

Domestic Relations Orders (DROs)

UNIVERSITY
OF
CALIFORNIA

These instructions and Sample Order are intended to assist UCRP members, alternate payees and legal representatives in properly completing and presenting an acceptable Domestic Relations Order for dividing community property interest held by University of California Retirement Plan (UCRP, the Pension Plan or the Plan, which includes (if applicable) the Capital Accumulation Payment (CAP) account). Note: UCRP includes, by extension, any benefits required to be paid from the University of California 415(m) Restoration Plan (415(m) Plan).

The Sample Order is not intended to assist in dividing any of the community property interests in the University of California Retirement Savings Program (RSP) plans, which include the Tax-Deferred 403(b), the Defined Contribution and the 457(b) Deferred Compensation Plans. For assistance in dividing these plans, please contact Fidelity Retirement Services, which handles the community property divisions and distributions for the RSP plans. Call 866-682-7787 or visit Fidelity's website at <https://qdro.fidelity.com>.

Sample and Instructions

These instructions and Sample Order should be used by all UCRP members, regardless of tier or membership status, to model a Domestic Relations Order acceptable to the UC Retirement Plan.

A Domestic Relations Order (DRO or Order) is a court order approved by the Plan Administrator, which requires the Plan to divide a member's interest pursuant to legal separation, divorce or termination of a domestic partnership. In order to divide the Plan interest, the Order must be submitted in a form acceptable to the Plan Administrator. It is advisable to send a draft of the Order to the Special Claims unit of the UC Retirement Administration Service Center (RASC) before filing with the court.

The Plan consists of the University of California Retirement Plan, which may also include a Capital Accumulation Payment (CAP) benefit and, by extension, any benefits required to be paid from the University of California 415(m) Plan.

The UCRP Plan document and the Plan Regulations (Plan documents), available for viewing on UCnet (ucnet.universityofcalifornia.edu), contain details of the Plan's provisions. If a conflict exists between this sample order and the Plan documents, the Plan documents govern. The Plan Administrator has the authority to interpret any disputed provisions.

IMPORTANT:

When the DRO has been filed with the court, send an **original certified copy** to the Special Claims Unit with a regular filed/endorsed copy of the court order that dissolved the marriage or domestic partnership. The division of the member's account will occur after receipt of all required documents. Please refer to the DRO Factsheet for additional details.

The disposition of UCRP benefits in domestic relations proceedings involves community property rights and tax issues. Neither UCRP nor its agents or consultants can give legal advice, nor can they speak to the sufficiency under applicable federal or state law or to the legal consequences of an Order.

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

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

INSTRUCTIONS

The Sample Order that begins on the following page is a guide and is not intended to imply that this is the only way to divide benefits under the Plan.

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 about the Member and the Alternate Payee. Social Security numbers and birth dates are required. If you do not wish to provide this confidential information in this document, you must provide it in writing to Special Claims separately.

SECTION 2—DETERMINING THE ALTERNATE PAYEE'S INTEREST IN UCRP (THE PENSION PLAN)

Indicate in Section 2 the percentage awarded to the Alternate Payee. If zero, write 0.

Please use the applicable text based on the member's UCRP status or the type of relationship which is being dissolved.

- **Pre-Retirement & Relationship Dissolved:** Use Pre-Retirement text if the Member is actively working at UC, is no longer working at UC, but has accumulations and/or service credit remaining in the Plan, or is receiving disability income from the Plan and the marriage or domestic partnership has been dissolved.
- **Pre-Retirement & Legal Separation:** Use the Pre-Retirement and Legal Separation text if the Member is actively working at UC, no longer working at UC, but has accumulations and/or service credit remaining in the Plan, or is receiving disability income from the Plan and the parties are legally separated.
- **Post-Retirement & Relationship Dissolved:** Use Post-Retirement text if the member is already receiving retirement income from the Plan and the marriage or domestic partnership was terminated after the Member's retirement date.
- **Post-Retirement & Legal Separation:** Use Post-Retirement and Legal Separation text if the member is already receiving retirement income from the Plan and the marriage or domestic partnership was terminated after the Member's retirement date.

SECTION 3—DETERMINING THE ALTERNATE PAYEE'S INTEREST IN CAP

Indicate in Section 3 the percentage awarded to the Alternate Payee. If zero, write 0. If the Member does not have a CAP account either indicate zero (0), or remove Section 3.

SECTION 4—GENERAL PROVISIONS

Sign and date the Order where indicated and submit it to the court for the judge's signature.

