



PENSION APPRAISERS INC.[®]

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DOMESTIC RELATIONS ORDER CHECKLIST FOR STATE AND LOCAL GOVERNMENT DEFINED BENEFIT PLANS

REQUESTOR'S

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Firm Name: _____

Telephone #: _____ Fax #: _____

Should the Requestor's name and/or Firm Name, address and Telephone number appear above the Legal Caption?

_____ Option #1 - Yes _____ Option #2 - No

Who do you Represent?

_____ Plaintiff _____ Petitioner
_____ Defendant _____ Respondent

In addition to the Judge's, what signature lines should come at the end of the Order?

_____ None
_____ Both Husband and Wife
_____ Attorneys for Husband and Wife
_____ Husband and Wife and Attorneys for Both

Opposing Atty. Name _____

1. Plaintiff / Petitioner: _____

Defendant / Respondent: _____

2. Name of Court: _____

State: _____ County: _____

Division: _____ Docket Number: _____

3. **PARTICIPANT: (Employee Spouse)**

Name of Participant: _____

Date of Birth: _____

Last Known Mailing Address: _____

Zip Code: _____

Social Security Number: _____

4. **ALTERNATE PAYEE: (Spouse or Former Spouse)**

Name of Alternate Payee: _____

Date of Birth: _____

Last Known Mailing Address: _____

Zip Code: _____

Social Security Number: _____

5. **Marriage Date:** _____

6. **Divorce Date:** _____

7. **Date Marriage Ended:** _____
(Cut-off date used to determine marital coverage fraction i.e. separation date, complaint date, or divorce date.)

8. **Plan Name:** _____

Date Participant Joined The Plan: _____

The Participant

___ is retired and receiving retirement benefits under the Plan.

___ will be eligible for retirement benefits under the Plan.

9. **Percent or Dollar Amount of Employee's benefits to be paid by the Plan to the Alternate Payee?**

Percent: _____% Or Dollar Amount: \$ _____

Other: _____

If a percent is chosen, how will the Marital Property Component be determined?

_____ **Option #1** - The Marital Property Component shall be determined by a fraction, the numerator of which is the number of months of the Participant's participation in the Plan earned during the marriage and the denominator of which is the total number of months of the Participant's participation in the Plan through **Date Marriage Ended**.

_____ **Option #2** - The Marital Property Component shall be determined by a fraction, the numerator of which is the number of months of the Participant's participation in the Plan earned during the marriage and the denominator of which is the total number of months of the Participant's participation in the Plan through **Retirement**.

_____ Other: _____

10. **Should the Former Spouse receive a pro-rata share of any Cost of Living Adjustments (if applicable)?**

_____ **Option #1** Yes

_____ **Option #2** No

11. **When will Alternate Payee's benefits start?**

_____ When Participant actually retires. (**ONLY OPTION**)

12. **Form of Payment to Alternate Payee:**

_____ Monthly Payments (**ONLY OPTION**)

13. **Length of time benefits will be paid by the Plan to the Alternate Payee.**

_____ Lifetime of the Participant (**ONLY OPTION**)

14. **Should the Alternate Payee share in any Early Retirement Subsidy (if applicable)?**

_____ **Option #1** Yes

_____ **Option #2** No

15. **Should the Alternate Payee be a designated beneficiary for any death benefits in the event the Participant dies prior to reaching retirement?**

_____ **Option #1** Yes

_____ The Alternate Payee's equitable distribution share of such death benefits.

_____ All death benefits.

_____ **Option #2** No

16. **Should the Participant be required to elect a specific retirement option and designate the Alternate Payee as the beneficiary in order to ensure payment of benefits to the Alternate Payee for his/her lifetime?**

_____ **Option #1 Yes**

Name of Benefit Option: _____

Description: _____

_____ **Option #2 No**

17. **Payment can be made by check or credit card.**

Credit Card: MC Visa Amex Discover

Expiration Date: /

Name as it appears on the credit card _____

Billing address of the credit card _____

STATE AND LOCAL GOVERNMENT DEFINED BENEFIT PLANS

DIRECTION FOR COMPLETING THE FORM

Sections 1 and 2

This information can be found in the caption (top of the first page) of the Property Settlement Agreement or Divorce Decree.

