

Qualified Domestic Relations Orders (QDROs)

**For UCRP Members
Who Terminate
Their Marriage
PRIOR to Retirement**

Sample and Instructions

The Sample Order is intended as guidance and is not intended to imply that this is the only way to divide benefits under the University of California Retirement Plan/Capital Accumulation Provision (CAP).

This set of instructions and Sample Order should be used if the Member is not yet receiving retirement income from the Pension Plan. If the Member has already retired and is receiving retirement income from the Pension Plan, use the instructions and Sample Order labeled "AFTER Retirement."

Please do NOT use the Sample Order when dividing benefits because of a legal separation. Contact the Special Claims unit for assistance.

The University of California Retirement Plan document contains details of the plan's provisions. If a conflict exists between this sample and the Plan documents, the Plan documents govern. University of California Human Resources and Benefits (UC HR/Benefits) maintains the authority to interpret disputed provisions.

Instructions

These instructions are intended to assist University of California Retirement Plan (UCRP) members, alternate payees, and legal representatives in properly completing and presenting an acceptable Domestic Relations Order for dividing community property interest held by UCRP/CAP.

UCRP consists of the University of California Retirement Plan (UCRP or Plan) which may also include a CAP benefit.

A Qualified Domestic Relations Order (QDRO) is a court-approved Order served on a retirement plan, which orders the retirement plan to divide a member's interest pursuant to legal separation or divorce. In order to divide the UCRP interest, the Order must be submitted in a form acceptable to the Plan Administrator.

The Order refers to the UCRP Member as *Member* and to the former spouse as *Alternate Payee*. In some situations, a child or dependent could also be an Alternate Payee under a court order.

UCRP requires that, if the Order is filed within the state of California, the Plan must be joined as a party to the action.

The Sample Order describes several optional provisions that may be included. If the Member had funds in the Plan (see Section 2) before the marriage, specify the period to be used to determine the Alternate Payee's share. If not dividing any interest in UCRP, indicate that it will be the Member's sole and separate property.

Section 1—Intent, Purpose and Notices

Complete Section 1.B by indicating the state which has jurisdiction over the case.

Complete Section 1.D by filling in the information requested of the Member and the Alternate Payee.

Section 2—Determining the Alternate Payee's Award

Complete Section 2 if the Order will divide the Member's interest in the Pension Plan.

If the Member has purchased service credit for prior periods of service or for a leave of absence, or is eligible to do so, provide instructions on how this service credit is to be treated (i.e., as the Member's separate property or as part of the marital period).

Complete Section 2.E if the division includes an interest in Capital Accumulation Provision funds.

Section 3—General Provisions

Complete Section 3 for all Orders, including all required signatures. Section 3.H should be completed if the court will be asked to retain jurisdiction over the QDRO.

When the QDRO has been filed with the court, send a certified copy to the Special Claims unit with a copy of the Order that dissolved the marriage.

IMPORTANT:

The disposition of University of California Retirement Plan (UCRP) benefits in Domestic Relations proceedings involves community property rights and tax issues. Neither UCRP nor its agents or consultants are authorized to give legal advice, nor can they make any representation as to the sufficiency under applicable federal or state law or as to the legal consequences of an order.

Prior to Retirement

SUPERIOR COURT OF THE STATE OF _____

COUNTY OF _____

In re the Marriage of

Petitioner: _____

and

Respondent: _____

Case No. _____

STIPULATED DOMESTIC RELATIONS ORDER
RE: UNIVERSITY OF CALIFORNIA
RETIREMENT PLAN/CAP (UCRP) BENEFITS

The undersigned parties stipulate that the parties shall be bound by the following Order:

1. INTENT, PURPOSE AND NOTICES

- A. Member (an *Active Member, Disabled Member, or Inactive Member of the University of California Retirement Plan*) and Alternate Payee (*Former Spouse or Dependent*) intend herein to divide and allocate the Member's benefits in UCRP.
- B. This Order is made pursuant to the marital property laws of the State of _____.
- C. All notices, including notices of motion in this proceeding, shall be deemed sufficient only if delivered personally or sent by mail, postage prepaid, addressed to the last known address of the appropriate person.
- D. Social Security numbers, dates of birth for the Member and Alternate Payee, and current addresses for all named parties, are set forth herein. These addresses shall continue to be correct for the purposes of notification, unless the party to whom notice is to be given has notified the others of a change of address. Also set forth herein is the date of marriage and date of separation or divorce.

MEMBER:

Name: _____

Address: _____

Social Security number:* _____

Birth date:* _____

ALTERNATE PAYEE:

Name: _____

Address: _____

Social Security number:* _____

Birth date:* _____

Date of Marriage: _____

Date of Separation, Divorce or Community Property Division: _____

* The Social Security number and birth date are required, but may be provided to the Special Claims unit separately.

