Pension Benefit Guaranty Corporation

Qualified Domestic Relations Orders and PBGC

This booklet provides general information to attorneys and other pension professionals on submitting domestic relations orders to the Pension Benefit Guaranty Corporation (PBGC) after PBGC becomes trustee of a terminated pension plan. It also provides general information on the procedures PBGC follows to determine whether an order is a qualified domestic relations order (QDRO) for purposes of paying benefits under title IV of the Employee Retirement Security Act of 1974, as amended (ERISA). Under ERISA §206(d)(3)(G)(ii), each plan must establish reasonable procedures for determining whether an order is a QDRO, but plans may differ in the procedures they establish. **The procedures described in this booklet are PBGC's procedures and may differ from procedures for plans that have not been trusteed by PBGC**.

The information summarizes PBGC's rules at the time that the booklet was published. It is not intended to give legal advice or to replace the advice of an attorney. None of this information takes precedence over legislation, regulations, or specific interpretations or rulings. The model orders and model language are provided solely to assist individuals in preparing orders for submission to PBGC, and they cover only the most common situations that may need to be addressed in a domestic relations order. **PBGC will not condition its determination of whether an order is a QDRO on the use of any particular form or language.**

The information does not represent the government's interpretation of the rules governing QDROs. Interpretation of those rules is within the jurisdiction of the U.S. Department of Labor (DOL) and the Internal Revenue Service (IRS).

This booklet may be obtained from PBGC's website at **www.pbgc.gov** or by calling PBGC at 1-800-400-PBGC (7242). (TTY/ASCII users may call the Federal Relay Service toll-free at 1-800-877-8339 and ask to be connected to this number.)

For additional information, DOL's publication The Division of Retirement Benefits through Qualified Domestic Relations Orders is available at https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/publications/qdros.pdf, or by calling the Employee Benefits Security Administration Hotline at 1-866-444-EBSA (3272). IRS Notice 97-11 ("Providing Sample Language for a Qualified Domestic Relations Order") was published January 13, 1997, at 1997-2 I.R.B. 49 and appears in its entirety in Appendix C of DOL's QDRO publication.

This edition of PBGC's booklet Qualified Domestic Relations Orders & PBGC includes the following changes from the guidance published in February 2019:

- Changing how the age for required minimum distributions is referred to by referencing the applicable section of the Internal Revenue Code, instead of an exact age.
- Increasing the amount of time parties have to contact PBGC to extend a hold after submission of a domestic relations order (DRO) or a non-DRO written notice of a pending DRO.
- Clarifying that PBGC will delay commencement of benefits to a participant upon receipt of written notice of a pending DRO.
- Clarifying the booklet with editorial changes.

Required Paperwork Reduction Act Notice

Under ERISA, no part of an individual's benefit under a plan trusteed by PBGC may be assigned to another person involved in a domestic relations proceeding, such as a separation or divorce, unless PBGC receives a domestic relations order and determines it to be a qualified domestic relations order, or "QDRO." The model QDROs and accompanying guidance in PBGC's booklet, Qualified Domestic Relations Orders & PBGC, are intended to assist parties by making it easier to comply with statutory requirements. Under the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. This collection of information has been approved by the Office of Management and Budget (OMB) under control number 1212-0054 (expires 01/31/2025). The information provided to PBGC may be disclosable under the Freedom of Information Act and the Privacy Act.

PBGC estimates that the average burden of preparing a QDRO with the assistance of PBGC's booklet will be 3/4 hour of the participant's or alternate payee's time and $700 in professional fees if the participant or alternate payee hires an attorney or other professional to prepare the QDRO. Comments concerning the accuracy of this estimate or suggestions for further reducing this burden may be sent to Pension Benefit Guaranty Corporation, Office of General Counsel, 445 12th Street, SW, Washington, DC 20024-2101.

Contents

I. Qualified Domestic Relations Orders and PBGC

The Pension Benefit Guaranty Corporation (PBGC) is a federal agency that insures the benefits of workers, retirees, and beneficiaries participating in qualified, private-sector defined benefit pension plans. A defined benefit pension plan that does not have enough money to pay benefits may be terminated if the employer responsible for the plan faces severe financial difficulty, such as bankruptcy, and is unable to maintain the plan. In such an event, PBGC becomes trustee of the plan and pays pension benefits, subject to legal limits, to plan participants and beneficiaries.[1] PBGC's rules on benefit amounts and benefit forms payable by PBGC are summarized in Defined Benefit Pension Plans and PBGC Benefit Rules – Appendix A.

The benefits of a pension plan participant generally may not be assigned or alienated. The law provides an exception for domestic relations orders that relate to child support, alimony payments, or marital property rights of an alternate payee (a spouse, former spouse, child, or other dependent of a plan participant). The exception applies only if the domestic relations order meets specific legal requirements and the plan administrator determines that it is qualified, that is, a qualified domestic relations order, or "QDRO." See section 206(d) of ERISA and related regulations, and section 414(p) of the Internal Revenue Code of 1986, as amended (Code).

PBGC reviews a domestic relations order that has been submitted to PBGC and must determine that the order is qualified before being able to pay benefits to an alternate payee.

PBGC QDRO Requirements

Identity of the plan participant, each alternate payee, and each pension plan. A QDRO must specify the name, last known mailing address, and Social Security Number of the plan participantand each alternate payee covered by the order. A QDRO also must identify the name of each plan to which the order applies; this should be each plan's formal name.

Amount to be paid and when payments start. A QDRO must state how much of the plan participant's benefit is to be paid to the alternate payee, such as a dollar amount or percentage of the benefit or make clear the manner in which the amount is to be determined. A QDRO also must specify or allow the alternate payee to choose when payments to the alternate payee will start.

What happens on the death of the plan participant and the alternate payee. A QDRO should specify whether the alternate payee will be treated as the participant's spouse for purposes of any survivor benefits. A QDRO also should specify what happens to benefits when the participant or alternate payee dies.

[1] This booklet does not apply to domestic relations orders (DROs) submitted with respect to benefits held under PBGC's Missing Participants Program (MPP). Call PBGC at 800-736-2444 if you have a DRO that you need to submit to the MPP.

What a QDRO Must Not Require

A QDRO must not require PBGC to:

- pay any benefits not permitted under ERISA or the Code;
- provide any type or form of benefit, or any option, not otherwise provided under the plan or paid by PBGC;
- pay benefits to the participant and alternate payee with a total value that exceeds the value of benefits that the participant would otherwise receive under title IV of ERISA;
- pay benefits to the alternate payee when those benefits are required to be paid to another alternate payee under a QDRO that is in effect prior to the order;
- pay benefits to the alternate payee for any period before PBGC receives the order;
- pay benefits as a separate interest to the alternate payee if the participant is already receiving benefit payments; or
- change the benefit form or beneficiary of a joint-life annuity if the participant is already receiving benefit payments.

II. PBGC Model QDROs

PBGC has developed two model QDROs for general use after a defined benefit plan has terminated and PBGC has become trustee of the plan: a *PBGC Model Separate Interest QDRO*and a *PBGC Model Shared Payment QDRO*. (Two additional model QDROs that may be used specifically for child support or for providing only a surviving spouse benefit are located in Appendices D and E, respectively, and language for including a contingent alternate payee is located in Appendix F.) A QDRO should be clear as to whether the alternate payee is to receive a portion of the actual benefit payments made to the participant (a shared payment order) or the value of a separate portion of the participant's retirement benefit, where the benefit may be paid at a time and in a form different from that chosen by the participant (a separate interest order). PBGC's Model QDROs make this distinction clear.

The PBGC Model Separate Interest QDRO may be used only if the participant's benefit payments have not started when the domestic relations order is submitted to PBGC for qualification. The participant's benefit is divided into two separate parts, with each part providing the participant and the alternate payee with his or her separate interest in a lifetime annuity. Unlike the *PBGC Model Shared Payment QDRO* (see below), the PBGC Model Separate Interest QDRO gives the alternate payee control over the timing and form of his or her benefit payments. The alternate payee may (1) start his or her payments before the participant (subject to certain restrictions), (2) receive pension benefits over his or her lifetime rather than the participant's lifetime, and (3) choose a straight life annuity or certain-and-continuous (C&C) annuity that may provide benefits to the alternate payee's beneficiary for a limited period. The QDRO may also assign survivor benefits to the alternate payee, but this assignment is not needed to ensure that the alternate payee receives benefits for life.

The PBGC Model Shared Payment QDRO may be used where the plan participant and the alternate payee will "share" each benefit payment. The model may be used regardless of whether the participant has started receiving benefits or not. However, the alternate payee cannot begin receiving benefits before the participant does. The *PBGC Model Shared Payment QDRO* must specify the amount or percentage of the participant's benefit payment that is assigned to the alternate payee and the number or duration of payments to the alternate payee. Payments to the alternate payee stop, at the latest, when the participant dies or stops receiving payments. However, the QDRO may also assign the alternate payee a right to survivor benefits or other benefits under the plan.

PBGC Model Separate Interest QDRO

(You may use this model when a defined benefit pension plan has terminated, PBGC has become trustee of the plan, and the parties want PBGC to divide the value of the participant's benefit between the participant and the alternate payee**. You may use this model only if the participant's benefit payments have not started when the order is submitted to PBGC for qualification. Please read the PBGC Model QDRO Instructions for important information.**)

IN THE__________COURT OF ___________
DIVISION__________COUNTY ___________

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IN RE MARRIAGE/SUPPORT OF	:	
	:	
___________	:	
PETITIONER,	:	
	:	
V.	:	**CASE NO.___________**
	:	
________________________	:	
PARTICIPANT, RESPONDENT.	:	
	:	

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QUALIFIED DOMESTIC RELATIONS ORDER

This Order is intended to be a qualified domestic relations order ("QDRO"), as that term is defined in section 206(d) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and section 414(p) of the Internal Revenue Code of 1986, as amended ("Code"). This Order is granted in accordance with **[applicable state domestic relations law citations]**, which relate to marital property rights, child support, and/or spousal support between spouses or between a spouse and a former spouse in matrimonial actions. The Participant is not currently receiving benefit payments from PBGC with respect to the plan identified below.

SECTION 1. IDENTIFICATION OF PLAN

This Order applies to benefits under the **[formal name of plan]** ("Plan"). The Pension Benefit Guaranty Corporation ("PBGC") is trustee of the Plan.

SECTION 2. IDENTIFICATION OF PARTICIPANT AND ALTERNATE PAYEE

a. **[Name of the Participant]** is eligible to receive a benefit from the Plan and is hereafter referred to as the "Participant." The Participant's mailing address is [address]. The Participant's Social Security Number is [Social Security Number].

b. **[Name of the Alternate Payee]** is hereafter referred to as the "Alternate Payee." The Alternate Payee's mailing address is **[address].** The Alternate Payee's Social Security Number is **[Social Security Number].** The Alternate Payee is the [spouse/former spouse/child/other dependent] of the Participant.

SECTION 3. AMOUNT OF BENEFIT TO BE PAID TO ALTERNATE PAYEE

Starting at the time specified in section 5, PBGC shall pay to the Alternate Payee as a separate interest an amount actuarially equivalent to **[all/x%]** of the Participant's benefit under the Plan. The Participant's benefit shall be determined as of [**date of separation/date of divorce/date of plantermination/some other date]**. The Alternate Payee's separate interest shall be determined as a benefit payable over the lifetime of the Alternate Payee.

[If the alternate payee is to receive a pro rata portion of the participant's early retirement subsidy,insert the paragraph below. "Pro rata" means a proportionate allocation to two or more parts based on each part's share of the whole. The paragraph below should NOT be included unless thePlan provides a subsidized early retirement benefit.]

The Alternate Payee shall be entitled to a pro rata share of any early retirement subsidy provided to the Participant. The portion of the early retirement subsidy payable to the Alternate Payee shall become payable on the date the Participant commences benefits, but not before. If the Alternate Payee commences receiving benefits on an unsubsidized basis before the Participant retires with an early retirement subsidy, then the amount payable to the Alternate Payee shall be increased, in accordance with PBGC's practices and actuarial principles, to provide the Alternate Payee with a pro rata share of the early retirement subsidy payable as of the Participant's annuity starting date. The pro rata share of the early retirement subsidy payable to the Alternate Payee shall be calculated in the same manner as the Alternate Payee's share of the Participant's retirement benefits is calculated pursuant to the terms of this Order.

SECTION 4. PBGC BENEFIT ADJUSTMENTS

If PBGC adjusts the Participant's benefit from the benefit payable under the Plan, any reduction shall be applied by decreasing **[pro rata the value of the Participant's and the Alternate Payee's benefits/the value of the Participant's remaining benefit first/the value of the Alternate Payee's separate interest first]**, and any increase shall be applied by increasing **[pro**

rata the value of the Participant's and the Alternate Payee's benefits/the value of the Participant's remaining accrued benefit/the value of the Alternate Payee's separate interest]. "Pro rata" means aproportionate allocation to two or more parts based on each part's share of the whole.

SECTION 5. BENEFITS START

The Alternate Payee's annuity starting date shall be **[such future date as the Alternate Payee elects/a future specified date]**. (This date must be the first day of a month and cannot be beforethe Participant's "earliest PBGC retirement date," which is defined in 29 C.F.R. §4022.10.) Payment shall not be made until PBGC qualifies this domestic relations order and receives a PBGC benefit application from the Alternate Payee.