Section 3

Participant (Employee Spouse)

This is the individual who owns the Pension Plan to be divided.

Section 4

Alternate Payee (Spouse or Former Spouse)

This is the individual who is being awarded a portion of the Pension Plan.

Section 5

Date of Marriage

Section 6

Divorce Date - This is the date the divorce was effective. If the divorce has not been finalized, leave this section blank.

Section 7

Date Marriage Ended - This is the cut-off date for marital property rights relative to the pension. It is usually dictated by case law. This information may be found in the Property (Marital) Settlement Agreement or Divorce Decree.

Section 8

Plan Name - It is necessary to have the exact legal name of the plan. This information can usually be found on a benefit statement or in a benefits handbook.

Date Participant Joined the Plan - This is the actual date that the participant joined the plan.

The Participant either is retired or will retire in the future.

Section 9

Percent or Dollar Amount of Participant's benefits to be paid by the Plan to the Alternate Payee?

It is possible to award a percentage of the Employee's benefits (i.e. 50% of the portion of the benefit accumulated during the marriage) or a specific dollar amount each month (i.e. \$750.00 per month). This information can be found in the Property (Marital) Settlement Agreement or Divorce Decree. *This amount cannot be expressed as a lump sum.*

If a percent is chosen, how will the Marital Property Component be determined?

There are two methods of distinguishing the portion of pension benefits earned by an employee during the period of marriage. The method which applies to a particular case is typically discussed in detail in the Judgment of Divorce, Property Settlement Agreement or other document which outlines the division of property. However, if such is not discussed in detail, various case law may set the standard followed by divorcing parties in different states.

Option #1 - Frozen Benefit Approach: The Plan determines the employee's accrued benefit assuming that the employee terminated his employment on the Date the Marriage Ended. This benefit is referred to as the "frozen" accrued benefit. If the employee began his employment prior to the date of marriage, the Plan will calculate what part of the "frozen" accrued benefit was accumulated during the period of marriage.

Option #2 - Coverture Approach: This approach compares the period of marriage to the total period of time an employee participates in his/her pension plan up until the date of retirement. This method is best explained using the following illustration:

Jack and Jill were married for 10 years. Jack began his employment at the same time they got married, and worked for the State for another 20 years before retiring. Therefore, when he retired, he had been in the retirement plan for a total of 30 years. The formula for determining the portion of the pension accumulated during the marriage would be as follows:

$$\frac{10 \text{ years}}{30 \text{ years}} \times \text{Jack's total retirement benefit for all 30 years of employment} = \text{Portion of benefit earned during the marriage}$$

Taking this a step further, if Jack and Jill were supposed to divide the portion of the benefits earned during their marriage equally, the formula would be as follows:

$$\frac{10 \text{ years}}{30 \text{ years}} \times \text{Jack's total retirement benefit for all 30 years of employment} \times 50\% = \text{Jill's share}$$

or, Jill's share equals 17% of the Jack's entire pension after 30 years of employment.

Section 10

Should the Former Spouse receive a prorata share of any Cost-of-Living Adjustment (if applicable)?

Cost-of-living adjustments are small incremental increases which keep a retiree in line with inflation. They are typically granted yearly, and often relate to the increase in the Consumer Price Index. These are increases in retirement benefits after retirement, and should not be confused with cost-of-living increases in salary received while still working.

In some states case law has established that if a spouse is awarded a portion of the employee's pension, and that pension is subject to cost-of-living increases, then the spouse is also awarded a portion of such cost-of-living increases. However, in many cases this issue is not dictated by case law and should be decided by the parties during their settlement.

Section 11

When will the Alternate Payee's benefit start?

When the Participant actually retires (ONLY OPTION).

The Alternate Payee will not be allowed to start receiving benefits from the plan until the employee actually retires and begins receiving benefits for whatever reason.

Section 12

Form of Payment to the Alternate Payee:

Monthly Payments

The benefits will be paid to the Alternate Payee on a monthly basis.

Section 13

Length of time benefits will be paid to the Alternate Payee:

Lifetime of the Participant.

After both parties begin receiving benefits from the Plan such benefits will be paid to the Alternate Payee for the employee's lifetime. Upon the Participant's death, all payments to the Alternate Payee will cease.

Section 14

Should the Alternate Payee share in any early retirement subsidy (if applicable)?

