

INSTRUCTIONS FOR USING IOWA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM (IPERS) MODEL QDRO

(R: 05/02)

Please find enclosed a document labeled "IPERS Model QDRO". This is a model qualified domestic relations order (QDRO) which can be used to draft a marital property order that complies with Iowa Code section 97B.39 and administrative rules found at 581 IAC 21.29 (97B). Please be advised that IPERS is a governmental plan and is not governed by the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and most of the provisions of the Internal Revenue Code (IRC) that govern the division of qualified plan assets. Therefore, although this model uses the terms "Alternate Payee" and "qualified domestic relations order", drafters should not confuse those terms with ERISA and IRC concepts.

1. The enclosed Model QDRO uses a "fill in the blank" format. DO NOT ATTEMPT TO FILL IN THE BLANKS ON A HARD COPY OF THIS FORM AND SEND IT IN – CREATE YOUR OWN FORM.

(A modifiable version of the Model QDRO may be downloaded from the IPERS web site at www.state.ia.us/ipers or www.ipers.info.)

2. The Model QDRO provides for alternate methods of dividing benefits, either as a percentage or dollar amount of the gross benefits payable at the date of distribution. DO NOT INCLUDE BOTH ALTERNATES IN YOUR ORDER OR IT WILL BE REJECTED.

Please note that the Model QDRO divides benefits at the date of distribution. IPERS believes that this method, in conjunction with the service factor formula described in item 3 below, accurately reflects the Iowa Supreme Court's decision in In re Marriage of Benson, 545 N.W.2d 252 (Iowa 1996). Drafters should review that case for more details.

3. If the percentage method is desired but the parties believe that a flat percentage cannot be set at this time, the service factor percentage method found at paragraph 3, Sample b, of the Model QDRO should be used. IPERS will determine the percentage at the time of distribution.
4. Please note that the mandatory provisions are contained in pages 4, 5, 6, 7, and 8 of the Model QDRO.
5. Optional provisions are found on pages 8, 9, and 10. If an optional provision is not contained in an order, it will not be provided.
6. IF AN ORDER IS RECEIVED BY IPERS AFTER THE MEMBER HAS RETIRED, THE ORDER WILL BE REJECTED IF IT CONTAINS OPTIONAL PARAGRAPHS C, D, E,

OR F.

7. A Confidential Information Form is included on page 11. A copy of this form or a cover letter containing the Social Security numbers of the Member, Alternate Payee, and each Successor Alternate Payee (if any) **must** be sent to IPERS before a QDRO can be accepted for administration.
8. Please note that IPERS is a defined benefit plan, not a defined contribution plan. Separate accounts are not maintained for Members and Alternate Payees. Members, Alternate Payees, and attorneys are encouraged not to submit orders, which treat Members' IPERS interests like accounts in a defined contribution plan. Such treatment may lead to a rejection of the order, which will cause a loss of future benefits for Alternate Payees, unless the order requires the Member to reimburse the Alternate Payee for payments the Alternate Payee would have received if the Order had been accepted as of the date distributions to the Member began. Drafters are reminded that IPERS benefits are determined by a formula and that a report of employer and employer account balances does not necessarily represent the full "value" of a Member's interest.
9. A properly completed IPERS Release of Information Form must be on file with IPERS before confidential information, such as annual statements and estimates of the Member's accrued benefits can be shared with anyone other than the Member.
10. IPERS will not prepare lump sum present value calculations. If necessary, parties can obtain lump sum present value calculations from a qualified certified public accountant or an actuary.

SUMMARY OF IPERS REQUIREMENTS FOR QDROs

A valid QDRO **MUST**:

1. Be fully signed and stamped with the date stamp of the District Court.
2. Contain current mailing addresses for both the Member and the Alternate Payee, and the Successor Alternate Payee, if any.
3. Identify IPERS as the plan.
4. State that the order is a marital property settlement.
5. Do the following:
 - State the exact percentage or exact dollar amount of the Member's lump sum or monthly payment, or method for determining said percentage or dollar amount, payable to the Alternate Payee at the time that distributions begin. *
 - State the period of time that payments are to continue.
 - State that payments will begin at the time when distributions to the Member

(or, if applicable, the Member's beneficiary) begin.

NOTE: IPERS strongly encourages drafters who use the service factor method to include beginning and ending date of the marriage in the order to expedite processing.