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 or Plan) 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, Inactive Member or Retired Member of UCRP) and Alternate Payee (former spouse, former domestic partner, legally separated spouse or dependent) intend herein to divide and allocate the Member's benefits in UCRP, including, by extension, any benefits required to be paid from the University of California Restoration Plan.
- 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 email, 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: _____

- E. Administration of marital dissolution cases comes under the authority of the Vice President, Human Resources as Plan Administrator. The Plan Administrator has established a Special Claims unit in the UC Retirement Administration Service Center (RASC) to handle the administrative tasks associated with approving a Domestic Relations Order. The Office of the General Counsel advises the Plan on legal matters.

* Social Security numbers and birth dates are required. If you do not wish to provide this confidential information in this document, you must provide it in writing to the Special Claims unit separately.

2. DETERMINING THE ALTERNATE PAYEE'S INTEREST IN UCRP (THE PENSION PLAN)

[Pre-Retirement – Use the following text]

The Member has earned certain benefits under the 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 Member's UCRP benefits shall be determined as a service fraction. The numerator of the service fraction shall be the number of years of UCRP Service Credit earned by the Member attributable to the marital period, 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 _____ % of this service fraction.**

The Alternate Payee is hereby awarded a separate interest in UCRP based on their 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 accordingly to reflect the amounts determined to be the Alternate Payee's share.

[Legal Separation – if the parties are legally separated, the paragraph below must also be included]

The legally separated Alternate Payee has certain mutually exclusive options available for receiving a community property interest in the Member's UCRP benefits. Under the provisions of the Plan, if the Alternate Payee elects to receive a refund of Member Accumulations (including any Capital Accumulation Payment funds), to receive a Lump Sum Payment, or begin to receive a Monthly Payment Option, the Alternate Payee will have no further benefits of any kind payable under the Plan, including any rights to survivor benefits. If at the time of the Member's death the Alternate Payee has not elected a refund of Member Accumulations, a Lump Sum Payment or a Monthly Payment Option, the Alternate Payee will be eligible to receive survivor benefits that the Alternate Payee would otherwise be entitled to receive under the Plan which can be found in the Domestic Relations Order (DRO) Fact Sheet.

A. MEMBER LEAVES UNIVERSITY EMPLOYMENT

If the Member leaves University employment before becoming vested under the UCRP, the Alternate Payee shall receive a refund of Accumulations.

If the Member leaves University employment and is vested with the UCRP, the Alternate Payee may elect a refund of Accumulations at any time, a lump sum payment or monthly payment option when the Member reaches their earliest retirement age.

B. DEATH OF THE MEMBER

If the Member either dies before becoming vested in UCRP or after becoming vested but before reaching (at the time of death) his/her earliest retirement age, the Alternate Payee shall receive a refund of Accumulations as soon as administratively practicable.

If the Member dies after becoming vested and has reached their earliest retirement age, the Alternate Payee may elect a lump sum payment or a monthly payment option; alternatively, the Alternate Payee may elect a refund of Accumulations at any time.

C. 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 electing to receive benefits from the Plan, the Alternate Payee's Accumulations, if any, shall be paid to the Alternate Payee's beneficiary. Separate provisions apply to mandatory lump sum payments. If the Alternate Payee dies before or while receiving a monthly payment option, any remaining Accumulations in their separate account shall be paid to the beneficiary. If the Alternate Payee dies after electing to receive a lump sum payment, but before receiving such payment, the amount of the lump sum payment shall be paid to the Alternate Payee's beneficiary. If the Alternate Payee does not designate a beneficiary, payment shall be made in accordance with the Plan's order of succession provisions.

[Post-Retirement – Use the following text]

The Alternate Payee's share in the UCRP benefit will be _____ % of the Retired Member's UCRP benefit, effective _____ (effective date must be the later of; the date the Plan began withholding from the retired member's benefit OR the date of divorce, legal separation or domestic termination OR the date the QDRO was filed). This percentage will be applied to the Retired Member's Monthly

Retirement Income from the Plan, the temporary Social Security Supplement, if any, and any cost-of-living allowances being paid to the Retired Member. The Alternate Payee's share will be converted to an actuarially equivalent monthly annuity payable over the Alternate Payee's lifetime.

(Legal Separation – if the parties are legally separated and the Member is retired, the paragraph below must also be included)

The legally separated Alternate Payee has certain mutually exclusive options available for receiving a community property interest in the Member's UCRP benefits. Under the provisions of the Plan, if the Alternate Payee elects to receive a Monthly Payment Option, the Alternate Payee will have no further benefits of any kind payable under the Plan, including any rights to survivor benefits. If at the time of the Member's death the Alternate Payee has not elected a Monthly Payment Option, the Alternate Payee will be eligible to receive survivor benefits that the Alternate Payee would otherwise be entitled to receive under the Plan.

