

QILDRO LEGISLATIVE UPDATE NEW QILDRO STATUTE

On July 1, 2006 a new QILDRO Statute becomes effective.

A QILDRO is a Qualified Domestic Relations Order under 40 ILCS 5/1-119. This is an order issued in conjunction with a divorce decree involving an individual covered by an applicable Illinois Public Retirement System (a police officer or a firefighter).

The QILDRO effectively places responsibility for payment of benefits to a participant's former spouse (Alternate Payee).

The Benefits cover retirements; there is no provision for:

- 1). Disability benefits
- 2). Child support
- 3). Maintenance
- 4). Benefits to an Alternate Payee upon death.

The new Statute changes the format of the order and permits payment of a percentage of the benefit; the old Statute required a dollar amount.

The Statute requires that the calculations are to be made by the participant, the alternate payee or their designated experts in a QILDRO Calculation Court Order (Attachment B).

The Pension Board does not have to calculate the benefits only provide:

- 1). Accumulated contributions
- 2). Accrued benefits
- 3). Other interests in the Plan

- 4.) Any general retirement information available to the participant and rules or procedures adopted by the Pension Board

The Pension Board must within forty-five (45) days of the receipt of a QILDRO or QILDRO Calculation Order acknowledge its receipt. If there is an error in the Order, the Pension Board shall notify the plan participant and the alternate payee. The Board is to implement the Order and may not reject it or withhold enforcement due to an error in calculation.

Procedure: Within 45 days of the date of a request, the Pension Board provides:

- 1.) The date that the participant became a member of the Fund providing the month, date and year or the closest exact date available
- 2.) The total months and years of creditable service accumulated, including any permissible creditable service (buybacks).
- 3.) The gross amount in dollars of the non-reduced monthly annuity benefit earned.
- 4.) The gross amount of a member's refund (including any interest) calculated as of the date the QILDRO was received or closest date available, providing the date used by the Pension Board.
- 5.) The gross amount of death benefits payable assuming the member died as of the date the QILDRO was received.
- 6.) The date of retirement if the participant has advised the Pension Board of the date.

If the participant has retired, the Pension Board shall provide:

- 1.) Date of retirement
- 2.) Date benefits began being paid
- 3.) Creditable Service accumulated by the Participant
- 4.) Amount of pension paid monthly
- 5.) Amount of refund, if any
- 6.) The amount paid to beneficiaries if the member died on the retirement date.

The new QILDRO Order contains a provision, Section IV, which permits the annual post-retirement increase to be paid. The Section contains

_____ shall

_____ shall not

Provisions.

In conclusion, the workload for Pension Funds has increased and so has the payment for these services; from \$25.00 to \$50.00.