SECTION 6. FORM OF BENEFIT

PBGC shall pay the Alternate Payee's benefit in the form elected by the Alternate Payee on the PBGC benefit application.

SECTION 7. BENEFITS STOP

PBGC shall stop payments of the Alternate Payee's separate interest in accordance with the form of benefit elected by the Alternate Payee (or in accordance with the automatic form, if applicable).

SECTION 8. DEATH OF PARTICIPANT

The Participant's death shall not affect payments of the Alternate Payee's assigned separate interest. Additional benefits may be payable if the Alternate Payee is designated as the Participant's spouse in Section 10.

SECTION 9. DEATH OF ALTERNATE PAYEE

If the Alternate Payee dies before commencing benefits, the Alternate Payee's separate interest shall **[revert to the Participant/be paid to the Contingent Alternate Payee (see Language for Including a Contingent Alternate Payee – Appendix F)**]. If the Alternate Payee dies after commencing benefits, see Section 7, the Alternate Payee's death will have no effect on the benefits paid to the Participant.

SECTION 10. SURVIVING SPOUSE RIGHTS OF ALTERNATE PAYEE

[*NOTE: Section 10 applies only if the Alternate Payee is the spouse or former spouse of the Participant; it does not apply if the Alternate Payee is a child or other dependent of the Participant.*]

a. PBGC shall treat the Alternate Payee as the Participant's spouse for purposes of the Participant's qualified joint-and survivor annuity (QJSA) for **[none/all/x%]** of the benefit inwhich the Participant retains a separate interest.

b. PBGC shall treat the Alternate Payee as the Participant's spouse for purposes of the Participant's qualified preretirement survivor annuity (QPSA) for **[none/all/x%]** of the benefit inwhich the Participant retains a separate interest.

[NOTE: Once a separate interest is qualified, the Alternate Payee's rights to benefits for life are guaranteed. In light of this, survivor benefits need not be provided in a separate interest order to ensure that the Alternate Payee continues to receive benefits after the Participant's death. However, if the parties desire that an additional amount be payable to the Alternate Payee at the Participant's death, one or both of the following provisions may be included. The survivor benefit in this case will be basedon the benefit in which the Participant retains a separate interest, not on the entire Participant benefit before it was divided into two separate parts.]

[NOTE: When "X%" is used above, it refers to the portion of the survivor benefit awarded to the Alternate Payee – not the automatic survivor percentage of the plan's QJSA or QPSA (which is typically 50%). Thus, if the Alternate Payee is awarded 40% of the QPSA benefit and the plan's automatic survivor percentage for the QPSA is 50%, then the Alternate Payee will receive 20% of the Participant's benefit as his/her survivor benefit.]

SECTION 11. OTHER REQUIREMENTS

Nothing in this Order shall require PBGC:

a. To pay any benefits not permitted under ERISA or the Code;

b. To provide any type or form of benefit or any option not otherwise provided under the Plan or paid by PBGC;

c. To pay benefits to the Participant and Alternate Payee with a total value that exceeds the value of the benefits the Participant otherwise would receive under title IV of ERISA;

d. To pay benefits to the Alternate Payee that are required to be paid to another alternate payee under a QDRO that is in effect prior to this Order;

e. To pay benefits to the Alternate Payee for any period before PBGC receives this Order;

f. To pay benefits as a separate interest to the Alternate Payee if the Participant is already receiving benefit payments; or

g. To change the benefit form or the beneficiary of a joint-life annuity if the Participant is already receiving benefit payments.

SECTION 12. RESERVATION OF JURISDICTION

The Court reserves jurisdiction to amend this Order to establish or maintain its status as a QDRO under ERISA and the Code.

PBGC Model Shared Payment QDRO

(You may use this model when a defined benefit pension plan has terminated, PBGC has become trustee of the plan, and PBGC is to pay the alternate payee a portion of the participant's monthly benefit payments. **You may use this model either before or after the participant's benefit payments have started; however, benefit payments to the alternate payee cannot start until the participant's benefit payments have started. Please read the PBGC Model QDRO Instructions for important information.**)

IN THE__________COURT OF ___________
DIVISION__________COUNTY ___________

----- IN RE MARRIAGE/SUPPORT OF :
:
___________ :
PETITIONER, :
:
V. : **CASE NO.___________**
:
________________________ :
PARTICIPANT, RESPONDENT. :

:

- -

QUALIFIED DOMESTIC RELATIONS ORDER

This Order is intended to be a qualified domestic relations order ("QDRO"), as that term is defined in section 206(d) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and section 414(p) of the Internal Revenue Code of 1986, as amended ("Code"). This Order is granted in accordance with **[applicable state domestic relations law citations]**, which relate to marital property rights, child support, and/or spousal support between spouses or between a spouse and a former spouse in matrimonial actions.

SECTION 1. IDENTIFICATION OF PLAN

This Order applies to benefits under the **[formal name of plan]** ("Plan"). The Pension BenefitGuaranty Corporation ("PBGC") is trustee of the Plan.

SECTION 2. IDENTIFICATION OF PARTICIPANT AND ALTERNATE PAYEE

a. **[Name of the Participant]** is eligible to receive a benefit from the Plan and is hereafter referred to as the "Participant."

b. The Participant's mailing address is [address]. The Participant's Social Security Number is **[Social Security Number].**

c. [Name of the Alternate Payee] is hereafter referred to as the "Alternate Payee." The Alternate Payee's mailing address is **[address]**. The Alternate Payee's Social Security Number is **[Social Security Number]**. The Alternate Payee is the **[spouse/former spouse/child/other dependent]** ofthe Participant.

SECTION 3. AMOUNT OF BENEFIT TO BE PAID TO ALTERNATE PAYEE

a. Starting at the time specified in section 5, PBGC shall pay to the Alternate Payee **[$x/x%]** of each of the Participant's monthly benefit payments.

b. OPTIONAL: When **[insert future event]** occurs and PBGC is notified in writing, PBGC shall **[increase/decrease]** the amount paid to the Alternate Payee from each of the Participant's monthly benefit payments to **[$x/x%]**.

SECTION 4. PBGC BENEFIT ADJUSTMENTS

If PBGC adjusts the Participant's benefit from the benefit payable under the Plan, any reduction shall be applied by decreasing **[pro rata the Participant's and the Alternate Payee's benefits/the Participant's benefit first/the Alternate Payee's benefit first]**, and any increase shall be applied by increasing **[pro rata the Participant's and the Alternate Payee's benefits/the Participant's benefit/the Alternate Payee's benefit]**. "Pro rata" means a proportionate allocation to two or more parts based on each part's share of the whole.

SECTION 5. BENEFITS START

The Alternate Payee's commencement of benefits shall be **[such future date as the alternate payee elects/the date when PBGC will start payments to the Participant/another future date. This date must be the first day of a month]**, but not earlier than the later of the date PBGC receives this domestic relations order and the Participant's annuity starting date. Payment shall not be made until PBGC qualifies this domestic relations order and receives a PBGC benefit applicationfrom the Alternate Payee.

SECTION 6. FORM OF BENEFIT

The Alternate Payee shall not have the right to elect a form of benefit. The amount paid to the Alternate Payee will be determined by the benefit form elected by the Participant.

SECTION 7. BENEFITS STOP

Except for any survivor benefits described in section 10, PBGC shall make payments to the Alternate Payee until the **[earlier of the Participant's or Alternate Payee's death/earlier of: the Participant's or Alternate Payee's death, a specific date, or the date PBGC is notified in writing ofthe occurrence of [insert specific event]**].

SECTION 8. DEATH OF PARTICIPANT

Except for any survivor benefits described in section 10, if the Participant dies before the Alternate Payee, the Alternate Payee is not entitled to any payments as of the first of the month following the Participant's death.

SECTION 9. DEATH OF ALTERNATE PAYEE

If the Alternate Payee dies before the Participant, the shared payment shall **[revert to the Participant/be paid to the Contingent Alternate Payee (see Language for Including a ContingentAlternate Payee—Appendix F)].**

SECTION 10. SURVIVING SPOUSE RIGHTS OF ALTERNATE PAYEE

[NOTE: Section 10 applies only if the Alternate Payee is the spouse or former spouse of the Participant; it does not apply if the Alternate Payee is a child or other dependent of the Participant.]

[NOTE: Survivor benefit may be assigned to the Alternate Payee only if the Participant is not already receiving benefits or if when the Participant began receiving benefits the benefit was being paid as a joint and survivor benefit with the Alternate Payee as survivor.]

a. PBGC shall treat the Alternate Payee as the Participant's spouse **[[for purposes of [none/ all/X%] of any qualified joint-and-survivor annuity (QJSA) that becomes payable under the Plan with respect to the Participant] OR [to the extent of Participant's benefit assigned to theAlternate Payee under Section 3 above.]]**

b. PBGC shall treat the Alternate Payee as the Participant's spouse **[[for purposes of [none/ all/X%] of any qualified preretirement survivor annuity (QPSA) that becomes payable under the**

Plan] OR [to the extent of Participant's benefit assigned to the Alternate Payee under Section 3above.]

[NOTE: When "X%" is used above, it refers to the portion of the survivor benefit awarded to the Alternate Payee – not the automatic survivor percentage of the plan's QJSA or QPSA (which is typically 50%). Thus, if the Alternate Payee is awarded 40% of the QPSA benefit and the plan's automatic survivor percentage for the QPSA is 50%, then the Alternate Payee will receive 20% of the Participant's benefit as his/her survivor benefit.]

SECTION 11. OTHER REQUIREMENTS

Nothing in this Order shall require PBGC:

a. To pay any benefits not permitted under ERISA or the Code;

b. To provide any type or form of benefit or any option not otherwise provided under the Plan or paid by PBGC;

c. To pay benefits to the Participant and Alternate Payee with a total value that exceeds the value of the benefits the Participant otherwise would receive under title IV of ERISA;

d. To pay benefits to the Alternate Payee that are required to be paid to another alternate payee under a QDRO that is in effect prior to this Order;

e. To pay benefits to the Alternate Payee for any period before PBGC receives this Order; or

f. To change the benefit form or the beneficiary of a joint-life annuity if the Participant is already receiving benefit payments.

SECTION 12. RESERVATION OF JURISDICTION

The Court reserves jurisdiction to amend this Order to establish or maintain its status as a QDRO under ERISA and the Code.

PBGC Model QDRO Instructions

The following information on completing the *PBGC Model Separate Interest QDRO* and *Model Shared Payment QDRO* discusses each provision separately, but all the provisions work together. The time that benefit payments start and stop can affect the amount of benefits the participant and the alternate payee will receive. Similarly, the form of benefit payments – whether benefits are paid as a straight life annuity or an annuity with survivor benefits – can affect the amount of benefits the parties will receive.

The models are drafted assuming one plan and one alternate payee. If the domestic relations order (Order) is intended to cover more than one PBGC-trusteed plan or more than one alternate payee, the Order should be clear as to which plan and alternate payee each provision is addressing. The preferred way of doing this is to repeat sections 1 through 10 as necessary for each plan.

INTRODUCTORY PARAGRAPH

Insert the applicable state domestic relations law citations.

SECTION 1. IDENTIFICATION OF PLAN

Insert the formal name of the plan covered by this Order (i.e., the full name as stated in plan documents). PBGC will determine whether an order is qualified only for plans specifically named and for which PBGC is the trustee. If the participant participated in more than one pension plan, the parties are responsible for ensuring that each plan subject to the order is properly identified.

SECTION 2. IDENTIFICATION OF PARTICIPANT AND ALTERNATE PAYEE

(a) Insert the name, mailing address and Social Security Number of the participant.

(b) Insert the name, mailing address and Social Security Number of the alternate payee. Specify the relationship (spouse/former spouse/child/other dependent) of the alternate payee to the participant.

NOTE: Documents filed in state courts may be made available to the public. To protect the privacy of the parties, the participant's and alternate payee's Social Security Numbers may be provided to PBGC in a separate document that has not been submitted to the court. If you choose to provide the information to PBGC in this way, note on the Order that this information is in a separate document. The Order should be clear on the identity of the participant and the alternate payee. PBGC uses Social Security Numbers provided to identify the participant's and alternate payee's records within PBGC, to report income for tax purposes, and to respond to lawful requests for information from other individuals and entities. If an alternate payee is a minor or legally incompetent, the Order must include *the name and address of the guardian, other legal representative, or state agency to whom PBGC will send payments on behalf of the minor or legally incompetent person (see language in section 2.b. of the PBGC Model Child Support Shared Payment QDRO—Appendix D).*

SECTION 3. AMOUNT OF BENEFIT TO BE PAID TO ALTERNATE PAYEE

Insert the flat dollar amount or percentage of the participant's benefit that the alternate payee is to receive. Also insert the date as of which the benefit is to be determined, if applicable.

The Order must specify how much of the participant's benefit the alternate payee will receive. Because the participant often does not know the specific amount that will be paid at retirement, this can be difficult for the Order to address and for PBGC to interpret. The assistance of an actuary may be helpful in making these complex determinations. Information about the participant's benefit under a plan trusteed by PBGC may be obtained by a prospective alternate payee (or his or her guardian) by requesting this information from PBGC (see How to Obtain Certain Participant Information from PBGC—Appendix G).