A valid QDRO **MAY, IF THE ORDER SO PROVIDES:**

1. Award a share of dividends.
2. Name a successor Alternate Payee. If minor children are involved, a Trustee could be named as successor Alternate Payee.
3. If received and accepted by IPERS BEFORE the Member retires or dies:
 - Require the Member's lifetime benefits to be paid under a particular option.
 - Bar the Member from taking a refund.
 - Require the Member's death benefits to be paid to the Alternate Payee.

A valid QDRO **CANNOT:**

1. Require IPERS to maintain separate accounts.
2. Require IPERS to pay any amounts to attorneys, financial institutions (except for rollovers), or others.
3. Require IPERS to provide a type or form of benefit or option not already provided.
4. Require IPERS to pay increased benefits (determined on the basis of actuarial value).
5. Take precedence over any QDRO previously accepted by IPERS involving the same member and a different spouse.

If you believe that this Model QDRO and guidelines do not meet your needs, please contact the IPERS QDRO Administrator at 515-281-0039 or toll-free at 1-800-622-3849, ext. 10039 to discuss whether any other provisions may be acceptable.

(R: 05/02)

IPERS MODEL QDRO

IN THE DISTRICT COURT OF IOWA IN AND FOR 1 COUNTY

IN RE THE MARRIAGE OF 2 AND 3

UPON THE PETITION OF)

4
Petitioner,)

AND CONCERNING)

6
Respondent.

)
) EQUITY NO. 5
)
) 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, subject to the requirements of Internal Revenue Code section 414(p)(11), Iowa Code section 97B.39, and the administrative rules.

1. The Member is 7, whose current address is 8. The Alternate Payee is 9, whose current address is 10. 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), PO Box 9117, Des Moines, Iowa 50306-9117.

-
- 1 Name of county
 - 2 Name of petitioner
 - 3 Name of respondent
 - 4 Name of petitioner
 - 5 Case number
 - 6 Name of respondent
 - 7 Name of IPERS Member
 - 8 Address of IPERS Member
 - 9 Name of person to be paid a share of IPERS Member's benefits under this order
 - 10 Alternate Payee's address

EXAMPLES OF PARAGRAPH 3

Sample a: Straight Percentage Method

3. IPERS is directed to pay benefits to the Alternate Payee as a marital property settlement under the following formula: 11% of the gross monthly or lump sum benefit payable at the date of distribution to the Member.

OR

Sample b: Service Factor Percentage Method

3. IPERS is directed to pay benefits to the Alternate Payee as a marital property settlement under the following formula: (11) % of the gross monthly or lump sum benefit payable at the date of distribution to the Member multiplied by the "service factor." The numerator of the service factor is 12 quarters (or, the number of quarters covered during the marriage period of _____ through _____.) and the denominator is the Member's total quarters of service covered by IPERS and used in calculating the Member's benefit.

OR

Sample c: Dollar Amount Method

3. PERS is directed to pay benefits to the Alternate Payee as a marital property settlement under the following formula: \$ 13 of the Member's gross lump sum payment at

11 Percentage of benefits awarded, if order specifies percentage method

12 The quarters of years in which the Member was in covered employment and was

13 Dollar amount if distributed as lump sum to Member, if order specifies dollar amount method

the time of distribution if paid as a lump sum benefit, or \$ 14 of the Member's gross monthly payment at the time of distribution if paid as a monthly allowance.

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.

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 is paid. **OR**

_____ Other (As defined here)

NOTE: If the drafter wishes to choose "other", please state time or method for determining the time of payments. "Life of the Alternate Payee" is not acceptable.

5. The benefits payable to the Alternate Payee will commence when the Member begins to receive benefits from IPERS or when death benefits become payable, if such death benefits are provided for in one or more separately numbered paragraphs herein,

whichever occurs first, and shall not begin before this Order is accepted by IPERS as a Qualified Domestic Relations Order.

14 Dollar amount if benefit distributed as monthly payment, if order specifies dollar amount method

**OPTIONAL PARAGRAPHS, IF ANY, SHOULD BE INCLUDED HERE. SEE
PAGES 8 to 10 OF THIS MODEL ORDER FOR MODEL OPTIONAL
PARAGRAPHS. (These Optional Paragraphs include death benefits.)**

6. The taxable portion and basis will be prorated to each respective recipient.

7. IPERS is hereby authorized to release information about the Member's account, including but not limited to annual 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:

a) To provide increased benefits over what would otherwise be payable based on the Member's record, as determined based on actuarial value;

b) to provide any type or form of benefits, or any option, not otherwise provided under IPERS; or

c) to provide benefits to an Alternate Payee, which is, 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 either a cover letter containing the Member's and the Alternate Payee's Social Security numbers, or, copy of "Confidential Information" form, be sent by _____'s counsel by regular mail to IPERS. Within a reasonable time after receipt of 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 section 414(p)(11), Iowa Code section 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 section 414(p)(11), Iowa Code section 97B.39, and the administrative rules.

