A GUIDE TO QUALIFIED DOMESTIC RELATIONS ORDERS
(QDRO’S)

The Retirement Equity Act of 1984 (REA) amended ERISA and the Internal Revenue Code to recognize the right of an alternate payee (other than the participant) to receive payment of benefits under a pension or profit sharing plan. The right of the alternate payee must be set forth in a domestic relations order (DRO) which has been issued by a court of competent jurisdiction.

A DRO is a judgment, decree or order (including a court appointed property settlement) relating to the provisions of child support, alimony payments, or marital property rights to a spouse, former spouse, child or other dependent of a participant.

Under tightly defined conditions, a specified dollar amount or a stated percentage of a participant’s accrued plan benefits, or accumulated account (under defined contribution plans), may now be paid to a former spouse or other dependent. A DRO must direct such payments, and it must constitute a “qualified” order (QDRO), as described below.

**REQUIREMENTS FOR A DRO TO BE DEEMED A QDRO**

a) The order creates or recognizes the existence of an alternate payee’s rights to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to the Plan participant; and

b) The order clearly specifies the name and last known mailing address (if any) of the participant and the name and last known mailing address of each alternate payee covered by the order; and

c) The order clearly specifies the amount of percentage of the participant’s benefits to be paid by the Plan to each such alternate payee, or the manner in which such amount or percentage is to be determined; and

d) The order clearly specifies the number of payments or period to which such order applies; and

e) The order clearly specifies that it applies to the National Integrated Group Pension Plan; and

f) The order does not require the Plan to provide any type of form of benefit, or any option, not otherwise provided under provisions of the Plan; and

g) The order does not require the Plan to provide increased benefits (determined on the basis of actuarial value); and

h) The order does not require the repayment of 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.

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