teachers' Retirement not subject to ERISA

715:10-25-1. Definition {70 O.S. § 17-109 (B)(2)}

The term "qualified domestic order" means an order issued by a district court of the State of Oklahoma pursuant to the domestic relations laws of this state which relates to the provision of marital property rights to a spouse or former spouse of a member and which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to receive a portion of the benefits payable with respect to a member of the Teachers' Retirement System.

715:10-25-2. Filing a qualified domestic order

A member of Teachers' Retirement, his or her legal representative, a member's former spouse, or his or her legal representative may file a qualified domestic order with the Teachers' Retirement System. In not less than thirty (30) days of such filing, Teachers' Retirement will acknowledge receipt and notify all parties listed in the order that the order has been accepted or that clarification of the order must be provided to Teachers' Retirement. All qualified domestic orders filed with the Teachers' Retirement System of Oklahoma must be in accordance with Oklahoma Statutes and must conform to the provisions of 70 O.S., Section 17-109, as amended. TRS Form 110.46 OTRS Qualified Domestic Order is available upon request and its use is recommended.

[Source: Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)¹; Added at 11 Ok Reg 4251, eff 7-25-94; Amended at 25 Ok Reg 2598, eff 7-11-08]

715:10-25-3. Contents of qualified domestic order {70 O.S. § 17-109(B)(5-7)}

For a qualified domestic order to be accepted and binding on the Teachers' Retirement System the order meet the following requirements:

(1) The order must clearly specify the following: {70 O.S. § 17-109(B)(5)(a-e)}

(A) the name and last-known mailing address (if any) of the member and the name and mailing address of the alternate payee covered by the order,

(B) the amount or percentage of the member's benefits to be paid by Teachers' Retirement to the alternate payee,

(C) the number of payments or period to which such order applies,

(D) the characterization of the benefit as to marital property rights, and whether the benefit ceases upon the death or remarriage of the alternate payee, and

(E) each plan to which such order applies.

(2) The order meets the requirements of this section only if such order: {70 O.S. § 17-109(B)(6)(a-c) & (7)}

(A) does not require Teachers' Retirement to provide any type or form of benefit, or any option not otherwise provided under the state law as related to the Retirement System,

(B) does not require Teachers' Retirement to provide increased benefits,

(C) does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee pursuant to another order previously determined to be a qualified domestic order or an order recognized by the Retirement System as a valid order prior to the effective date of this subchapter, and

(D) does not require payment of benefits to an alternate payee prior to the actual retirement date of the related member or prior to the date the member elects to receive a lump sum distribution of his or her retirement account.

715:10-25-4. Payment to alternate payee {§ 17-109(B)(7)}

Payments to an alternate payee will be made in a like manner and at the same time payment is made to the member. Payment will be either a lump sum distribution of the contributions and interest due the member upon termination of service or death, or monthly benefit payments under the retirement options available to the member at the time he or she applies for retirement benefits. The alternate payee shall not be allowed to choose a method of payment that is different from the method chosen by the member. **The alternate payee may not receive payment of any kind prior to the member making application and becoming eligible for payment of benefits.** Federal and Oklahoma state income taxes will be withheld from the payment to an alternate payee in accordance with applicable federal and state statutes.

715:10-25-5. Termination of a QDO {§ 17-109(B)(8)}

A qualified domestic order will terminate when Teachers' Retirement has fully met the provisions of the order. **The obligation of the Teachers' Retirement System to pay an alternate payee pursuant to a qualified domestic order shall cease upon the death of the related member.** In the event a qualified domestic order requires the benefits payable to an alternate payee to terminate upon the remarriage of the alternate payee, the Retirement System shall terminate said benefit only upon the receipt of a certified copy of a marriage license, or a copy of a certified order issued by the court that originally issued said qualified domestic order declaring the remarriage of said alternate payee. The order may be cancelled or modified by the court that originally issued the order.

715:10-25-6. Teachers' Retirement not subject to ERISA {70 O.S. § 17-109(B)(9)}

For purposes of this subchapter the Teachers' Retirement System of Oklahoma is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C.A Section 1001, et seq., as amended from time to time, or rules and regulations promulgated thereunder, and court cases interpreting said act.

OKLAHOMA TEACHERS RETIREMENT SYSTEM
QUALIFIED DOMESTIC ORDER—STATUTES—70 O.S. § 17-109 (B)

1. The provisions of subsection A of this section shall not apply to a qualified domestic order as provided pursuant to this subsection.
2. The term “qualified domestic order” means an order issued by a district court of this state pursuant to the domestic relation laws of the State of Oklahoma which relates to the provision of marital property rights to a spouse or former spouse of a member or provision of support for a minor child or children and which creates or recognizes the existence of the right an alternate payee, or assigns to an alternate payee the right to receive a portion of benefits payable with respect to a member of the Retirement System. **{OAC 715:10-25-1. Definition}**
3. For purposes for the payment of marital property, to qualify as an alternate payee, a spouse or former spouse must have been married to the related member for a period of not less than thirty (30) continuous months immediately preceding the commencement of the proceedings from which the qualified domestic order issues.
4. A qualified domestic order is valid and binding on the Board of Trustees and the related member only if it meets the requirements of this subsection.
5. A qualified domestic order shall clearly specify: **{OAC 715:10-25-3(1)(A-E)}**
 - a. the name and last known mailing address (if any) of the member and the name and mailing address of the alternate payee covered by the order,
 - b. the amount or percentage of the member’s benefits to be paid by the Retirement System to the alternate payee,
 - c. the number of payments or period to which such order applies,
 - d. the characterization of the benefit as to marital property rights or child support, and
 - e. each plan to which such order applies.
6. A qualified domestic order meets the requirements of this subsection only if such order: **{OAC 715:10-25-3(2)(A-C)}**
 - a. does not require the Retirement System to provide any type or form of benefit, or any option not otherwise provided under state law as relates to the Retirement System,
 - b. does not require the Retirement System to provide increased benefits, and
 - c. does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee pursuant to another order previously determined to be a qualified domestic order or an order recognized by the Retirement System as a valid order prior to the effective date of this act.
7. A qualified domestic order shall not require payment of benefits to an alternate payee prior to the actual retirement date or withdrawal of the related member. **{OAC 715:10-25-3(2)(D)}**
8. The obligation of the Retirement System to pay an alternate payee pursuant to a qualified domestic order shall cease upon the death of the related member. **{OAC 715:10-25-5}**
9. This subsection shall not be subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA0, 29 U.S.C.A. Section 1001, et seq., as amended from time to time, or rules and regulations promulgated thereunder, and court cases interpreting said act. **{OAC 715:10-25-6}**
10. The Board of Trustees of the Teachers’ Retirement System of Oklahoma shall promulgate such rules as are necessary to implement the provisions of this subsection. *[Beyond the rules that restate the statutes, the following rules were implemented or expanded: OAC 715:10-25-2 Filing a qualified domestic order; OAC 715:10-25-4 Payment to alternate payee; and OAC 715:10-25-5 Termination of a qualified domestic order.]*
11. An alternate payee who has acquired beneficiary rights pursuant to a valid qualified domestic order must fully comply with all provisions of the rules promulgated by the Board of Trustees pursuant to this subsection in order to continue receiving his or her benefit.