Dated _____ 15

Judge, 17 Judicial District

Approved as to form:

Attorney for Petitioner

Attorney for Respondent

IPERS
QDRO Administrator
PO Box 9117
Des Moines IA 50306-9117

OPTIONAL PARAGRAPHS

A. Dividends/Cost of Living Increases

1. Percentages or Service Factor Method

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 will be in the same

15 Date of order

16 Signature of Judge

17 Judicial district

18 Signature of attorney for petitioner

19 Signature of attorney for respondent

proportion as determined in paragraph 3.

OR

2. Dollar Method

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 determined on a pro rata basis.

B. Successor Alternate Payee

If the Alternate Payee dies before the Member, the amounts that would have been payable to the Alternate Payee under this Order, except amounts payable to the Alternate Payee as a contingent annuitant, shall be paid to 20, whose last known mailing address is

21. (A successor alternate payee must be an individual (or individuals), not an estate or trust.)

The following paragraphs may be included in a qualified domestic relations order. However, an order containing one or more of these paragraphs will be rejected if received by IPERS after a Participant begins his or her retirement or dies.

C. Form of Benefit

The Member shall select IPERS' Option 22 in his or her application to retire. (See *IPERS Retirement Planning Guidelines, on the Internet, for more information about IPERS Options.*)

D. No refund

The Member shall be barred from requesting a refund without the consent of the Alternate Payee.

E. Designation of Beneficiary - Preretirement Death Benefits

The Member shall name the Alternate Payee as a designated beneficiary with respect to preretirement death benefits under IPERS. The Alternate Payee shall

20 Successor Alternate Payee if Alternate Payee dies before Member

21 Address of successor Alternate Payee

22 IPERS option required under order

receive [23]% **OR** \$[24] of the Member's death benefit. This designation shall be irrevocable unless modified or revoked in a subsequent Qualified Domestic Relations Order.

F. Designation of Beneficiary/Contingent Annuitant - Postretirement Death Benefits

1. Options 1, 2, and 5

The Member shall name the Alternate Payee as a designated beneficiary with respect to post-retirement death benefits. The Alternate Payee shall receive [25]% **OR** \$[26] of the Member's death benefit. The Member shall not be entitled to select a joint and survivor option (option 4) and name anyone other than the Alternate Payee as the contingent annuitant. This designation shall be irrevocable unless modified or revoked in a subsequent Qualified Domestic Relations Order.

OR

2. Option 4

The Member shall name the Alternate Payee as the Member's contingent annuitant under IPERS Option 4. Death benefits will be paid to the Alternate Payee in accordance to the percentage selected in the option choice regardless of any percentages previously awarded herein. This designation shall be irrevocable unless modified or revoked in a subsequent Qualified Domestic Relations Order. Notwithstanding subsequent Orders, this designation shall be irrevocable once the Member begins receiving IPERS distributions.

OR

3. Option 6

The Member shall name the Alternate Payee as the Member's contingent annuitant under IPERS Option 6. Death benefits will be paid to the Alternate Payee in accordance to the percentage selected in the option choice regardless of any percentages previously awarded herein. Notwithstanding the foregoing, if the Member retires and the Alternate Payee dies before the Member, and the Order provides for a successor Alternate Payee, the successor Alternate Payee shall receive [25]% **OR** \$[26] of the lump sum death benefit payable (the death benefit that would have been payable if the Member had selected Option 2 at retirement).