PBGC has found there is less confusion with an Order that states a specific percentage of the benefit (for Separate Interest QDROs) or specific percentage or dollar amount of the monthly benefit (for Shared Payment QDROs), and the models are drafted with that approach. If, instead, the parties choose to include a formula, PBGC will treat the domestic relations order as qualified only if it can determine the benefit under the formula based on the information in the Order. The Order must include any information that would be necessary to determine the benefit assigned and, where applicable, the period during which it is to be paid (for example, a child's birth date if the benefit stops when the child attains a certain age).

Neither type of Order can provide for payments to the alternate payee to be payable as of a date before PBGC receives the domestic relations order, but the Shared Payment QDRO can increase the monthly payment amount to the alternate payee (and decrease the monthly payment to the participant by the same amount) for a specified period.

There are many ways an Order can specify the portion or value of a benefit or pension payment that the alternate payee is to receive under the Order.

NOTE: The dollar amount or percentage can be based on the participant's entire benefit or payment, or just on the part of the benefit or payment earned during the marriage and/or up to a specified date.

The *PBGC Model Separate Interest QDRO* provides that the alternate payee will receive a benefit that is the actuarial equivalent of a specified portion of the benefit that the participant has earned as of a given date (see below), typically as a percentage of the participant's benefit (for example, 50% of the participant's benefit). An order may also assign a specific dollar amount payable to the alternate payee.

However, when a separate interest order assigns a specified dollar amount to an alternate payee and benefit adjustments are subsequently necessary, the effect of the benefit adjustment on the amounts apportioned to each party may result in the parties receiving benefits that were unintended by the parties. The number of factors that go into the calculation of the participant's and alternate payee's benefits under a separate interest order (including the plan's early retirement factors (if applicable), the ages of the participant and alternate payee at the time the alternate payee's benefit payments begin; and the form elected by the alternate payee) may make it difficult to know what each party will receive if a specified dollar amount is assigned and needs to be adjusted. (See Section 4 – PBGC Benefit Adjustments.)

NOTE: In a Separate Interest QDRO, the sum of the values of the participant's portion and the alternate payee's portion cannot exceed the total value of the benefit PBGC would have paid the participant assuming there was no Order.

The *PBGC Model Shared Payment QDRO* provides that the alternate payee will receive a portion of each of the participant's benefit payments on or after the date the participant starts benefit payments. It allows the alternate payee's portion to increase or decrease at a specified timeor upon a specified event. The Order must specify the amount and timing of any change.

NOTE: In a Shared Payment QDRO, the sum of the portions paid to the participant and to the alternate payee cannot exceed the total payment that PBGC would have paid the participant assuming there was no Order.

A Separate Interest QDRO must specify the date as of which the alternate payee's portion of the participant's benefit is to be determined. Typically, for domestic relations orders issued after PBGC trustees a plan, the division of benefits is based on the participant's benefit as of the date: of marital separation, of divorce, or of plan termination (in plans trusteed by PBGC, all benefit accruals will have ceased no later than the date the plan terminated). The choice of the determination date (for example, at the date of marital separation or divorce) can have a significant effect on the benefit amount assigned to the alternate payee and the benefit amount retained by the participant.

Example 1 – Separate Interest QDRO.

Carol is the plan participant and is age 40; Mark is age 35. Their QDRO provides that Mark will receive a separate interest that is actuarially equivalent to 50% of Carol's pension benefit at date of divorce. Carol's benefit in the form of a straight life annuity with payments beginning at her age 65 is $600 per month. Mark's 50% interest in Carol's benefit has a value that is actuarially equivalent to a life annuity of $300 ($600 x 50%) per month to Carol beginning at her age 65.

Mark is younger than Carol, so a benefit of $300 per month to Carol at age 65 generally will provide a different monthly benefit for Mark depending upon when he starts. Mark's actual monthly life annuity payments will depend on his age when he starts benefit payments, actuarial factors, and the benefit form he elects.

Most pension plans provide for "normal retirement" at age 65 (or, if later, the fifth anniversary of the date the participant commenced participation under the plan). Many plans allow "early retirement" at some younger age, often in combination with a specified amount of service with the employer-for example, at age 60 with at least 20 years of service. Some plans actuarially reduce the early retirement benefit to reflect the longer payout-for example, if the benefit would be $1,000 per month starting at age 65, it might be reduced to $650 per month starting at age 60.

Other plans may not reduce the benefit at all-for example, paying the same $1,000 per month starting at age 60 as the participant would receive starting at age 65. This kind of early retirement benefit is referred to as a "fully-subsidized" early retirement benefit, because the participant's benefit is not reduced even though it will cost the plan more due to the earlier starting date. (The benefit would be considered "partially subsidized" if the benefit were reduced, but not as much as would be necessary to make it equal in value to the benefit that would be paid starting at age 65.)

A Separate Interest QDRO may be written so as to provide (or not provide) the alternate payee with all or part of the value of an early retirement subsidy payable under the plan upon the participant's commencement of benefits before the participant's normal retirement age. It may specify that PBGC will provide a "pro rata" share of the early retirement subsidy (here "pro rata" means a proportionate allocation to two or more parts based on each part's share of the whole) or a different portion of the early retirement subsidy to the alternate payee.

NOTE: If the Separate Interest QDRO is silent with respect to whether the alternate payee is to receive any portion of the participant's early retirement subsidy, PBGC will pay the entire subsidy to the participant. Moreover, if the participant has not yet commenced benefits at the time the alternate payee elects to commence benefits under a Separate Interest QDRO and if the alternate payee commences benefits before the participant's normal retirement age, then the alternate payee cannot receive any portion of the early retirement subsidy unless and until the participant commences benefits before the participant's normal retirement age. Thus, if the participant retires on or after the participant's normal retirement age, no portion of an early retirement subsidy is payable at all from the plan, either to the participant or the alternate payee, regardless of whether the alternate payee commenced benefits before the participant's normal retirement age or whether all or a portion of the early retirement subsidy was awarded to the alternate payee.

Under the *PBGC Model Shared Payment QDRO*, if the alternate payee receives a percentage share of the participant's benefit, the alternate payee's benefit will automatically include a portionof the early retirement subsidy if the participant retires early.

The *PBGC Model Shared Payment QDRO* provides that a specific amount or a percentage of each of the participant's monthly benefit payments is paid directly to the alternate payee (for example, $400 per month, or 25% of each monthly benefit payment). The combined benefit payments to the participant and the alternate payee under a Shared Payment QDRO equal the benefit that would be paid to the participant assuming there was no QDRO.

Example 2 – Shared Payment QDRO.

A QDRO provides Dick's former spouse, Jane, with 25% of each of his monthly pension payments oncehis payments start. Dick begins receiving his benefits at age 65, and his monthly payments are $900 per month in the form of a straight life annuity. Jane's portion of Dick's payment will be $225 per month
($900 x 25% = $225). Under the QDRO, Jane will receive $225 per month for Dick's lifetime and Dick will receive $675 per month ($900 - $225).

In calculating the amount or percentage to be given to the alternate payee under a QDRO, the parties frequently will consider the portion of the participant's benefit that was earned during the time the alternate payee and the participant were married. Under this method, the alternate payee's portion of the participant's benefit (for example, 50%) would be multiplied by a fraction, the numerator of which is the number of months that the participant earned benefits under the plan during the parties' marriage, and the denominator of which is the total number of months that the participant earned benefits under the plan. This method of allocating the benefit is sometimes referred to as the marital portion or marital fraction method, and it can be used for both shared payment and separate interest QDROs.

NOTE: If this method is used, the parties should carefully check the formula for accuracy and confirm that it provides the benefits they intend, especially if the order states the number of months. For example, if PBGC's records indicate that the participant earned benefits under the plan for 126 months and the order uses 100 months, PBGC may disqualify the order or seek clarification from the parties.

Example 3 – Marital Fraction Method (Separate Interest QDRO).

Continuing with the facts provided in Example 1, assume Carol earned benefits under the plan for 10 years and was married to Mark for 5 of those years. If their QDRO applied the marital fraction method to Mark's 50% separate interest, Mark's 50% interest would be multiplied by the marital fraction of 5/10. Thus, Mark's pension would be actuarially equivalent to the value of a straight life annuity of $150 ($600 x 50% x 5/10) per month payable to Carol beginning at her age 65. (If Mark and Carol had been married 12 years, and Carol had earned benefits for 10 of those years, the marriage fraction would have been 10/10, or 1. Mark would receive a benefit actuarially equivalent to 50% of Carol's benefit.)

SECTION 4. PBGC BENEFIT ADJUSTMENTS

Insert the method for apportioning any adjustments PBGC makes in benefits. Because the parties may wish to handle benefit increases and decreases differently, the models include separate sentences for each.

After trusteeing a plan, PBGC may reduce benefits as necessary to meet the limitations established by ERISA (see Defined Benefit Pension Plans and PBGC Benefit Rules—Appendix A). PBGC pays estimated benefits until it has completed its work on the plan and determined final benefits. In some cases-especially in plans with benefits that exceed PBGC guarantee limits or that have complex benefit structures-final benefit amounts will differ from the estimated payment amounts paid by PBGC.

In general, if a QDRO awards a fixed percentage of the participant's benefit payment to the alternate payee and provides no guidance on apportioning any benefit adjustments made by PBGC between the participant and alternate payee, PBGC will actuarially adjust their benefits pro rata. "Pro rata" means a proportionate allocation to two or more parts based on each part's share of the whole.

For example, assume a plan benefit of $2,000 per month. An alternate payee is awarded 40% ($800 per month) of the participant's benefit. The participant's remaining benefit is 60% of the original plan benefit ($1,200 per month). Absent a QDRO, assume that PBGC must reduce the original plan benefit by $200 per month as a result of the maximum insurance limitation, the phase-in limitation, and other legal limitations. PBGC generally reduces plan benefits on an actuarially equivalent basis. Thus, if the QDRO specified that the reduction would be applied pro rata, then PBGC would pay the participant 60% of the reduced benefit (actuarially adjusted for the participant's benefit) and would pay the alternate payee 40% of the reduced benefit (actuarially adjusted for the alternate payee's benefit). Therefore, the alternate payee's original awarded benefit would be reduced by $80 (40% of $200) per month to reflect PBGC's legal limitations. Similarly, the benefit remaining to the participant would be reduced by $120 (60% of $200) per month. Note that with separate interest orders the alternate payee's and participant's benefits will actuarially reflect the benefit commencement date, duration of the benefit payments, the elected benefit form, etc.

If a QDRO awards a fixed-dollar amount of the participant's benefit to the alternate payee with no additional guidance, PBGC will first increase or decrease the participant's benefit to reflect PBGC's adjustment. PBGC will not adjust the fixed-dollar amount awarded to the alternate payee for an increase and will reduce the alternate payee's fixed-dollar amount only if the total decrease to be made exceeds the participant's benefit. Because any adjustments where fixed-dollar amounts have been awarded will first be applied to the participant's benefit, adjustments may affect the participant's benefit in ways that were not intended by the parties.

SECTION 5. BENEFITS START

Indicate the date as of which the alternate payee's benefit payments should begin. The models allow for benefits to begin as of a specific future date, or a future date elected by the alternate payee. The alternate payee's benefit start date will depend in part on the participant's "earliest PBGC retirement date" (benefits cannot begin before the participant's earliest PBGC retirement date) and whether the participant has begun receiving benefits at the time the order is submitted to PBGC for qualification. The *PBGC Model Separate Interest QDRO* may not be used if the participant already is receiving benefit payments. The *PBGC Model Shared Payment QDRO* doesnot allow the alternate payee's payments to begin until the participant starts receiving benefits.

The *PBGC Model Separate Interest QDRO* permits the alternate payee to specify a future datethat his or her benefit payments will start or to choose a starting date at some later time. The Order can be written to allow the alternate payee to begin receiving payments independently of when the participant begins receiving benefits, but payments to the alternate payee may not begin before the participant's "earliest PBGC retirement date." Payments to the alternate payee must begin no later than the date the participant is required to begin payments under section 401(a)(9) of the Code (see QDRO Tax Rules—Appendix C). The alternate payee's benefit will be actuarially adjusted toreflect the alternate payee's age at commencement and also for form of benefit.

The "earliest PBGC retirement date" has a specific meaning for PBGC purposes and is defined in PBGC regulation 29 C.F.R. §4022.10. Typically, a participant's age as of his or her "earliest PBGC retirement date" (EPRD) will be 55 unless (1) under the plan's terms, the participant cannot receive a benefit until a later age, or (2) PBGC determines under a facts-and-circumstances test that the participant could retire earlier than 55. PBGC tells each participant what his or her EPRD is in a benefit determination.

Example 4.

Continuing with Example 1, the Separate Interest QDRO allows Mark to start his benefit payments without regard to when Carol's benefit payments actually start. For example, Mark may want to begin receiving benefit payments as early as age 50, which is when Carol would be 55 years old. (Assume Carol's "earliest PBGC retirement date" is 55. If Carol's EPRD were instead 60, Mark couldn't start receiving benefits until he was 55.) If Mark and Carol had used a Shared Payment QDRO and Carol did not begin receiving benefits until age 65 (normal retirement age under the plan), Mark would not be able to begin receiving benefit payments until Carol did.

The *PBGC Model Shared Payment QDRO* provides the alternate payee with a portion of the participant's benefit payments during the period that the participant receives benefits. If the participant is already receiving benefit payments, the alternate payee under the QDRO may begin receiving benefits once PBGC qualifies the order and the alternate payee submits a benefit application. (In general, benefits would be payable retroactive to the date the original signed order or a certified or authenticated copy was received by PBGC unless a later date was provided for in the QDRO.) If the participant has not begun receiving benefit payments, the alternate payee may not begin receiving payments until the participant does.