Early retirement subsidies can come in many different forms, such as being able to retire early, without penalty, due to the completion of a certain amount of years of service (30 Years and out) or some type of bonus for retiring prior the normal date. These are just two examples. Many plans offer different types of subsidies or bonuses to their employees in order to make the idea of retiring early more appealing. Many plans do not have specific rules concerning these subsidies, but have places reserved within the plan guidelines in the event that such subsidies are ever needed in order to downsize their workforce.

Ideally, this issue should be discussed in detail in the Judgment of Divorce, Property Settlement Agreement or other document which outlines the division of property. However, if such is not discussed in detail, various case law may set the standard followed by divorcing parties in different states.

Section 15

Should the Alternate Payee be a designated beneficiary for any death benefits in the event the Participant dies prior to reaching retirement?

Option #1 - Yes

The Alternate Payee's equitable distribution share of such death benefits. This would provide for the Participant to designate the Alternate Payee as the beneficiary of those death benefits available under the Plan which coincide with the portion of the pension which was awarded in Section 7 of this Checklist.

All death benefits. This provides for the Participant to designate the Alternate Payee as the beneficiary of all death benefits available under the Plan.

Option #2 - No

Section 16

Should the Participant be required to elect a specific retirement option and designate the Alternate Payee as the beneficiary in order to ensure payment of benefits to the Alternate Payee for his/her lifetime?

This questions deals with establishing the Alternate Payee's rights to a post-retirement survivor benefit. The Order will require the Participant to elect a particular retirement option under the terms of the Plan and designate the Alternate Payee as beneficiary for the survivor benefit available under such option.

Option #1 - Yes

Name of Benefits Option: This is the name of the option offered under the terms of the Plan which the Participant will be required to elect at the time of retirement. Further, the Participant will be required to designate the Alternate Payee as the beneficiary for the survivor annuity available under this option. The names of these options are often differentiated under the Plan by numbers, i.e. Option #1, Option #2, Option #3, etc.

Description: Plans offer a number of different options relative to receipt of retirement benefits. This description will help the preparer of the Order have more insight into the benefits being provided to the Alternate Payee. Examples of descriptions are as follows: 50% Joint & Survivor Annuity, 100% Joint & Survivor Annuity, 25% Pop-Up Joint & Survivor Annuity, 5 Year Certain and Guaranteed, etc.

Option #2 - No



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POLICY FOR EXPERT TESTIMONY

WE REQUIRE 5 BUSINESS DAYS NOTICE FOR TESTIMONY.**

**Testimony will be provided if fewer than 5 days notice are given if the expert is able to accommodate the clients without undue stress.

Fee for Testimony (per day)

Reservation Fee	\$ 195.00
Testimony	\$ <u>650.00</u>
Total	\$ 845.00

*Fee for Testimony with fewer than 5 business days' notice.

Reservation Fee	\$ 195.00
Testimony	\$ 650.00
Late Notification Fee	\$ <u>845.00</u>
Total	\$1,690.00

Or the cost of transportation and lodging whichever is greater. This fee applies when we can *reasonably* drive to and from the jurisdiction where testimony is to be given on the day the testimony is to be given. If we cannot, then transportation and lodging fees apply. Please call to verify whether your jurisdiction is a driving destination.

*Notice is considered to be given upon receipt of the Reservation Fee. At that time an expert is calendared for testimony.

Fee for Testimony with Transportation and Lodging

Reservation Fee	\$ 195.00
PLUS the cost of Transportation and Lodging	

Fee for Testimony with Transportation and Lodging and fewer than 5 days notice.

Reservation Fee	\$ 195.00
Late Notification Fee	\$ 845.00
PLUS the cost of Transportation and Lodging	

When Testimony with Transportation and Lodging is required miscellaneous expenses will be charged against the Reservation Fee. The difference will then be refunded.

Fee for Telephone Testimony

Reservation Fee	\$ 195.00
Testimony	\$ <u>450.00</u>
Total	\$ 645.00

All fees for testimony must be received by our office before the date of testimony. For your convenience we accept payment by check, money order and credit card. If the case settles and testimony is not required the testimony fee will be refunded. The reservation fee is non-refundable except where noted.

"Valuators of Defined Pension Benefits for Equitable Distribution"