23 Percentage of preretirement death benefit awarded if that method is specified

24 Dollar amount of preretirement death benefit, if that method is specified

25 Percentage of postretirement death benefit awarded, if that method is specified

26 Dollar amount of postretirement death benefit awarded, if that method is specified

[This space is intentionally left blank]

IN THE IOWA DISTRICT COURT FOR _____ COUNTY

)	
)	Case No. _____
Petitioner)	
)	
vs.)	CONFIDENTIAL INFORMATION
)	FORM
)	
Respondent)	
)	

	<u>Name</u>	<u>Personal Identification Number</u> (Social Security Number)
Petitioner	1. _____	_____
	2. _____	_____
	3. _____	_____
	4. _____	_____
Respondent	1. _____	_____
	2. _____	_____
	3. _____	_____
	4. _____	_____
Successors	1. _____	_____
	2. _____	_____
	3. _____	_____

Information supplied by _____

(Print or type)

_____ Signature	_____ Date
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IPERS AUTHORIZATION FOR RELEASE OF INFORMATION

The Iowa Public Employees' Retirement System (IPERS) is hereby authorized to provide:

*Please give complete name and address of person(s) to
receive information)*

with the following records:

In addition, I authorize IPERS' employees to discuss any records forwarded pursuant to this authorization with the person(s) named above.

This Authorization shall be valid for ninety (90) business days after the date of receipt by IPERS. A new Authorization must be provided for information requests made thereafter.

I agree to release and hold IPERS harmless from any liability whatsoever that arises from release of information under this Authorization, including any release of information based on this Authorization made after the date this Authorization is no longer valid, and said release shall be binding on me, and my spouse, successors, heirs and assigns.

A photostatic or facsimile (FAX) copy of this Authorization may be used and shall have the same force and effect as the original.

Dated: _____

Member Signature: _____

Current Address: _____

Social Security No.: _____

TO BE VALID THIS FORM MUST BE SIGNED AND DATED IN FRONT OF A DISINTERESTED WITNESS

Dated: _____

Witness Signature: _____

**RETURN TO: IPERS PO BOX 9117 • DES MOINES IA 50306-9117
(02/02)**

PREPARING IPERS QUALIFIED DOMESTIC RELATIONS ORDERS (QDROS)

Family Law Track

**Thursday, June 20, 2002
11:00 a.m. to 12:00 p.m.**

PRESENTERS:

**Kelly D. Lovell,
Deputy General Counsel**

And

**Ann M. Zenk,
Associate Counsel**

**IOWA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM (IPERS)
7401 Register Drive
P.O. Box 9117
Des Moines, Iowa 50306-9117
800-622-3849
515-281-0020
www.ipers.info**

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1. Introduction.

Iowa Code Chapter 97B, creating the Iowa Public Employees' Retirement System (IPERS), was amended in 1996 to permit IPERS to accept marital property orders that assigned members' rights to future IPERS payments to former spouses. The effective date of the change was July 1996, although IPERS did not begin to accept Qualified Domestic Relations Orders (QDROs) until the fall of 1996. In addition to IPERS, public pension plans created under Iowa Code Chapters 97A, 294, and 411 were also amended to recognize marital property settlements in 1996.

Our task today is to assist practitioners in gaining a better understanding of IPERS QDROs. We will also discuss some common mistakes attorneys make and provide some drafting tips. This is not intended to be a general review of QDRO principles that apply to private sector pension plans or other public plans.

The Iowa Public Employees' Retirement System (IPERS) has a total membership of 319,418 as of June 2001. There are IPERS covered employers in 1298 city entities, 472 county entities, 397 school entities, 25 state entities and 230 other entities throughout the State of Iowa.

2. What is an IPERS QDRO?

An IPERS QDRO is simply a marital property order that meets the requirements of Internal Revenue Code section 414(p)(1)(A), Iowa Code section 97B.39, and 581 IAC 21.29 (97B).

3. Governmental Plan Exemption.

By now, many practitioners have become familiar with the QDRO requirements that apply to private sector pension plans subject to the Employee Retirement Income Security Act of 1974 (ERISA), and have developed model plans and procedures that meet ERISA requirements.

The problem is, IPERS is a "governmental plan" that is **exempt** from ERISA, which only covers private sector pension plans. Accordingly, a drafter who prepares an ERISA-tailored QDRO will almost certainly have it rejected by IPERS. For purposes of this presentation, the focus is on IPERS' QDRO governing laws, which are found at Iowa Code section 97B.39 and 581 IAC 21.29(97B).

4. Federal Legal Requirements.

The single federal requirement directly affecting IPERS QDROs is that there must be a final judgment, decree, or order. The definition does not include the modifier “proposed.” If an order **has not** been signed by a duly appointed judicial official and filed in accordance with applicable law and procedure, the order **is not** a qualified domestic relations order.