Example 5.

Continuing with Example 2, PBGC will not begin paying benefits to Jane of $225 per month under the Shared Payment QDRO until the time that Dick begins receiving his benefit payments of $675 a month.

SECTION 6. FORM OF BENEFIT

Generally, if an Order is issued after PBGC becomes trustee of a plan, the forms that PBGC will allow the alternate payee to choose pursuant to the *PBGC Model Separate Interest QDRO* are a straight-life annuity for the life of the alternate payee or a certain-and-continuous (C&C) annuity with a 5-year, 10-year, or 15-year period certain.

A straight-life annuity pays benefits only for the lifetime of the alternate payee; no payments are made after the alternate payee dies. A C&C annuity guarantees payments for the longer of the alternate payee's life or the period certain that is selected. If the alternate payee dies before the end of the period certain, payments are made to his or her beneficiary for the rest of the period certain. If the alternate payee dies after the end of the period certain, no further payments are made.

NOTE: Because benefits under a C&C annuity are guaranteed to be paid for at least the period certain, monthly payments under a C&C annuity will be less than they would be if the alternate payee had selected a straight life annuity.

The alternate payee selects his or her form of benefit when applying to PBGC for benefits. If the alternate payee selects a C&C annuity, the alternate payee must designate a beneficiary who will receive the remaining payments if the alternate payee dies while receiving payments, but prior to the end of the period certain. **Parties or their representatives should contact PBGC before providing for any other benefit form in an Order to make certain it is a form that PBGC pays.**

Example 6.

Continuing with Example 1, the Separate Interest QDRO will allow Mark to apply to PBGC to receive benefits as a straight-life annuity or a C&C annuity. As explained above, the amount of Mark's monthly benefit is actuarially adjusted to reflect his life expectancy at the date payments begin. In addition, the amount of his monthly benefit is affected by the benefit form he selects. No matter what benefit form he selects, his benefit must have the same value as a $300-per-month benefit payable to Carol over her lifetime beginning at her age 65. If Mark chooses a straight-life annuity, no further payments will be made after Mark dies. If he chooses to receive a C&C annuity, an annuity that guarantees benefits for the longer of his life or the period certain, his monthly benefit will be less. If Mark chooses a 10-year C&C annuity and dies after 7 years, his designated beneficiary will receive 3 years of payments in the same amount Mark had been receiving.

In the *PBGC Model Shared Payment QDRO*, if the participant is receiving benefit payments, the Order cannot change the form of benefit payments elected by the participant. However, if the participant is not yet receiving payments, the Shared Payment QDRO (like the Separate Interest QDRO) can provide surviving spouse benefits and thus affect the form of benefit payment that the participant can elect. For example, section 10 of either model QDRO can provide that the participant's former spouse, as the alternate payee, will be treated as the participant's surviving spouse based on all or a portion of the participant's benefit. If the Order so provides for the portion of the benefit for which the alternate payee is treated as the spouse, the participant cannot choose a form of benefit other than a qualified joint-and-survivor annuity with the alternate payee as the beneficiary without the alternate payee's consent at the time the pension is to begin. If under the Shared Payment QDRO the participant is receiving a C&C annuity and the participant dies during the certain period, payments to the alternate payee end unless the alternate payee is the named beneficiary to receive benefits under the certain period.

Example 7.

Continuing with the Shared Payment QDRO in Example 2, PBGC will begin paying Jane's portion of Dick's benefit no earlier than the time that Dick begins receiving his benefit payments. If the QDRO gives Jane surviving spouse rights, Dick must elect a qualified joint-and-survivor annuity with Jane as beneficiary, unless Jane consents to Dick's waiver of the qualified joint-and-survivor annuity. If the QDRO does not give Jane surviving spouse rights, Dick can elect any form of payment provided to participants by PBGC.

SECTION 7. BENEFITS STOP

The time when benefits stop for the alternate payee generally is governed by the form elected in the PBGC benefit application.

Once benefit payments to the participant or the alternate payee have started, the form of benefit will govern when benefits stop. Under the *PBGC Model Shared Payment QDRO*, payments toan alternate payee will stop on the earliest of the (1) death of the participant, (2) the death of the alternate payee, or (3) the occurrence of a specified date or event, such as the remarriage of the alternate payee or the date a child attains a certain age. Parties must notify PBGC in writing when an event occurs that affects the benefit.

Under the *PBGC Model Separate Interest QDRO*, payments to an alternate payee generally stop upon the death of the alternate payee. But if the alternate payee elected a benefit form under which a designated beneficiary could be paid (for example, a C&C annuity), the form of benefit will govern whether the beneficiary will be paid and for how long.

SECTION 8. DEATH OF PARTICIPANT

Indicate what happens to payments when the participant dies.

The *PBGC Model Separate Interest QDRO* provides that PBGC will pay the separate interestto the alternate payee regardless of when the participant dies. (The alternate payee will receive additional monthly payment amounts to the extent the alternate payee is to be treated as the surviving spouse under section 10.)

The *PBGC Model Shared Payment QDRO* provides that payment of a benefit, if any, to an alternate payee stops no later than the death of the participant (except to the extent that the alternate payee is to be treated as the surviving spouse under section 10 or the alternate payee is a named beneficiary under a C&C annuity).

Example 8.

Continuing with the Shared Payment QDRO in Example 2, suppose that Dick retires and begins receiving his pension benefits as a 10-year certain-and-continuous (C&C) annuity rather than a straight-life annuity. Dick and Jane's child is the designated beneficiary of Dick's C&C annuity. Jane receives a 25% share of Dick's benefit payments. Two years after commencing benefit payments, Dick dies. Dick's benefit payments to Jane stop upon Dick's death. However, payments to their child, the designated beneficiary, would then commence equal to 100% of Dick's benefit payment and continue for 8 more years until the end of the 10-year period certain.

SECTION 9. DEATH OF ALTERNATE PAYEE

Indicate what happens when the alternate payee dies.

In the *PBGC Model Separate Interest QDRO*, the QDRO may provide that if the alternate payee dies before commencing benefits, the alternate payee's benefit may be paid to a contingent alternate payee.

A contingent alternate payee must satisfy the definition of an alternate payee under ERISA. Therefore, the Order must identify that the contingent alternate payee is the participant's spouse, former spouse, child or other dependent. (See Language for Including a Contingent Alternate Payee—Appendix F). If the alternate payee's separate interest is paid to a contingent alternate payee, the separate interest benefit will be actuarially adjusted to reflect the contingent alternate payee's age. Alternatively, the QDRO may provide that if the alternate payee dies before commencing benefits, the alternate payee's separate interest reverts to the participant. If the QDRO is silent on what happens if the alternate payee dies before commencing benefits, PBGC will treat the separate interest as reverting to the participant. If the alternate payee's separate interest would revert to the participant but the participant is not alive at the time of the alternate payee's death, the benefit will revert to PBGC because the order cannot provide for any further assignment.

A benefit "commences" for purposes of this Section on the alternate payee's annuity starting date. The annuity starting date is a date selected by the alternate payee when applying for benefits, or another date on which benefits must commence under the QDRO, under the Plan, or by law.

If the alternate payee dies after benefits commence, the benefit form elected in the alternate payee's benefit application (or the automatic form, if applicable) will govern. For example, under a straight life annuity, payments end; under a period certain and continuous annuity, payments continue to the alternate payee's designated beneficiary for the remainder, if any, of the period certain. PBGC will not qualify or enforce a separate interest Order that provides for the alternate payee's benefit to revert to the participant if the alternate payee dies after commencing benefits.

The *PBGC Model Shared Payment QDRO* addresses what happens to the alternate payee's benefit if the alternate payee dies before the participant dies (whether or not benefit payments have started to the alternate payee). If the alternate payee dies before the participant, unless the QDRO states otherwise, the participant's monthly benefit payments will be returned to the amount that the participant would have received assuming there was no QDRO. The alternate payee cannot pass payments on to another beneficiary upon death unless the beneficiary is designated in the Order as a Contingent Alternate Payee. However, as with the Separate Interest QDRO, the Shared Payment QDRO could be drafted to cover multiple or contingent alternate payees, such as payments to the participant's former spouse and then, upon the former spouse's death, to the participant's dependent children as contingent alternate payees. See Language for Including a Contingent Alternate Payee—Appendix F.

Example 9.

Continuing with the Shared Payment QDRO in Example 2, Dick retires and begins receiving his pension benefits as a joint-and-survivor annuity. Jane receives a 25% share of Dick's benefit payments. Two years after commencing benefit payments, Jane dies. Because their QDRO did not name a contingent alternate payee, Jane's portion of Dick's benefit payments reverts to Dick at Jane's death.

SECTION 10. SURVIVING SPOUSE RIGHTS OF ALTERNATE PAYEE

This section applies only if the alternate payee is the spouse or former spouse of the participant.

Indicate whether the alternate payee will be treated as the spouse of the participant for purposes of part or all of the qualified preretirement survivor annuity and/or the qualified joint-and-survivor annuity, and, if so, indicate the part (all or some portion) of the participant's benefit on which the survivor annuity is to be based.

(Survivor rights may be assigned in a shared payment QDRO only if the participant's benefit payments have not started when the order is submitted to PBGC for qualification or if when the participant began receiving benefits the benefit was being paid as a joint and survivor benefit with the alternate payee as survivor. A separate interest QDRO may be used only if the participant's benefit payments have not started when the order is submitted to PBGC for qualification.)

If the alternate payee is to receive a surviving spouse benefit only under a qualified preretirement survivor annuity and/or qualified joint-and-survivor annuity (that is, the alternate payee will not receive a separate interest or shared payment benefit), see the PBGC Model Treat-As-Spouse QDRO—Appendix E.

In general, if a participant dies before starting benefit payments, PBGC pays the participant's surviving spouse a qualified preretirement survivor annuity (QPSA). The surviving spouse can elect to take the QPSA in the form of a straight life annuity or a certain-and-continuous annuity. If a participant dies after starting benefit payments in the form of a qualified joint-and-survivor annuity (QJSA), PBGC pays the participant's surviving spouse the survivor portion of the QJSA.

PBGC generally will qualify an Order assigning the alternate payee a survivor benefit based on the participant's benefit as of specific date or to the extent of participant's benefit assigned to the alternate payee under Section 3. Under the shared payment model QDRO, the participant's former spouse, as the alternate payee, can be treated as the surviving spouse (even if the participant has remarried) based on the participant's benefit or to the extent of participant's benefit assigned to the alternate payee under Section 3.

NOTE: Where an order assigns to the alternate payee any part of the survivor portion of the QJSA, the participant cannot elect a form of benefit other than the plan's QJSA with the alternate payee as beneficiary unless the alternate payee consents to a different benefit form at the time the pension is to begin.

The portion stated in Section 10 of the model is not the plan's automatic survivor percentage of a joint-and-survivor annuity benefit (e.g., a joint-and-50% survivor annuity benefit). It is the portion of the participant's benefit on which the survivor benefit will be based.

For the *PBGC Model Shared Payment QDRO*, the survivor benefit may be based on all ora portion of the participant's accrued benefit. If 35% is entered in section 10 of the shared payment QDRO, the alternate payee will get a survivor benefit based on 35% of the participant's benefit. The survivor benefit will then be 50% (unless the plan's QJSA provides for a greater percent) of the participant's benefit, times 35%.

Typically, separate interest orders do not need to award post-retirement survivor rights to an alternate payee. This is because the alternate payee's benefit is actuarially based on the alternate payee's lifetime so the alternate payee will receive lifetime benefits regardless of whether survivor benefits are awarded. Nor does it matter if the participant dies before the alternate payee begins to receive benefits because of the way PBGC administers separate interest orders.

When PBGC administers a separate interest order, it uses a totally severed approach. The participant's benefit is divided into two separate parts – one for the participant and one for the alternate payee. Once the order is qualified, the participant's death before or after the alternate payee's benefits commence will not affect the alternate payee's rights to a lifetime benefits. Thus, assignment of either pre- or post- survivor annuities are not needed to ensure that the alternate payee will receive lifetime benefits.

However, some alternate payees and participants may choose to include survivor annuity provisions in their orders. Since such assignments are permissible, PBGC will qualify a separate interest order that includes an assignment of survivor rights to an alternate payee. For the *PBGC Model Separate Interest QDRO*, where the participant retains a separate interest in only part of his or her benefit, the survivor benefit will be based on only that portion of the benefit retained as a separate interest by the participant. Thus, if 35% is entered in section 10 of a separate interest QDRO, and the separate interest retained by the participant is 40%, the alternate payee will get a survivor benefit based on 35% of the participant's separate interest, or 35% of the 40% separate interest retained by the participant. Assuming the survivor benefit under the plan is 50% of the participant's accrued benefit, the survivor benefit payable to the alternate payee will be 35% (the amount specified in section 10) times 40% (the participant's retained separate interest benefit) times 50% (the plan's survivor percentage for the QJSA) of the participant's monthly plan benefit.

Survivor benefits are in addition to a separate interest or shared payment the alternate payee also has a right to receive. Generally, PBGC will pay survivor benefits in accordance with the terms of the QDRO even if the participant has designated a different beneficiary or has remarried, as long as the order was submitted before the participant's annuity starting date. An order assigning pre-retirement survivor benefits that is submitted before the participant's retirement date, but after his or her death, will only be qualified under limited circumstances. You may wish to contact PBGC for more information before attempting to obtain an order.