- E. The President of the University of California is the Administrator of UCRP/CAP. The President has delegated administration of marital dissolution cases to the Associate Vice President, Human Resources and Benefits. The Associate Vice President has established a Special Claims unit to handle the administrative tasks associated with qualifying a Domestic Relations Order. The Office of the General Counsel advises the Plan on legal matters.

2. DETERMINING THE COMMUNITY PROPERTY INTEREST IN UCRP

The Member has earned certain benefits under UCRP, which are the community property of the Member and the Alternate Payee. The total community property share of the Member and the Alternate Payee in the Basic Retirement Income (BRI) from the Pension Plan, shall be determined as a **service fraction**. The numerator of the service fraction shall be the number of years of credited service earned by the Member attributable to the marital period (the Date of Marriage through the Date of Separation/Divorce, as set forth in Section 1.D, above). The denominator of the service fraction is the total number of years of UCRP service credit earned by the Member, up to the date of distribution to the Alternate Payee. The Alternate Payee's share is one-half ($\frac{1}{2}$) of this service fraction.

The Alternate Payee is hereby awarded a separate interest in UCRP based on her/his community property interest. A separate account shall be established to reflect the Alternate Payee's community property share of Member Accumulations (contributions plus earnings) and service credit under UCRP. The Member's Accumulations and service credit will be reduced to reflect the amounts determined to be the Alternate Payee's share. The Alternate Payee's community property share of a Member's Accumulations shall be referred to as the Alternate Payee's Accumulations.

The Alternate Payee may be entitled to only **one** of the following benefits permitted under UCRP:

1. **Refund of Accumulations**—At any time, the Alternate Payee may elect to receive a one-time payment of the Alternate Payee's share of the Member's Accumulations (if any). If the Member leaves employment with the University and is not vested (i.e., has fewer than five years of service credit under the Plan), this will be the only option available. Upon election of a Refund of Accumulations, the Alternate Payee waives all rights to any further UCRP benefits.
2. **Lump Sum Cashout**—When the Member is eligible to retire, the Alternate Payee may elect to receive a Lump Sum Cashout. This may be elected within 12 months after the date of the Plan's notification to the Alternate Payee of his or her eligibility to make this election, or at the time of the Member's actual retirement. The amount of the Cashout is the actuarial value of the retirement benefits payable to the Alternate Payee based on the service credit in the separate account. The Cashout amount is valued on the date that the Cashout is payable to the Alternate Payee. Upon election of a Lump Sum Cashout, the Alternate Payee waives all rights to any further UCRP benefits.
3. **Basic Retirement Income**—When the Member retires or dies while eligible to retire, the Alternate Payee may elect to receive a lifetime monthly benefit, actuarially determined for the life of the Alternate Payee based on the service credit in the Alternate Payee's separate account.
4. **Maintain a Separate Account**—The Alternate Payee may establish and maintain a separate account to later elect a Cashout or Basic Retirement Income when the Member becomes eligible to retire or when the Member actually elects to retire.

Limitation—If a Refund of Accumulations has not been elected, and if the value of the Cashout of the Alternate Payee's separate account (at the time that the Member becomes eligible to retire) is less than \$20,000, the Plan will make a Lump Sum Cashout payment to the Alternate Payee as soon as administratively practical. If, on the date of the Member's retirement (or death after eligibility for retirement), the Lump Sum Cashout of the Alternate Payee's separate account is less than \$20,000, the Plan will make a Lump Sum Cashout payment to the Alternate Payee and the Alternate Payee shall not have the right to elect Basic Retirement Income.

A. MEMBER LEAVES UNIVERSITY EMPLOYMENT:

If the Member leaves University employment *before becoming vested* with UCRP, the Alternate Payee must elect a Refund of Accumulations. If the Member leaves University employment and *is vested* with UCRP, the Alternate Payee may elect a Refund of Accumulations or a Lump Sum Cashout when the Member reaches age 50 (i.e., eligible to retire).

B. DEATH OF THE MEMBER:

If the Member dies before becoming vested in UCRP, the Alternate Payee must elect a Refund of Accumulations. If the Member is vested but has not yet reached age 50 at the time of death, the Alternate Payee may elect a Refund of Accumulations at any time, or a Lump Sum Cashout at the time that the Member would have reached age 50. If the Member dies after becoming vested and has reached age 50, the Alternate payee may elect either a Lump Sum Cashout or Basic Retirement Income.

C. MEMBER BECOMES ELIGIBLE FOR DISABILITY INCOME:

If the Member becomes disabled, the Alternate Payee is not entitled to receive any portion of the Member's Disability Income. However, the Alternate Payee is entitled to receive a Refund of Accumulations or, if the Member is eligible to retire, a Lump Sum Cashout, based on the Alternate Payee's separate account. The Alternate Payee is eligible to receive Basic Retirement Income only on the date Disability Income ceases and the Member begins receiving retirement benefits or dies. Separate provisions apply to Duty Disability.