5. IPERS Model Documents and Review Procedures/State Law.

IPERS is under no legal obligation to review proposed orders. However, IPERS is happy to review proposed orders and provide comments in the form of a checklist. IPERS prefers reviewing proposed orders to rejecting orders already filed with the court.

A QDRO does not need to be in any particular format to be accepted. It does not even have to be a separate document apart from the divorce decree, although that is the type of QDRO typically written and forwarded to IPERS. It must, however, satisfy, in a clear and unambiguous manner, the requirements of Iowa Code section 97B.39 and 581 IAC 21.29 (97B).

IPERS has prepared a model QDRO package, which includes a model order containing samples of mandatory provisions, optional provisions, a summary of the legal requirements, and some practical pointers on how to assemble an IPERS QDRO using these materials.

The model package is included at the end of these materials. Use of the model materials will help expedite review and acceptance of a proposed or final order.

6. Unique Characteristics of IPERS - Valuation, Shared Payments and Other Issues.

IPERS is a defined benefit plan.

IPERS is a defined benefit plan with mandatory employee and employer contributions. Retirement benefits are paid in the form of lifetime monthly annuities, adjusted for various death benefit options. Although bookkeeping accounts of employee and employer contributions and interest credited to those accounts are maintained by IPERS, a member's monthly annuity is determined according to a formula, rather than by reference to the member's account balances. Although a member can terminate employment and request a lump sum refund of his vested account balances, a lump sum refund request sacrifices a portion of the value of the member's accrued retirement benefit.

In IPERS' case, the defined benefit formula is generally dependent on four factors: the member's age at retirement, quarters of covered employment, final average salary, and classification as a regular or special service member. In mathematical terms, the formula for regular service members is:

$$60\% \times \frac{\text{Years of Service}}{30} \times \text{Final Average Salary}$$

This formula produces an IPERS Option 2 yearly allowance, which is adjusted actuarially if the member picks a different retirement option.

IPERS only accepts shared payment QDROs.

IPERS is structured in a manner that only permits the use of a shared payment method for dividing a member's benefits. Under the shared payment method, the actual benefit payments made to the member (and if applicable, payments to beneficiaries) are split. Under this approach the alternate payee does not receive any payments until the member (or the member's beneficiary) begins to receive payments, or unless the member is already in pay status. IPERS does not currently have, and does not expect to have in the near future, the ability to value a member's account and divide it into two portions, with the alternate payee receiving the separate right to receive a portion of the member's accrued retirement benefit at a time and in a form different from that elected by the member. As will be discussed later, the shared payment approach makes it crucial for practitioners to consider the issue of IPERS death benefits under the retirement options available to members.

IPERS models divide the stream of payments to the member as of the date that the member begins to receive them.

The Iowa Supreme Court addressed this issue **In re the Marriage of Benson**, 545 N.W. 2d 252 (1996). This case resolved some of the conflicts of prior Court of Appeals cases regarding the division of accrued defined benefit pension plan benefits in dissolution actions, under the so-called "service factor" method. The service factor method can be used to determine the portion of pension payments which should be considered marital property. The marital property portion is the percentage obtained by multiplying 50% times the service fraction. The numerator of this fraction represents the period of time that the member participated in the plan during the marriage and the denominator represents the total period of time that the member participated in the plan.

Some have objected to the **Benson** approach because as the member's post-dissolution salary increases, the alternate payee's future benefits increase. While acknowledging the concerns about this issue, IPERS is in accord with the reasoning of the **Benson** ruling. To some extent, the increased benefits caused by salary increases that occur after the date of the dissolution may be viewed as offsetting the inflation that occurs between the time of the dissolution and the

time of the member's retirement. The true purchasing power of both parties are preserved equally while awaiting the member's initiation of benefit payments.

It is important to note that although IPERS is in accord with the **Benson** approach, and has drafted its model QDRO accordingly, practitioners may negotiate a different method for determining the marital portion. The formulation used must be clear and unambiguous, cannot require IPERS to pay benefits in a form not provided for under its plan documents, and cannot require IPERS to pay benefits of greater value than the member's accrued benefit.

IPERS cannot be required to provide present value calculations.

There are no provisions included in the IPERS plan documents which permit or require IPERS to provide lump sum present value calculations of a member's accrued retirement benefits. The parties may stipulate to the present value of pension benefits that are marital property, or may obtain a present value calculation from an actuary or other qualified expert. IPERS will accept and respond to reasonable requests, such as annual statements and estimates, and other relevant plan information to be used in preparing such calculations.