NOTE: If a participant is married as of his or her annuity starting date, and the participant did not waive the QJSA (with spousal consent), that spouse retains the right to the survivor annuity even if the participant and spouse later divorce. The spouse retains this right to the survivor annuity even if no domestic relations order is submitted to PBGC. Moreover, PBGC will not qualify an order which would require a surviving spouse benefit to be relinquished after the joint-and-survivor annuity is in pay status. PBGC will generally not enforce such an order, even if qualified by the prior plan administrator, unless the survivor benefits had been relinquished before PBGC trusteed the plan.

Example 10.

Continuing with the Separate Interest QDRO in Example 1, Carol dies at age 41. Mark's separate interest in Carol's pension benefit is unaffected by her death, but PBGC will not pay benefits to him before Carol would have reached her "earliest PBGC retirement date." Also, if the QDRO is silent as to survivor benefits, because Carol and Mark were not married at the time of Carol's death, Mark is not treated as Carol's spouse and will not receive a QPSA.

Example 11.

Continuing with the Shared Payment QDRO in Example 2, assume the QDRO provides that Jane will be treated as Dick's surviving spouse for purposes of survivor benefits payable under the plan as of the date of marital separation based on 35% of his benefit. Dick can elect any form of annuity for the remaining 65% of his benefit. Assume also that Dick's monthly benefit payable as of the date of separation was $900 per month. When Dick retires, he elects a qualified joint-and-50%-survivor annuity for his benefit as of the date of separation, which reduces the monthly benefit payable as of the date of separation from $900 to $820. Based on the terms of their Shared Payment QDRO, Jane is to receive 25% of the monthly benefit payable during Dick's life, or $205. Three years after starting benefit payments, Dick dies. Under the terms of their QDRO, Jane's 25% portion of Dick's benefit payments stops at Dick's death. However, Jane will receive a survivor annuity (that is, a monthly benefit for her lifetime) based on 35% of

Dick's benefit payable under the plan as of the date of separation, or $287 (35% of $820). Jane's joint-and-50% survivor annuity benefit based on the $287 will be $143.50 (50% of $287).

In rare cases, a pension plan provides for survivor benefits in addition to those required by ERISA. For example, certain plans, typically plans covering employees in the steel industry, provide "Free Surviving Spouse Benefits" – survivor benefits that impose no cost on a participant's benefit, i.e., the participant'sbenefit is not reduced to provide a survivor annuity. In order for part or all of such benefits to be paid to an alternate payee (rather than to the person who otherwise would be entitled toreceive such death benefits under the plan, for example, a second spouse), the QDRO must specifically provide for payment of such benefits to the alternate payee.

SECTION 11. OTHER REQUIREMENTS

The provisions in this section should be in all Orders submitted to PBGC, and the parties' attorneys or representatives should ensure that the provisions are met.

SECTION 12. RESERVATION OF JURISDICTION

Include the necessary language for the court issuing the domestic relations order to retain jurisdiction over the Order.

III. Procedures and Checklist

PLANNING FOR A QDRO

Plan ahead and allow enough time at each stage of the process. Failure to do so may preclude certain benefit options for the alternate payee. For example, if PBGC does not receive an original signed domestic relations order (or a copy certified or otherwise authenticated under state domestic relations procedures) until after the participant is in pay status, the alternate payee will not be able to have a separate interest order or an order providing for a survivor benefit for the alternate payee approved as a QDRO by PBGC.

SUBMISSION TO PBGC

To submit an original signed order or a certified or authenticated copy to PBGC, send it to the PBGC QDRO Coordinator, P.O. Box 151750, Alexandria, VA 22315-1750. Because PBGC needs an original signed order or a certified or authenticated copy, the order cannot be submitted electronically to PBGC.

PBGC REVIEW OF ORDERS AND THE SUSPENSION OF BENEFITS DURING ITS REVIEW

PBGC will review an original signed order or a certified or authenticated copy to determine whether the order is qualified, and will inform the interested parties in writing of its determination. Interested parties include all parties named in the order, their attorneys (if identified in a release signed by the submitting party), and any representative designated in writing by the parties.

If PBGC determines the order is not a QDRO, PBGC will explain the reason(s) along with its procedures for appealing the determination. An appeal, or a request for an extension of time to appeal, must be filed within 45 days after the date of PBGC's determination. While PBGC is reviewing the order to determine whether the order is qualified, PBGC will suspend payment to the participant of any amounts that the domestic relations order would give to the alternate payee.

If PBGC determines that the order is qualified, PBGC will begin making payments (including any suspended payments) to the alternate payee under the QDRO after the 45-day period for filing an appeal has elapsed and the alternate payee has submitted a benefit application. If an appeal is filed, or a suit is filed in court, PBGC will continue to suspend payment of the benefits in controversy until the appeal or suit is resolved.

If PBGC determines that the order is not qualified, PBGC will lift the suspension and make any back payments to the participant as soon as the 45-day period for filing an appeal has elapsed. However, the suspension of payments will continue if, within 45 days of PBGC's determination: (1) an appeal is filed or (2) either party notifies PBGC in writing that they are making the necessary changes in the domestic relations order and an original signed order or a certified or authenticated copy of one is submitted within 120 days of notifying PBGC. If an appeal is filed and PBGC determines on appeal that the order is not qualified, PBGC will grant both parties 120 days to submit a revised original signed order or a certified or authenticated copy.

If the participant or alternate payee provides a copy of a court scheduling order, or a written statement by the participant or alternate payee (or the participant's or alternate payee's attorney or representative), to the effect that the court will not review the proposed domestic relations order until after the 120-day period has ended, PBGC will grant an extension of the 120-day period based on the facts and circumstances.

PBGC will not suspend a participant's payments for more than 18 months from the date the first payment to the alternate payee would have been due under the order. PBGC will pay suspended benefits to the participant with interest.

DRAFT DOMESTIC RELATIONS ORDERS

At the request of a participant or an alternate payee (or an attorney or a representative of either), PBGC will informally review a domestic relations order in draft form to determine if it would satisfy qualification requirements if submitted as an original signed order or a certified or authenticated copy. For instructions on how to submit a draft order for a preliminary, informal review electronically, contact PBGC's Customer Contact Center at 1-800-400-7242. To submit a draft order for a preliminary, informal review by mail, send it to the PBGC QDRO Coordinator, P.O. Box 151750, Alexandria, VA 22315-1750.

PBGC will acknowledge receipt of a draft domestic relations order in writing. For a participant who is not yet in pay status but is eligible to receive benefits and has applied for benefits, PBGC will delay the commencement of any benefits for a period of up to 120 days from the date that PBGC notifies the parties of the results of its informal review. For a participant who is in pay status, PBGC will not suspend any portion of the participant's benefit based on receipt of a draft domestic relations order.

An alternate payee's annuity starting date cannot be before the date on which PBGC receives an original signed order or a certified or authenticated copy. PBGC will not establish an alternate payee's annuity starting date based on the date on which PBGC receives a draft order.

If an original signed order or a certified or authenticated copy is received by PBGC within the 120-day period, PBGC will review the order and suspend benefits in accordance with the procedures described in "PBGC Review of Orders and the Suspension of Benefits During Its Review," which appears earlier in this section. If an original signed order or a certified or authenticated copy is not received by PBGC within the 120-day period, PBGC will put the participant in pay status if he or she applied for benefits before the draft order was received or while it was being reviewed unless by the end of the 120-day period PBGC receives a copy of a court scheduling order, or a written statement by the participant or alternate payee (or the participant's or alternate payee's attorney or representative), to the effect that the court will not review the proposed domestic relations order until after the

120-day period has ended. In that case, PBGC will grant an extension of the 120-day period based on the facts and circumstances. If PBGC puts the participant in pay status, the alternate payee will not be able to have a separate interest order or an order providing for a survivor benefit for the alternate payee approved as a QDRO by PBGC.

MULTIPLE ORDERS

After PBGC has qualified an order, a second order sometimes will be submitted attempting to modify the first order. When this occurs, PBGC will suspend benefit payments that would be affected by the new order. If PBGC qualifies the second order, changes in benefit payments will be made prospectively only from the date of submission of the second order; the terms of the second order that differ from the first order will not be applied retroactively to the date the first order was submitted. If PBGC does not qualify the second order, see "PBGC Review of Orders and the Suspension of Benefits During Its Review," above, for appeal rights and/or resubmitting a revised order to PBGC.

OTHER PLEADINGS RELATED TO DOMESTIC RELATIONS ACTIONS

Upon receipt of any pleading intended to add PBGC as a party to a domestic relations action (including a request for joinder), PBGC will acknowledge receipt of the documents and will temporarily delay commencement of benefits for up to120 days, in the same manner that PBGC doeswhen reviewing a draft domestic relations order (see above). PBGC will not appear in any of these actions and will pay benefits only according to the terms of any domestic relations order itdetermines is a QDRO.

NOTE: if the participant is receiving benefits at the time that PBGC receives a request described in this section, PBGC will not suspend any portion of the participant's benefits until a domestic relations order is received by PBGC.

WRITTEN NOTICE OF PENDING ORDER

Anytime an interested party (including but not limited to the participant or alternate payee) notifies PBGC of a pending domestic relations order in writing (for example, in a letter or email, or on a pending benefit application), PBGC will delay the commencement of any benefits for a period of up to 120 days from the date PBGC was notified. For a participant who is in pay status, PBGC will not suspend any portion of the participant's benefit based solely on such notice. Participants can notify PBGC of a pending order by fax or by logging into our secure online service (for both, see www.pbgc.gov), or by mail at the following address: PBGC QDRO Coordinator, P.O. Box 151750, Alexandria, VA 22315-1750.

CHANGE OF ADDRESS OR ENTITLEMENT STATUS

PBGC should be notified promptly of any change in address. The parties also should notify PBGC immediately if an event occurs that affects benefits PBGC is paying or will pay. For example, if payments to the alternate payee would end on a future event, such as remarriage or achild's reaching a certain age, or an event that would affect benefits under the QDRO, the partiesshould immediately notify PBGC in writing when the event occurs.

CHECKLIST

PBGC suggests using the following checklist when drafting a domestic relations order that will be sent to PBGC:

✓ Does the order clearly specify the PBGC-trusteed pension plan to which it applies?

- Does the order clearly identify the defined benefit pension plan (for example, formal plan name)? If the participant has earned benefits in more than one plan, are all the plans clearly identified?
- Is the plan trusteed by PBGC?

✓ Does the order include the names of the persons to whom it applies?

- Does the order clearly identify the participant by providing full name, last known mailing address, and Social Security Number?
- Does the order clearly identify each alternate payee (and, if applicable, each contingent alternate payee) by providing full name, last known mailing address, and Social Security Number?
- Does the order clearly identify each alternate payee (and, if applicable, contingent alternate payee) as a spouse, former spouse, child, or other dependent of the participant?
- Does the order provide the name and address of the guardian, legal representative, or state agency to whom PBGC will send payments on behalf of an alternate payee (and, if applicable, a contingent alternate payee) who is a minor or legally incompetent?

✓ Does the order specify the amount to be paid to each alternate payee and the length of time such payments will be made?

- Does the order clearly specify the amount or percentage (or state how to determine the amount or percentage) of the participant's monthly benefit payment to be paid to each alternate payee?
- Does the order clearly specify (or allow a future election that would specify) when payments will start for each alternate payee?
- Does the order clearly require payment to the alternate payee from PBGC (rather than, for example, to the participant for payment to the alternate payee)?

✓ Does the order specify what happens when the participant dies?

- Does the order specify that shared payments to the alternate payee stop no later than the participant's death (or never start if the participant dies before entering pay status)?

- Does the order specify that payments continue to be made to the alternate payee regardless of the participant's death in the case of a separate interest QDRO?
- Does the order specify whether the participant's former spouse, as the alternate payee, is to be treated as the participant's spouse (regardless of whether the participant remarries) for all or part of the participant's remaining separate interest (in the case of a separate interest QDRO) or all or part of the participant's monthly benefit (in the case of a shared payment QDRO) for purposes of the qualified preretirement survivor annuity and/or the qualified joint-and-survivor annuity?

✓ Does the order specify what happens when the alternate payee dies?

- Does the order clearly specify what happens to the alternate payee's separate interest, if any, when the alternate payee dies before commencing benefits?
- Does the order clearly specify what happens to the participant's benefit when the alternate payee predeceases the participant in the case of a shared payment QDRO?

✓ Was the order issued under a State's domestic relations law?

- Is the order a judgment, decree, or order (including the approval of a property settlement agreement) issued pursuant to a State's domestic relations law (including a community property law)?
- Was the order an order issued by a state unit, typically a court or agency, with authority to issue such judgments, decrees, or orders under a State's domestic relations law?
- Does the order relate to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a participant?

✓ Does the order state assignments? Assignments must be specifically stated in the order to be enforceable by PBGC. For example, assignments of –

- Early retirement subsidy
- Assignment of any survivor benefits (including the QJSA and/or QPSA)
- Free Surviving Spouse Benefits (see explanation in PBGC Model QDRO Instructions, Section 10, above)

✓ Does the order comply with other requirements?

- Is it clear that the order does not require PBGC to pay benefits that have a value in excess of the value of benefits to which the participant would otherwise be entitled from PBGC?