- A. Direct payments will be made to the Alternate Payee when all required documents have been received by UCRP.
- B. In the event the Alternate Payee should die before the Retired Member, the Alternate Payee's beneficiary will be paid, in a lump sum, the residual death payments (i.e. remaining balance of the Alternate Payee's share of the Member's Plan contributions and interest as of the Alternate Payee's date of death). If the Alternate Payee does not designate a beneficiary, payment shall be made in accordance with the Plan's order of succession.

3. DETERMINING THE ALTERNATE PAYEE'S INTEREST IN THE CAP

The Alternate Payee's community property share of the Member's benefits under the Capital Accumulation Payment of the **Plan 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.

4. GENERAL PROVISIONS

- A. This Order does not require the Plan to provide:
 - any type or form of benefit, or any benefit option not otherwise provided under the Plan;
 - increased benefits (determined on the basis of actuarial value);
 - benefits to the Alternate Payee that are required to be paid to another Alternate Payee under another Order previously approved by the Plan Administrator.

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 Domestic Relations Order acceptable to the Plan Administrator, the parties hereby agree to submit to and request a court of competent jurisdiction to modify the Order to make it an acceptable 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 benefits under the Plan 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 benefit under the Plan which is not assigned pursuant to this Order. Nothing in this Order shall restrict the Member's ability to obtain a distribution under the Plan or to designate a beneficiary under the Plan with respect to the Member's remaining benefit determined after the assignment to the Alternate Payee, the Plan Administrator's recognition of the Order as acceptable and approval by the court.
- C. After distribution to the Alternate Payee, the Plan will pay to the Member, in the form elected, his or her benefits remaining under the Plan, including any CAP or benefits payable under the Restoration Plan.
- D. The Member's accrued sick leave and vacation leave shall not be included in this Order.
- E. UCRP Disability Income is separate and distinct from retirement income. The Alternate Payee is not entitled to receive any portion of the Member's Disability Income; however, all other provisions of this Order apply to the Alternate Payee of a Member receiving UCRP Disability Income.

- F. A Member's maximum UCRP Basic Retirement Income benefit is limited to 100 percent of his or her Highest Average Plan Compensation (HAPC) (minus, if applicable, \$133) ("maximum UCRP benefit") and this maximum UCRP benefit is generally accrued when the member has 40 years of Service Credit (or 33.3333 years of Service Credit for a Safety Member). Service Credit awarded to the Alternate Payee under this order is included in the Service Credit used to calculate the Member's maximum UCRP benefit. So once the Member accrues their maximum UCRP benefit, years of Service Credit awarded to the Alternate Payee cannot be "earned back;" any additional years worked beyond 40 (or 33.3333 years for a Safety Member) will not be used to calculate the Member's Retirement Income.
- G. This Order will continue to be in effect with respect to any successor or transferor plan of UCRP, including any plan into which UCRP is merged.
- H. In the event that the Plan inadvertently pays the Member or Alternate Payee any benefits that are assigned to the other according to the terms of the DRO, the receiving party shall immediately reimburse the Plan.
- I. Each party will, upon receiving a reasonable request, perform any act reasonably necessary to carry into effect the terms of this Order.
- J. Each party will be responsible for, and will pay, any taxes that are due on account of any amount received from the Plan, except if the Alternate Payee is a dependent of the Member, in which case the Member will be responsible for the taxes. For dissolution of domestic partnership, each party is responsible for, and will pay, California State taxes due on their share of benefits received from the UCRP/CAP pursuant to the terms of this Order. However, unless at the time UCRP/CAP benefits are distributed to the Alternate Payee under this order, a change in Federal law requires or permits each party to be responsible for, and to pay, Federal taxes on their share of benefits received from the UCRP/CAP, the Member will be responsible for, and will pay, any Federal taxes due on amounts received by both the Member and the Alternate Payee. If such change in Federal law has occurred, each party will be responsible for, and will pay, both Federal and California State taxes on their share of benefits received.
- K. The court retains jurisdiction to make further Orders as are necessary to enforce or clarify the provisions of this Order.
- L. Claims for benefits and beneficiary designations must be made on forms provided by the Plan.
- M. Survivor benefits (if any) are not payable to a former spouse or to a former domestic partner or to the alternate payee's beneficiary(ies). If the alternate payee dies before the member, the alternate payee's benefit does not revert to the member.
- N. This Order will continue to be in effect following the termination of the Plan.
- O. I have had an opportunity to review the contents of DRO, the instructions for its completion, and the DRO Fact Sheet.

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, 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 (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 University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. For more information, employees should contact their Human Resources Office and retirees should call the UC Retirement Administration Service Center (800-888-8267).

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 Systemwide AA/EEO Policy Coordinator, University of California, Office of the President, 1111 Franklin Street, CA 94607, and for faculty to the Office of Academic Personnel and Programs, University of California, Office of the President, 1111 Franklin Street, Oakland, CA 94607