7. Qualifying an IPERS QDRO - General Comments.

Try to remember that qualifying a domestic relations order as an IPERS QDRO is not an exact science. There are, and will continue to be, some gray areas because retirement plans and the laws governing them are complicated.

If substantive disputes between the parties arise over certain points, please try to work with IPERS to resolve those disputes. If IPERS believes there is a problem with the order, there probably is. IPERS' sole motivation is to comply with its governing laws, state and federal, not make your life and that of your clients miserable. IPERS will do everything possible to assist you in drafting a qualified order.

IPERS staff cannot write the QDRO for you. Ultimately, IPERS has fiduciary responsibilities that may be viewed as extending to the member and the alternate payee. IPERS cannot be put into a position where it could be charged with violating its duties to either party. Preparing a QDRO is your job and you are responsible if the QDRO becomes a problem.

We would also suggest that attorneys avoid drafting the QDRO for both parties. First and foremost, this violates the conflict of interest provision of the Code for Professional Responsibility.

Please include the IPERS Member's Social Security number on all correspondence even if you have included the number in earlier contacts with IPERS. It is difficult to try to "guess" which John Smith is the correct party on the QDRO.

8. Common IPERS QDRO Mistakes and Problems are a Failure to:

- Address the issue of death benefits in the QDRO. Alternate payees only receive a share of members' death benefits if their orders so provide. It is impossible for IPERS to tell in a given case whether death benefit entitlements have been omitted through mistake or negotiation, so practitioners should be careful to review the completed IPERS checklist to determine if the order they propose to submit meets their clients' needs.
- Place limits on the specific retirement options that can be elected by member, where the option choice precludes the full implementation of the settlement agreement. For example, if a settlement agreement provides that an alternate payee will receive a share of a member's postretirement death benefits, but the QDRO accepted by IPERS does not bind the member to choose an IPERS retirement option that provides for death benefits, the member could choose a single life annuity and negate terms relating to death benefits.
- Use standard terms or formulas for dividing benefits. In such cases, IPERS may try to interpret the meaning of an ambiguous or idiosyncratic provision and provide the parties with an opportunity to object, but in most cases ambiguity will result in rejection.
- File a new designated beneficiary form with IPERS following the dissolution. If the order does not address death benefits, and the ex-spouse was and remains the member's named designated beneficiary, IPERS death benefits will be paid to the ex-spouse. Divorce does not revoke a valid IPERS designated beneficiary form.
- Provide for an agreed-upon optional benefit in the QDRO. For example, if the alternate payee is to receive a share of the member's IPERS dividends, then, language to that effect must be included in the QDRO.
- Adequately cover all IPERS issues in the parties' settlement agreement. Anything left unsaid in the settlement agreement and then included in the QDRO could be subject to a successful objection by opposing counsel.

- Get a copy of the IPERS Retirement Planning Guidelines (Member Handbook) so that the various IPERS retirement options (including death benefits), limitations, requirements, and so forth can be addressed in the property settlement agreement and the proposed QDRO. The IPERS Member Handbook can be viewed and downloaded from IPERS' website.
- Obtain current annual statements and estimates, which show what retirement benefits may be available to the member.

9. QDROs result in an automatic IPERS rejection if the practitioner:

- Submitted an ERISA-tailored QDRO. This one results in automatic rejection, because of the many ERISA requirements that do not apply to IPERS.
- Submitted a QDRO to IPERS containing prohibited provisions. One common violation we see in this area is a QDRO that attempts to assign a share of a retired member's death benefits. Iowa Code section 97B.39 expressly provides that once a member has retired, the QDRO cannot alienate any portion of their death benefits. This can be a drafting problem, or simply a failure to file timely problem.
- Submitted a QDRO that requires IPERS to pay a form of benefits not permitted under the plan. For example, the attempted assignment of portion of a survivor annuity under an IPERS joint and survivor annuity option would be a violation of this requirement. IPERS does not have a joint and survivor annuity that can be paid to more than one contingent annuitant.

10. Concluding Comments.

This discussion and outline attempt to give attorneys and their staffs a better understanding of how IPERS benefits are divided as a marital property settlement. It is impossible to cover all possible issues in the limited time and space provided. The presenters request that questions not answered in this discussion or these materials first be addressed to the IPERS QDRO Administrator, at the address and telephone numbers noted on the cover.

Appendix A - IPERS Model QDRO Package and Release of Information Form