- Is it clear that the order does not require PBGC to pay any type or form of benefit, or provide any option, that either PBGC or the plan would not otherwise pay or provide to participants and alternate payees?
- Is it clear that the order does not require PBGC to pay benefits to an alternate payee that are required to be paid to another alternate payee under a previous QDRO?
- Is it clear that the order does not require PBGC to pay benefits to an alternate payee in an amount or form that is not permitted under ERISA or the Code?
- Is it clear that the order does not require PBGC to pay benefits to the alternate payee for any period before PBGC receives the order?
- Is it clear that the order does not require PBGC to pay benefits as a separate interest to the alternate payee if the participant already is receiving benefit payments?
- Is it clear that the order does not require PBGC to change the benefit form if the participant already is receiving benefit payments?

Appendix A—Defined Benefit Pension Plans and PBGC Benefit Rules

DEFINED BENEFIT PENSION PLANS

There are two basic types of pension plans: defined benefit plans and defined contribution plans. PBGC insures benefits of workers, retirees and beneficiaries participating in most private-sector defined benefit plans. PBGC does not insure benefits in defined contribution plans, such as 401(k) plans.

A defined benefit plan promises each participant a specified benefit at retirement. The benefit usually is based on a formula such as the number of years a participant has worked for a company and/or the participant's average salary for the last few years of work or over the participant's career.

Defined benefit plans may pay retirement benefits in a variety of ways. The most common form of benefit payment is an annuity. Normally, annuity payments are paid over the participant's life, over the lives of the participant and a beneficiary, or over the longer of the participant's life or a specified period.

A participant will automatically receive his or her benefit in the form of an annuity unless the participant chooses (with spousal consent, if married) a different form of payment. An unmarried participant usually will receive an annuity for his or her life. A married participant usually will receive a qualified joint-and-survivor annuity (QJSA), unless the participant has waived it with spousal consent.

If a married participant dies after starting to receive retirement benefits, the participant's spouse at retirement ordinarily will receive the survivor portion of the QJSA, unless the participant had waived the QJSA with spousal consent. If the QJSA is not waived with spousal consent, the person who was the participant's spouse at retirement ordinarily will receive the survivor portion of the QJSA when the participant dies even if the parties are divorced at the participant's death. If a married participant dies before starting to receive retirement benefits, the participant's spouse will receive a qualified preretirement survivor annuity (QPSA), unless the participant had waived the QPSA with spousal consent.

Many defined benefit plans offer participants a choice of times at which they may retire - early, normal, or late retirement. The date a participant chooses to retire and start payments usually will affect the monthly amount of pension benefits the participant receives. In most plans, the longer a participant waits to start receiving benefits, the larger the monthly benefit payments will be.

PBGC BENEFIT RULES

PBGC guarantees most, but not all, pension benefits in plans that it insures. PBGC does not guarantee non-pension benefits, such as most death benefits (but PBGC does pay the plan's QPSA benefit even if QPSA coverage previously was waived before plan termination). PBGC does not guarantee benefits over a certain amount. For example, for single-employer pension plans terminating in 2022, the maximum amount that PBGC guarantees is $6,204.55 per month ($74,454.60 per year) for a participant who starts receiving benefits at age 65 with a straightlife annuity. The maximum amount is reduced if benefits will be paid in a form other than a straight life annuity. This maximum amount also is reduced for a retiree who is younger than age 65 when the plan terminates and for participants and beneficiaries who begin receiving benefit payments after the plan terminates but before reaching age 65. (However, the maximum guaranteed amount generally is not reduced on account of the age of a participant where the participant retired early (or could have retired early) under the plan due to a disability that is determined by the Social Security Administration to meet its definition of disability.) In additionto the maximum insurance limitation, PBGC's guarantee may also be limited for supplemental benefits and benefit increases resulting from plan amendments within five years before the plan terminates. PBGC may pay more than the guaranteed amounts if the plan has enough assets or as a result of PBGC's recoveries from employers.

If a QDRO awarded a fixed percentage of the participant's plan benefit to the alternate payee, the benefits payable to both the participant and the alternate payee would be reduced typically by the same percentage to reflect PBGC's guarantee limitations (as well as any additional benefits funded by plan assets and/or PBGC recoveries). For example, if a QDRO awarded an alternate payee 50% of a participant's $1,000 monthly plan benefit and if the plan benefit is reduced by 10% as a result of PBGC's legal limitations (as well as plan funding and PBGC recoveries), then the participant and alternate payee will each receive 10% less of their share of the $1,000 monthly plan benefit. After the 10% reduction to the benefit (from $1,000 to $900), the $900 benefit is allocated 50% to the participant and the alternate payee, or $450 per month.

If a QDRO awarding a fixed percentage of the participant's benefit to an alternate payee is a separate interest order, PBGC will reduce the plan benefit by the applicable title IV limits and pay a fixed percentage of the reduced plan benefit (determined on an actuarial basis) to the alternate payee. However, if the QDRO (shared payment or separate interest) awards a fixed dollar amount (e.g., $500) of the participant's benefit to the alternate payee, then the participant's benefit payable by PBGC would be reduced by the fixed dollar amount (or actuarial equivalent thereof). In this case, PBGC would reduce the alternate payee's benefit only if the fixed dollar amount awarded to the alternate payee exceeds the total benefit payable by PBGC to the participant.

For participants who have started receiving benefit payments or have properly chosen annuity benefit forms before their plans are trusteed, PBGC generally will pay benefits in the forms chosen. For participants who have not started to receive benefits or have not chosen benefit forms at the time their plans are trusteed, PBGC will pay benefits in the form that participants elect. The election choices are the plan's automatic forms – generally a straight life annuity for an unmarried participant and a QJSA for a married participant-and the optional forms provided under PBGC regulations (see 29 C.F.R. §4022.8(c)). The optional forms provided currently by PBGC for an unmarried participant or a married participant who has obtained spousal consent are a: (1) straight life annuity, (2) five-year certain-and-continuous annuity, (3) ten-year certain-and-continuous annuity, (4) fifteen-year certain-and-continuous annuity, (5) joint-and-50%, -75%, or -100% survivor annuity, and (6) joint-and-50%-survivor "pop-up" annuity.

The annuity benefit form available to an alternate payee who is not yet in pay status depends on the type of QDRO. With a separate interest QDRO, an alternate payee may choose from among optional annuity benefit forms (1) through (4), above, offered by PBGC, regardless of what benefit form the participant chooses. With a shared payment QDRO, the alternate payee will receive a portion of each payment that is being paid to the participant in an amount designated by the QDRO; the alternate payee does not choose the annuity benefit form.

Under both types of QDROs, if benefit payments to the participant have not started, the QDRO may provide that the alternate payee will be treated as the participant's spouse for all or part of the QPSA and/or the QJSA with respect to either the participant's benefit (in the case of a shared payment QDRO) or the portion of the benefit in which the participant retains a separate interest (in the case of a separate interest QDRO). In such case, the alternate payee would have the right to consent to a waiver by the participant of the QJSA.

PBGC will provide specific information about the choices of annuity benefit forms at the time a participant or alternate payee applies for benefits. With regard to a separate interest, PBGC will pay a lump sum if the value of the benefit (determined separately for the participant and alternate payee) is $5,000 or less at plan termination.

Appendix B—Domestic Relations Orders Qualified Before PBGC Becomes Trustee

While this booklet deals with domestic relations orders issued after PBGC becomes trustee of a plan, PBGC receives and administers domestic relations orders in two other situations: (1) where PBGC becomes trustee of a plan that is already paying benefits pursuant to a QDRO and (2) where PBGC becomes trustee of a plan where the plan administrator already has approved a QDRO but payments under the QDRO have not started yet.

When PBGC becomes trustee of a plan under which the plan administrator already has approved orders as QDROs, PBGC generally reviews the QDROs to see if there is anything in the QDROs that would call their qualification into question under PBGC's rules. If any issues arise, PBGC communicates with the parties to the QDRO. If the Order was qualified in error by the prior plan administrator, the parties may be required to obtain a corrected order before payments to the alternate payee can continue or begin.

Because PBGC guarantees may not cover a participant's full pension benefit, a participant's benefit may be reduced after PBGC takes over a plan. This can reduce benefits payable to one or both parties under the QDRO. PBGC will not treat the order as not qualified solely because benefits paid by PBGC require reduction of the participant's and/or the alternate payee's benefit. PBGC will apply the reduction rules to domestic relations orders qualified before PBGC becomes trustee (assuming the QDRO is silent) in the same manner as it applies the reduction rules to orders that are qualified after PBGC becomes trustee. (See Appendix A above.) If the participant or alternate payee desires that the guarantee limitation be applied differently, an amended order indicating how any reduction should be addressed would need to be submitted to PBGC for review.

PBGC guarantee limitations apply to domestic relations orders qualified before or after PBGC becomes trustee. In addition, PBGC benefit form limitations, options and benefit start date provisions apply to the alternate payee's benefit payments or elections under pre-trusteeship domestic relations orders if the alternate payee's benefit form election is made after PBGC trusteeship.

Appendix C—QDRO Tax Rules

The following information is not intended to be tax advice. Any questions on tax matters should be directed to a tax advisor or the IRS.

Pension benefits are taxable when they are paid to the participant or, in some cases, to the alternate payee. Internal Revenue Service Publication 575, Pension and Annuity Income, explains these rules. A local IRS office will be able to provide this publication, or it may be obtained from the IRS's website at **www.irs.gov** or by calling 1-800-TAX FORM.

Benefit payments made under a QDROdirectly to an alternate payee who is a spouse or former spouse are taxable to that spouse or former spouse. However, the participant is taxed on payments made under a QDRO to his or her children as alternate payees.

In some cases participants have made their own contributions to their plan. When pension benefits are paid, a portion of each benefit payment is a return of some of these contributions. Because these contributions were already taxed before they were contributed to the plan, they will not be taxed again when they are paid out from the plan. The tax law provides detailed rules for determining what portion of each payment is a tax-free return of the participant's contributions.

There is generally an additional 10 percent tax on non-annuity payments that are made before age 59 1/2. However, this 10 percent tax does not apply to payments made to an alternate payee under a QDRO. There are special rules regarding rollovers of amounts paid to alternate payees.

Section 401(a)(9) of the Code specifies the date by which distributions must start. Question and Answer 6 of the Treasury regulation §1.401(a)(9)-8 addresses how the required minimum distribution rules of section 401(a)(9) of the Code apply to an alternate payee under a QDRO. Payments to the alternate payee must begin no later than the date the participant is required to begin payments under section 401(a)(9) of the Code. The regulation limits the period over which benefits may be paid with respect to the alternate payee's separate interest, thereby limiting what survivor benefits may be paid, including the length of the period certain in a certain-and-continuous annuity.

Appendix D—PBGC Model Child Support Shared Payment QDRO

(You may use this model when a defined benefit pension plan has terminated, PBGC has become trustee of the plan, and PBGC is to pay a portion of the participant's monthly benefit payments as child support. **If the participant's benefit payments have not started, you may submit a shared payment or a separate interest child support order to PBGC (e.g., a temporary life annuity for the child).** After a participant's benefits have started, only a shared payment order may be submitted. Only a shared payment order model is shown because, in PBGC's experience, it ismore commonly used.

NOTE: *Child support payments under a shared payment order cannot start until the participant's benefit payments have started. Please read PBGC Model Child Support QDRO Instructions below for important information.*

IN THE__________COURT OF ___________
DIVISION__________COUNTY ___________

- -

IN RE MARRIAGE/SUPPORT OF :
:
___________ :
PETITIONER, :
:
V. : **CASE NO.___________**
:
________________________ :
PARTICIPANT, RESPONDENT. :
:

- -

QUALIFIED DOMESTIC RELATIONS ORDER

This Order is intended to be a qualified domestic relations order ("QDRO"), as that term is defined in section 206(d) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and section 414(p) of the Internal Revenue Code of 1986, as amended ("Code"). This Order is granted in accordance with **[applicable state domestic relations law citations]**, which relate to marital property rights, child support, and/or spousal support between spouses or between a spouse and a former spouse in matrimonial actions.

SECTION 1. IDENTIFICATION OF PLAN

This Order applies to benefits under the **[formal name of plan]** ("Plan"). The Pension Benefit Guaranty Corporation ("PBGC") is trustee of the Plan.

SECTION 2. IDENTIFICATION OF PARTICIPANT AND ALTERNATE PAYEE(S)

a. **[Name of the Participant]** is eligible to receive a benefit from the Plan and is hereafter referred to as the "Participant." The Participant's mailing address is **[address]**. The Participant's Social Security Number is **[Social Security Number]**.

b. **[Name of the Alternate Payee]** is hereafter referred to as the "Alternate Payee." The Alternate Payee's mailing address is **[address]**. The Alternate Payee's Social Security Number is **[Social Security Number]**. The Alternate Payee is the child or other dependent of the Participant.

[If the alternate payee has a guardian, add:]

The Alternate Payee's legal guardian is **[name of guardian]**, whose mailing address is **[address]**.

[If the payments are required to be sent to a state agency, add:]

Payments under this Order are to be mailed to **[name of agency and its full mailing address]**. Questions concerning these payments should be addressed to **[specify contact at the state agency]** at **[telephone number]**.

