

Qualified Domestic Relations Orders (QDROs)

FOR UCRP MEMBERS WHO TERMINATE THEIR MARRIAGE *PRIOR TO RETIREMENT*

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) including (if applicable) the Capital Accumulation Payment (CAP) account.

The Sample Order is not intended to assist in dividing University of California Retirement Savings Program (RSP) plans, including the Tax-Deferred 403(b) Plan, the Defined Contribution Plan and the 457(b) Deferred Compensation Plan. For assistance 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 if the member has service credit in the 1976 Tier or Modified 2013 Tier only and is active (currently working at UC), inactive (no longer working at UC) but with plan accumulations (contributions plus interest) remaining in UCRP, or receiving disability income from the plan and the marriage has been dissolved. For more details on inactive membership, please see the *UCRP Summary Plan Description for 1976 Tier Members* (ucal.us/1976tiersummary) or the *UCRP Summary Plan Description for 2013 Tier Members* (ucal.us/2013tiersummary).

Do not use this Sample Order when dividing benefits because of a legal separation or termination of a domestic partnership or if the member:

- Has already retired and is receiving retirement income from the pension plan (Please see the QDRO Instructions and Sample Order for UCRP Members Who Terminate Their Marriage After Retirement, available on UCnet at ucnet.universityofcalifornia.edu)
- Has service credit under the 2013 Tier or 2016 Tier
- Is currently receiving duty disability income (Please contact the Special Claims unit in the Retirement Administration Service Center at 800-888-8267 for instructions.)

INSTRUCTIONS PRIOR TO RETIREMENT

A Qualified Domestic Relations Order (QDRO) is a court order approved by the plan, which orders the retirement plan to divide a member's interest pursuant to legal separation, divorce or termination of a domestic partnership. In order to divide the UCRP 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 Special Claims before filing with the court.

UCRP consists of the University of California Retirement Plan, which may also include a CAP benefit.

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

IMPORTANT:

When the QDRO 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.

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 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.

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 UCRP.

If you decide to use the Sample Order, follow these instructions:

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.

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.

Service Credit under One-Time UCRP Service Credit Allocation Program (the "program"):

Unless the QDRO provides otherwise, if the member was allocated service credit under the program and the parties were married at the time of the allocation (January 2001), that service credit will be included as part of the marital period specified in the QDRO, even though the service may have been performed outside the marital period.

Reestablished Service Credit for Prior Periods/Established Service Credit for Approved Leaves:

If the prior period and/or leave of absence was earned and purchased during the marital period, that service credit will be included as part of the marital period specified in the QDRO. All other service credit purchased will NOT be included as part of the marital period. **This policy will apply unless the QDRO provides otherwise.**

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.

SECTION 4—GENERAL PROVISIONS

Sign and date where indicated and submit 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, or Inactive Member of UCRP) and Alternate Payee (former spouse or dependent) intend herein to divide and allocate the Member's benefits in UCRP.
- 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 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 to handle the administrative tasks associated with qualifying 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)

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 her/his 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. The Alternate Payee's community property share of a Member's Accumulations shall be referred to as the Alternate Payee's Accumulations.

- A. The Alternate Payee may be entitled to only one form of benefit payment, in accordance with the following:
1. **Refund of Accumulations**—At any time, the Alternate Payee may elect to receive a one-time payment of the Alternate Payee's Accumulations (if any). If the Member leaves employment with the University and is not vested (i.e., has fewer than five years of Service Credit under the plan), this will be the only option available. Upon election of a refund of Accumulations, the Alternate Payee forfeits all rights to any further UCRP benefits.
 2. **Domestic Relations Order Lump Sum Payment or Monthly Payment Option Payable At Member's Earliest Retirement Age**—When the Member is eligible to retire, the Alternate Payee may elect to receive a lump sum payment or to begin receiving a monthly payment option. This election must be made within 90 days after the date of the plan's notification to the Alternate Payee of his or her eligibility to make this election. If the election is not made within this 90-day period, and the Alternate Payee does not elect a refund of Accumulations, a separate account will be established for the Alternate Payee, and he or she must wait to make his or her benefit election until the Member actually retires or dies, as described in Section 2.A.4., below.