D. DEATH OF THE ALTERNATE PAYEE:

The Alternate Payee may designate a beneficiary to receive any amounts due after the Alternate Payee's death. If the Alternate Payee dies before receiving benefits from the Plan, the Alternate Payee's Accumulations, if any, shall be paid to the Alternate Payee's beneficiary. If the Alternate Payee dies while receiving Basic Retirement Income, any remaining Accumulations in her/his separate account shall be paid to the beneficiary. If the Alternate Payee dies after electing to receive a Lump Sum Cashout, but before receiving such payment, the amount of the Lump Sum Cashout shall be paid to the Alternate Payee's beneficiary. If the Alternate Payee does not designate a beneficiary, payment shall be made by order of succession.

E. CAPITAL ACCUMULATION PROVISION:

The Alternate Payee's community property share of the Member's benefits under the Capital Accumulation Provision will equal _____%, attributable to the marital period as set forth in section 1.D, **adjusted to reflect the interest credited to the date of distribution**. The Alternate Payee will receive her/his CAP share in a lump sum as soon as administratively possible. If the Alternate Payee dies before receiving payment of her/his CAP share, payment shall be made to the Alternate Payee's beneficiary.

3. GENERAL PROVISIONS

A. This Order does **not require UCRP to provide:**

- any type or form of benefit, or any benefit option not otherwise provided under UCRP;
- increased benefits (determined on the basis of actuarial value);
- benefits to the Alternate Payee which are required to be paid to another Alternate Payee under another Order previously determined to be a QDRO.

The parties agree that their mutual intent is to provide the Alternate Payee with a benefit under UCRP/CAP that fairly represents the Alternate Payee's community property share of the benefit as defined in this Order or by agreement of the parties. If this Order is held not to be a Qualified Domestic Relations Order, the parties hereby agree to submit to and request a court of competent jurisdiction to modify the Order to make it a Qualified Domestic Relations Order in such a manner that will reflect the parties' intent and the provisions of the Plan as herein expressed.

B. The division of interest in this Order shall be permanent. From the date of this Order and thereafter, the Member shall have no further right or interest in the portion of the Member's accrued benefits under the UCRP which is assigned to the Alternate Payee pursuant to this Order, and the Alternate Payee shall have no further right or interest in the portion of the Member's accrued benefit under UCRP which is not assigned pursuant to this Order. Nothing in this Order shall restrict the Member's ability to obtain a distribution under UCRP or to designate a beneficiary under UCRP with respect to the Member's remaining accrued benefit determined after the assignment to the Alternate Payee. If a Plan benefit has not been divided, it will be confirmed in its entirety to the Member as his or her sole and separate property.

C. After distribution to the Alternate Payee, UCRP will pay to the Member, in the form elected, the balances remaining in UCRP and CAP.

- D. This Order will continue to be in effect with respect to any successor or transferor plan of the Pension Plan and the CAP, including any plan into which UCRP is merged.
- E. This Order will continue to be in effect following the termination of UCRP.
- F. Each party will, upon receiving a reasonable request, perform any act reasonably necessary to carry into effect the terms of this Order.
- G. Each party will be responsible for, and will pay, any taxes that are due on account of any amount received by that party from UCRP, except if the Alternate Payee is a dependent of the Member, in which case the Member will be responsible for the taxes.
- H. The court retains jurisdiction to make further Orders as are necessary to enforce or clarify the provisions of this Order.
- I. Claims for benefits and beneficiary designations must be made on forms provided by UCRP.
- J. Survivor spousal benefits are not payable to a former spouse.
- K. In the event that UCRP inadvertently pays the Member or Alternate Payee any benefits that are assigned to the other according to the terms of the QDRO, the receiving party shall immediately reimburse UCRP.

Date: _____

 Member's Signature

Date: _____

 Member's Attorney's Signature

 Attorney's Address

Date: _____

 Alternate Payee's Signature

Date: _____

 Alternate Payee's Attorney's Signature

 Attorney's Address

IT IS SO ORDERED:

Date: _____

 JUDGE OF THE SUPERIOR COURT

By authority of the Regents, University of California Human Resources and Benefits, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (1-800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides for continued coverage for a certain period of time at applicable monthly COBRA rates if you, your spouse, or your dependents lose group medical, dental, or vision coverage because you terminate employment (for reasons other than gross misconduct); your work hours are reduced below the eligible status for these benefits; you die, divorce, or are legally separated; or a child ceases to be an eligible dependent. Note: The continuation period is calculated from the earliest of these qualifying events and runs concurrently with any other UC options for continued coverage. See your Benefits Representative for more information.

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Director of Diversity and Employee Programs, University of California Office of the President, 300 Lakeside Drive, Oakland, CA 94612 and for faculty to Director of Academic Affirmative Action, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

Website address: atyourservice.ucop.edu



University of California
Human Resources and Benefits
P.O. Box 24570
Oakland, CA 94623-1570