SECTION 3. AMOUNT OF BENEFIT TO BE PAID TO ALTERNATE PAYEE

a. Starting at the time specified in section 5, PBGC shall pay to the Alternate Payee **[$x/x%]** of each of the Participant's monthly benefit payments.

b. OPTIONAL: When **[insert future event]** occurs and PBGC is notified in writing, PBGC shall **[increase/decrease]** the amount paid to the Alternate Payee from each of the Participant's monthly benefit payments to **[$x/x%]**.

SECTION 4. PBGC BENEFIT ADJUSTMENTS

If PBGC adjusts the Participant's benefit, any reduction shall be applied by decreasing [pro rata the Participant's and the Alternate Payee's benefits/the Participant's benefit first/the Alternate Payee's benefit first], and any increase shall be applied by increasing **[pro rata the Participant's and the Alternate Payee's benefits/the Participant's benefit/the Alternate Payee's benefit].**

"Pro rata" means a proportionate allocation to two or more parts based on each part's share of the whole."

SECTION 5. BENEFITS START

The Alternate Payee's commencement of benefits shall be **[such future date as the alternate payeeelects/the date when PBGC will start payments to the Participant/another future date. This date must be the first day of a month]**, but not earlier than the later of the date PBGC receives this domestic relations order and the Participant's annuity starting date. Payment shall not be made until PBGC qualifies this domestic relations order and receives a PBGC benefit application fromthe Alternate Payee.

SECTION 6. FORM OF BENEFIT

The Alternate Payee shall not have the right to elect a form of benefit. The amount paid to the Alternate Payee will be determined by the benefit form elected by the Participant.

SECTION 7. BENEFITS STOP

PBGC shall make payments to the Alternate Payee until the **[earlier of the Participant's or Alternate Payee's death/earlier of: the Participant's or Alternate Payee's death, [a specific date], or the date PBGC is notified of the occurrence of [insert specific event]].**

SECTION 8. DEATH OF PARTICIPANT

If the Participant dies before the Alternate Payee, the Alternate Payee is not entitled to any payments as of the first of the month following the Participant's death.

SECTION 9. DEATH OF ALTERNATE PAYEE

If the Alternate Payee dies before the Participant, PBGC shall return the Participant's monthly benefit payments to the amount that the Participant would be receiving had there been no Order.

SECTION 10. OTHER REQUIREMENTS

Nothing in this Order shall require PBGC:

a. To pay any benefits not permitted under ERISA or the Code;

b. To provide any type or form of benefit or any option not paid by PBGC with respect to the Plan;

c. To pay benefits to the Participant and Alternate Payee with a total value that exceeds the value of the benefits the Participant otherwise would receive under title IV of ERISA;

d. To pay benefits to the Alternate Payee that are required to be paid to another alternate payee under a QDRO that is in effect prior to this Order;

e. To pay benefits to the Alternate Payee for any period before PBGC receives this Order; or

f. To change the benefit form if the Participant is already receiving benefit payments.

SECTION 11. RESERVATION OF JURISDICTION

The Court reserves jurisdiction to amend this Order to establish or maintain its status as a QDRO under ERISA and the Code.

PBGC Model Child Support QDRO Instructions

This model is a simplified shared payment QDRO that is designed to provide child support only. As this PBGC model is a shared payment QDRO, payments to the alternate payee cannot start until the participant's benefit payments have started. The participant's benefit payments cannot start earlier than the participant's "earliest PBGC retirement date" (defined in PBGC regulation 29 C.F.R. § 4022.10).

Section 10 of the *PBGC Model Shared Payment QDRO*, which addresses treating the alternate payee as the participant's spouse for surviving spouse benefits, has been omitted because only spouses and former spouses qualify for those benefits. See the PBGC Model QDRO Instructions,in Part II of this booklet for information on all other aspects of this model. If more than

one child or other dependent is to be covered by this order, list each child or dependent (and guardian, if applicable) in section 2.b., and specify the amount of the benefit to be paid to each child or dependent in section 3.

Appendix E—PBGC Model Treat-As-Spouse QDRO

(You may use this model when a defined benefit pension plan has terminated, PBGC has become trustee of the plan, and PBGC is to treat a spouse or former spouse as the participant's spouse for purposes of a Qualified Preretirement Survivor Annuity or a Qualified Joint-and-Survivor Annuity, or both. To also provide an alternate payee with part of the participant's benefit, use the *PBGC Model Separate Interest QDRO* or the *PBGC Model Shared Payment QDRO* instead ofthis model. **You may use this model only if it is submitted to PBGC for qualification before the participant's benefit payments have started or if when the participant began receiving benefits the benefit was being paid as a joint and survivor benefit with the alternate payee as survivor. Please read the *PBGC Model Treat-as-Spouse QDRO* Instructions at the end of Appendix E for important information.**)

IN THE__________COURT OF ___________
DIVISION__________COUNTY ___________

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IN RE MARRIAGE/SUPPORT OF :
:
___________ :
PETITIONER, :
:
V. : **CASE NO.___________**
:
________________________ :
PARTICIPANT, RESPONDENT. :
:
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QUALIFIED DOMESTIC RELATIONS ORDER

This Order is intended to be a qualified domestic relations order ("QDRO"), as that term is defined in section 206(d) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and section 414(p) of the Internal Revenue Code of 1986, as amended ("Code"). This Order is granted in accordance with **[applicable state domestic relations law citations]**, which relate to marital property rights, child support, and/or spousal support between spouses or between a spouse and a former spouse in matrimonial actions.

SECTION 1. IDENTIFICATION OF PLAN

This Order applies to benefits under th**e [formal name of plan]**(“Plan”). The Pension Benefit Guaranty Corporation (“PBGC”) is trustee of the Plan.

SECTION 2. IDENTIFICATION OF PARTICIPANT AND ALTERNATE PAYEE(S)

a. **[Name of the Participant]** is eligible to receive a benefit from the Plan and is hereafter referred to as the “Participant.” The Participant’s mailing address is **[address]**. The Participant’s Social Security Number is **[Social Security Number]**.

b. **[Name of the Alternate Payee]** is hereafter referred to as the “Alternate Payee.” The Alternate Payee’s mailing address is **[address]**. The Alternate Payee’s Social Security Number is **[Social Security Number]**. The Alternate Payee is the **[spouse/former spouse]** of the Participant.

SECTION 3. SURVIVING SPOUSE RIGHTS OF ALTERNATE PAYEE

[Include either a., b., or both, as appropriate:]

a. PBGC shall treat the Alternate Payee as the Participant’s spouse for [**none/all/X%]** of any qualified joint-and-survivor annuity (QJSA) that becomes payable under the Plan with respect to the Participant.

b. PBGC shall treat the Alternate Payee as the Participant’s spouse for **[none/all/X%]** of any qualified preretirement survivor annuity (QPSA) that becomes payable to the Participant under the Plan.

[NOTE: When “X%” is used above, it refers to the portion of the survivor benefit awarded to the Alternate Payee – not the automatic survivor percentage of the plan’s QJSA or QPSA (which is typically 50%). Thus, if the Alternate Payee is awarded 40% of the QPSA benefit and the plan’s automatic survivor percentage for the QPSA is 50%, then the Alternate Payee will receive 20% of the Participant’s benefit as his/her survivor benefit.]

SECTION 4. AMOUNT OF BENEFIT TO BE PAID TO ALTERNATE PAYEE

The amount of benefit paid to the Alternate Payee shall be based on the surviving spouse benefits provided to the Alternate Payee under sections 3 and 7.

SECTION 5. PBGC BENEFIT ADJUSTMENTS

If PBGC adjusts the Participant’s benefit from the benefit payable under the Plan, the Alternate Payee’s survivor annuity shall be based on the Participant’s adjusted benefit.

SECTION 6. BENEFITS START

PBGC shall start payments to the Alternate Payee after the death of the Participant. In the case of a qualified joint-and-survivor annuity, the Alternate Payee's benefit shall start on the first of the month following the month in which the Participant dies. In the case of a qualified preretirement survivor annuity, the Alternate Payee's benefit shall start not earlier than the first of the month following: the Participant's death or, if later, the Participant's "earliest PBGC retirement date," which is defined in 29 C.F.R. §4022.10. The Alternate Payee may defer commencement of the qualified preretirement survivor annuity to a date not later than the date specified by Section 401(a)(9) of the Internal Revenue Code. Payment shall not be made until the Alternate Payee submits a PBGC benefit application to PBGC.

SECTION 7. FORM OF BENEFIT

a. If the Alternate Payee is treated as the Participant's spouse for purposes of the Participant's qualified joint-and-survivor annuity under Section 3.a., above, the participant must elect the plan's automatic joint-and-survivor annuity (unless the alternate payee consents to the election of a different form of benefit). If the Participant dies while receiving payments, PBGC shall pay to the Alternate Payee a survivor benefit as a straight-life annuity for the Alternate Payee's life unless the Alternate Payee consented in writing to the Participant's waiver of the qualified joint-and-survivor annuity at the participant's retirement.

b. If the Alternate Payee is treated as the Participant's spouse for purposes of the Participant's qualified preretirement survivor annuity under Section 3.b., above, and the Participant dies prior to receiving benefit payments, the Alternate Payee may elect a straight-life annuity or a certain-and-continuous annuity form offered by PBGC.

SECTION 8. BENEFITS STOP

PBGC shall make payments to the Alternate Payee until the death of the Alternate Payee. If the Alternate Payee elects a certain-and-continuous annuity in the PBGC benefit application for a qualified preretirement survivor annuity, and the Alternate Payee dies before the end of the period certain, any remaining payments shall be made to the Alternate Payee's designated beneficiary.

SECTION 9. DEATH OF PARTICIPANT

[Include either a., b., or both, as appropriate:]

a. If the Participant dies before the Alternate Payee and before the Participant's benefit payments have started, the Alternate Payee shall be eligible for a qualified preretirement survivor annuity whose annuity starting date shall be determined in accordance with section 6.

b. If the Participant dies before the Alternate Payee, but after the Participant's benefit payments have started, the Alternate Payee is eligible to begin receiving survivor benefit payments in accordance with the form of the Participant's benefit and section 3.

SECTION 10. DEATH OF ALTERNATE PAYEE

Under this Order, no benefit will be paid with respect to an Alternate Payee who dies before the Participant. If the Participant's benefit is being paid at the Alternate Payee's

death, the Participant's benefit will continue to be paid in the form in which it is being paid.

SECTION 11. OTHER REQUIREMENTS

Nothing in this Order shall require PBGC:

a. To pay any benefits not permitted under ERISA or the Code;

b. To provide any type or form of benefit or any option not paid by PBGC with respect to the Plan;

c. To pay benefits to the Participant and Alternate Payee with a total value that exceeds the value of the benefits the Participant otherwise would receive under title IV of ERISA;

d. To pay benefits to the Alternate Payee that are required to be paid to another alternate payee under a QDRO that is in effect prior to this Order;

e. To pay benefits to the Alternate Payee for any period before PBGC receives this Order; or

f. To change the benefit form if the Participant is already receiving benefit payments.

SECTION 12. RESERVATION OF JURISDICTION

The Court reserves jurisdiction to amend this Order to establish or maintain its status as a QDRO under ERISA and the Code.

PBGC Model Treat-as-Spouse QDRO Instructions

The instructions for the *PBGC Model Shared Payment* and *Separate Interest QDROs* are generally applicable to the *PBGC Model Treat-as-Spouse QDRO*. Below are instructions for items unique to this model.

Do not use this model if the alternate payee will receive part of the participant's benefit as a shared payment or separate interest. This model should be used if the sole purpose of the Order is to treat the alternate payee as the participant's spouse for a qualified preretirement survivor annuity (QPSA), a qualified joint-and-survivor annuity (QJSA), or both. To also provide an alternate payee with part of the participant's benefit, use the *PBGC Model Separate Interest QDRO* or the *PBGC Model Shared Payment QDRO* instead of this model.

SECTION 1. IDENTIFICATION OF PLAN–SEE INSTRUCTIONS FOR SECTION 1 OF MODEL QDRO INSTRUCTIONS.

SECTION 2. IDENTIFICATION OF PARTICIPANT AND ALTERNATE PAYEE(S)–SEE INSTRUCTIONS FOR SECTION 2 OF MODEL QDRO INSTRUCTIONS.

SECTION 3. SURVIVING SPOUSE RIGHTS OF ALTERNATE PAYEE–SEE INSTRUCTIONS FOR SECTION 10 OF MODEL QDRO INSTRUCTIONS.

SECTION 4. AMOUNT OF BENEFIT TO BE PAID TO ALTERNATE PAYEE.

Because the alternate payee will receive a survivor annuity upon the death of the participant, this section refers to sections 3 and 7, which describe the survivor annuity.

SECTION 5. PBGC BENEFIT ADJUSTMENTS

Under this model order, the alternate payee will receive a survivor annuity upon the death of the participant. The survivor annuity is based on the amount of the participant's benefit, and this section states that the alternate payee's benefit will be adjusted if PBGC adjusts the participant's benefit.

SECTION 6. BENEFITS START

The date on which the alternate payee's benefit payments will begin depends on whether the benefit is a QJSA or a QPSA. A QJSA may start only on the first of the month following the month of the participant's death. In the case of a QPSA, the benefit may start only after the participant's death. However, the QPSA may not be paid before the date the participant would have first been entitled to begin receiving a benefit. The alternate payee may defer receipt of the benefit. In either case, an application must be submitted by the alternate payee before PBGC will start making benefit payments.