The **lump sum payment** amount is the actuarial present value of the retirement benefits payable to the Alternate Payee based on the Service Credit in his or her separate account. The lump sum payment amount is determined as of the date of the plan's notification to the Alternate Payee. Upon election of a lump sum payment, the Alternate Payee waives all rights to any further UCRP benefits.

The **monthly payment option** is a lifetime monthly benefit, actuarially determined for the life of the Alternate Payee based on the Service Credit in the Alternate Payee's separate account.
 3. **Separate Account if Member Not Eligible to Retire**—If the Member is not eligible to retire and the Alternate Payee does not elect a refund of Accumulations, a separate account will be established for the Alternate Payee. When the Member becomes eligible to retire, the Alternate Payee may elect to receive a lump sum payment or to commence receiving the monthly payment option. This election must be made within the 90-day period described in Section 2.A.2. above. If the election is not made within this 90-day period, and the Alternate Payee does not elect a refund of Accumulations, the separate account will be maintained for the Alternate Payee, and he or she must wait to make his or her benefit election until the Member actually retires or dies, as described in Section 2.A.4., below.
 4. **Lump Sum Payment or Monthly Payment Option at Member's Retirement or Death**—If the Alternate Payee has not made an election as described above, when the Member retires, or dies while eligible to retire, the Alternate Payee must elect to receive a refund of Accumulations, a lump sum payment or a monthly payment option.
- B. **LIMITATION.** Notwithstanding any other provision of this Order, if the Alternate Payee has not elected a refund of Accumulations, and if the value of the Alternate Payee's lump sum payment is less than \$50,000, the Plan will make a lump sum payment to the Alternate Payee as soon as administratively practicable. The Alternate Payee shall not have the option to elect a monthly payment option.

C. 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 her/his earliest retirement age.

D. 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 her/his 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.

E. 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 as described in Section B above. If the Alternate Payee dies before or while receiving a monthly payment option, any remaining Accumulations in her/his 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.

3. DETERMINING THE ALTERNATE PAYEE'S INTEREST IN CAP

The Alternate Payee's community property share of the Member's benefits under the Capital Accumulation Payment provisions 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. The Alternate Payee will receive her/his CAP share in a lump sum as soon as administratively practical. If the Alternate Payee dies before receiving payment of her/his CAP share, payment shall be made to the Alternate Payee's beneficiary.

4. GENERAL PROVISIONS

A. This Order does not require UCRP to provide:

- any type or form of benefit, or any benefit option not otherwise provided under UCRP;
- 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 determined to be a QDRO.

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 Qualified Domestic Relations Order, the parties hereby agree to submit to and request a court of competent jurisdiction to modify the Order to make it a Qualified 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 accrued benefits under UCRP 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 accrued benefit under UCRP which is not assigned pursuant to this Order. Nothing in this Order shall restrict the Member's ability to obtain a distribution under UCRP or to designate a beneficiary under UCRP with respect to the member's remaining accrued benefit determined after the assignment to the Alternate Payee, the Plan Administrator's recognition of the DRO as a QDRO and approval by the court.

- C. After distribution to the Alternate Payee, UCRP will pay to the Member, in the form elected, the benefits remaining in his or her UCRP and CAP.
- 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. Separate provisions apply to Alternate Payees of Members receiving Duty Disability Income. For instructions, please contact Special Claims.
- F. A Member's maximum UCRP Basic Retirement Income benefit is limited to 100 percent of his or her 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 her/his 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 the UCRP and the CAP, including any plan into which the UCRP is merged.
- H. In the event that the UCRP inadvertently pays the Member or Alternate Payee any benefits that are assigned to the other according to the terms of the QDRO, the receiving party shall immediately reimburse UCRP.
- 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 by that party from the UCRP, except if the Alternate Payee is a dependent of the Member, in which case the Member will be responsible for the taxes.
- 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 UCRP.
- M. Survivor spousal benefits (if any) are not payable to a former spouse.
- N. This Order will continue to be in effect following the termination of UCRP.

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, 5th Floor, 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.