SECTION 7. FORM OF BENEFIT

Under the QJSA, the form of benefit is a survivor annuity paid as a straight life annuity for the alternate payee's life. However, an alternate payee who is entitled to a survivor annuity under a QPSA may elect from PBGC a straight life annuity (which ends on the alternate payee's death) or a certain-and-continuous annuity (which continues until the later of the alternate payee's death or the end of the period certain) when applying for the benefit. An alternate payee who is entitled to a QJSA may consent, in writing on a notarized form, to an election by the participant of a PBGC optional form (straight-life, certain-and-continuous, or joint-life) when the participant retires.

SECTION 8. BENEFITS STOP

The time when benefits stop for the alternate payee generally is governed by the form elected in the PBGC benefit application.

SECTION 9. DEATH OF PARTICIPANT

In a treat-as-spouse QDRO, the death of the participant makes the alternate payee eligible for a survivor annuity (either the QPSA or the QJSA, depending on when the participant dies).

SECTION 10. DEATH OF ALTERNATE PAYEE

In a treat-as-spouse QDRO, the death of the alternate payee before the participant effectively ends the alternate payee's entitlement to any portion of the participant's survivor benefit.

SECTION 11. OTHER REQUIREMENTS–SEE INSTRUCTIONS FOR SECTION 11 OF MODEL QDRO INSTRUCTIONS.

SECTION 12. RESERVATION OF JURISDICTION–SEE INSTRUCTIONS FOR SECTION 12 OF MODEL QDRO INSTRUCTIONS.

Appendix F—Language for Including a Contingent Alternate Payee

[If a contingent alternate payee is to be named in the *PBGC Model Separate Interest QDRO*, use this language for section 9.]

(NOTE: If the contingent alternate payee does receive benefit payments, the monthly benefit amount will be calculated based on the age of the contingent alternate payee as of the time payments begin to the contingent alternate payee.)

SECTION 9. DEATH OF ALTERNATE PAYEE

a. Death Before Commencing Benefits

(i) If the Alternate Payee dies before commencing benefits, the Contingent Alternate Payee named in subsection c, below, shall be paid an amount actuarially equivalent to the value of the Alternate Payee's benefit determined under section 3. In such case, all references in this Order to the Alternate Payee shall apply to the Contingent Alternate Payee, except as otherwise indicated (for example, survivor benefits may only be paid to the spouse or former spouse). Payments cannot start before the participant's "earliest PBGC retirement date," which is defined in 29 C.F.R. §4022.10. PBGC shall pay the Contingent Alternate Payee's benefit in the form elected by the Contingent Alternate Payee on the PBGC benefit application.

(ii) If the Alternate Payee and the Contingent Alternate Payee die before commencing benefits, the separate interest shall revert to the Participant if the participant is alive.

b. Death After Commencing Benefits

If the Alternate Payee or, if applicable, the Contingent Alternate Payee named in subsection c, below, dies after commencing benefits, any remaining fixed payments under a certain-and-continuous annuity shall be paid to the beneficiary designated on the PBGC benefit application. If the Alternate Payee (or, if applicable, the Contingent Alternate Payee) was receiving a straight life annuity at death, no further benefits will be payable.

c. Contingent Alternate Payee

The Contingent Alternate Payee is **[Name of the Contingent Alternate Payee]**, and is the **[spouse/former spouse/child/other dependent]** of the Participant. The Contingent Alternate Payee's mailing address is **[address]**. The Contingent Alternate Payee's Social Security Number is **[Social Security Number]**.

[If a contingent alternate payee is to be named in the PBGC Model Shared Payment QDRO, use this language.]

SECTION 9. DEATH OF ALTERNATE PAYEE

a. If the Alternate Payee dies before the Participant, the Contingent Alternate Payee named in subsection d, below, shall be paid [$x/x%] of each of the Participant's monthly benefit payments. PBGC shall start payments to the Contingent Alternate Payee when PBGC starts payments to the Participant, or, if payments to the Participant have already started, after the Alternate Payee dies. Payments shall not be made until the Contingent Alternate Payee submits a PBGC benefit application to PBGC.

b. Notwithstanding any other provision in this Order, PBGC shall make payments to the Contingent Alternate Payee until the [earlier of the Participant's or Contingent Alternate Payee's death/earlier of: the Participant's or Contingent Alternate Payee's death, a specific date, or the date PBGC is notified in writing of the occurrence of [insert specific event].

c. If the Alternate Payee and the Contingent Alternate Payee die before the Participant, PBGC shall return the Participant's monthly benefit payments to the amount that the Participant would be receiving had there been no Order.

d. The Contingent Alternate Payee is [name of the Contingent Alternate Payee], and is the [spouse/former spouse/child/other dependent] of the Participant. The Contingent Alternate Payee's mailing address is [address]. The Contingent Alternate Payee's

Social Security Number is [Social Security Number].

Appendix G—How to Obtain Certain Participant Information from PBGC

Participants' records in PBGC's possession are protected under the Privacy Act of 1974 (5 U.S.C. § 552a (2012) and PBGC's implementing regulations. In accordance with these rules, to obtain certain information about the participant's pension entitlement in order to draft or amend a domestic relations order, the prospective alternate payee or the alternate payee's representative must send in a written request to PBGC's Disclosure Officer. The request must:

- State that the information the alternate payee is requesting "will be used solely to obtain a qualified domestic relations order under state domestic relations laws";
- Be signed by the alternate payee;
- Provide the participant's name (and the participant's social security number if known);
- Describe the alternate payee's relationship to the participant; and
- Ask for the following information only:
  - ✓ The name of a participant's pension plan;
  - ✓ The actual or estimated amount of the participant's benefit under title IV of ERISA;
  - ✓ The form(s) in which the participant's benefit is payable; and
  - ✓ Whether the participant currently is receiving benefit payments under the plan or, if not, the earliest date(s) such payments could commence to the participant.

The request should be submitted directly to PBGC's Disclosure Officer at:

Disclosure Officer

Pension Benefit Guaranty Corporation
445 12th Street, SW
Washington, DC 20024-2101

If you have additional questions about this request, you can contact PBGC's Disclosure Office at 202-229-4040.

Glossary

The following terms may be useful in understanding this booklet. These definitions are simplified and apply to the information discussed in this booklet.

Actuarially Equivalent. Different benefits or benefit forms having the same value as of a given date using a specified set of assumptions.

Alternate Payee. A participant's spouse, former spouse, child, or other dependent who, under a QDRO, has a right to receive all, or a portion, of the participant's pension benefits under a plan.

Annuity. A form of benefit in which payments are made at regular intervals for a specified period of time. The most common form of annuity pays monthly benefits for life.

Beneficiary. The person named to receive benefits upon the death of a participant or alternate payee.

Benefit. A payment provided for under a pension plan.

Certain-and-Continuous (C&C) Annuity. An annuity that pays benefits over the longer of the recipient's life or a specified period.

Contingent Alternate Payee. An alternate payee under a QDRO whose benefit is contingent upon the death of an alternate payee.

Defined Benefit Plan. A type of pension plan that promises participants specified benefits at retirement. Retirement benefits usually are based on the number of years worked for a company or in an industry and may also be based on salary during that time.

Defined Contribution Plan. A type of pension plan in which an employee receives the amount in an individual account, which includes contributions made by the employer and, if applicable, the employee. Retirement benefits are based on the amount in each participant's account, adjusted for investment experience and plan expenses. The most common types of defined contribution plans include profit-sharing plans, 401(k) plans, employee stock ownership plans (ESOPs), and money purchase plans.

Domestic Relations Order. Any judgment, decree, or order (including approval of a property settlement agreement) that (1) provides child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a participant, and (2) is made pursuant to a state's domestic relations law.

Earliest PBGC Retirement Date (EPRD). The "earliest PBGC retirement date" has a specific meaning for PBGC purposes and is defined in PBGC regulation 29 C.F.R. § 4022.10. Typically, a participant's age as of his or her EPRD will be 55 unless (1) under the plan's terms, the participant cannot receive a benefit until a later age, or (2) PBGC determines under a facts-and-circumstances test that the participant could retire earlier than 55. PBGC tells each participant what his or her EPRD is in a benefit determination.

Early Retirement Benefit. An annuity benefit payable under the terms of the plan, under which the participant is entitled to begin receiving payments before the plan's normal retirement age and which is not payable on account of the disability of the participant. Not all plans offer an early retirement benefit.

Early Retirement Subsidy. A portion of the early retirement benefit that is payable under the terms of the plan in addition to, or that is more valuable than, the actuarial equivalent of the benefit payable at the plan's normal retirement age. Not all plans include an early retirement subsidy with an early retirement benefit.

Guaranteed Benefits. The amount of a pension plan's benefit that is guaranteed by PBGC as of the plan's termination date. However, if the plan terminates while the plan sponsor is in bankruptcy and the bankruptcy was initiated on or after September 16, 2006, the guarantee amount is fixed as of the bankruptcy filing date.

Joint-and-Survivor Annuity. An annuity that pays benefits over the participant's lifetime and thereafter over the lifetime of the person named as the survivor.

Life Expectancy. The number of years a person is expected to live, on average, after a given age.

Lump Sum. A form of benefit payment in which the entire benefit is paid at one time.

Normal Retirement Age. The age for normal retirement defined under a plan. In most cases, the normal retirement age will not be greater than 65 years of age or, if later, the fifth anniversary of the date the participant commenced participation under the plan.

Participant. An employee or former employee who may be entitled to a benefit under a pension plan, or whose beneficiaries may be entitled to a benefit. A participant is said to participate in or to be covered by the plan.

PBGC Model Child Support Shared Payment QDRO. The PBGC Model Child Support Shared Payment QDRO gives the alternate payee a portion of the participant's benefit payments under the plan during the participant's lifetime. This model is designed to provide child support only; it is a simpler version of the PBGC Model Shared Payment QDRO.

PBGC Model Separate Interest QDRO. The PBGC Model Separate Interest QDRO divides the value of the participant's benefits into two separate parts-one for the participant and one for the alternate payee. This model also allows for the assignment of survivor benefits.

PBGC Model Shared Payment QDRO. The PBGC Model Shared Payment QDRO gives the alternate payee a portion of the participant's benefit payments under the plan during the participant's lifetime. In other words, the participant and the alternate payee share the payments. This model also allows for the assignment of survivor benefits.

PBGC Model Treat-as-Spouse QDRO. The PBGC Model Treat-as-Spouse QDRO treats the alternate payee as the participant's spouse for purposes of a qualified preretirement survivor annuity (QPSA), a qualified joint-and-survivor annuity (QJSA), or both. This model does not provide any part of the participant's benefit to the alternate payee as a shared payment or separate interest.

Plan Administrator. The person or persons who administer the plan. If no one is designated as the administrator in the plan document, the employer is considered to be the plan administrator.

Qualified Domestic Relations Order (QDRO). A QDRO is a domestic relations order that gives an alternate payee the right to receive all or a portion of the benefits payable to a participant under the plan, and that PBGC determines meets certain legal requirements with respect to information that must be provided, and provisions that cannot be included, in such an order.

Qualified Joint-and-Survivor Annuity (QJSA). A QJSA is a joint-and-survivor annuity where (1) the participant receives a definite amount of money at regular intervals for life, and (2) after the participant dies, the surviving spouse (who may be the spouse to whom the participant was married at retirement, or a former spouse who is treated by a QDRO as the participant's spouse) receives a definite amount of money (not less than 50% or more than 100% of the amount received by the participant before death) at regular intervals for life.

Qualified Preretirement Survivor Annuity (QPSA). A QPSA is an annuity provided to a surviving spouse when a vested participant dies before receiving payment of his or her benefit. The annuity is paid for the life of the surviving spouse (who may be the spouse to whom the participant was married at the time the participant died, or a former spouse who is treated by a QDRO as the participant's spouse), is calculated based on the benefit that had been earned by the participant before death, and generally is equal to the survivor's portion of the QJSA. In PBGC-trusteed plans, the surviving spouse may elect to receive the QPSA in the form of a straight life annuity or certain-and-continuous annuity.

Single Life Annuity. An annuity that pays benefits over a period of time that depends, at least in part, on the survival of only one person, for example, a straight life annuity or certain-and-continuous annuity.

Spousal Consent. A spouse's written and notarized agreement to allow the participant to waive the QPSA or elect a form of benefit other than a QJSA.

Spouse. Husband or wife as determined under applicable law. A QDRO can provide that the participant's former spouse be treated as the participant's spouse for certain pension benefits.

Straight Life Annuity. An annuity that pays benefits over the recipient's lifetime. Once the recipient dies, no further annuity payments are payable to anyone.

Subsidized Early Retirement Benefit. An early retirement benefit that also includes an early retirement subsidy.

Survivor Benefit. The survivor part of a preretirement survivor annuity or a joint-and-survivor annuity that is paid to a beneficiary after the participant dies.

Value. The actuarially determined amount needed at a point in time to provide a specific monthly benefit at some time in the future. Value depends on the amount of the monthly benefit payment, when the benefit payments start and stop, the age(s) of the recipient(s), mortality assumptions, and interest assumptions. Also referred to as "present value" or "actuarial present value."

Additional Information and Support

For information about a pension plan that PBGC has trusteed, benefit information with respect to a participant in such a plan, or information about Qualified Domestic Relations Orders, call PBGC's Customer Contact Center, 1-800-400-7242, or write to PBGC QDRO Coordinator, P.O. Box 151750, Alexandria, VA 22315-1750. (TTY/TDD users should call the Federal Relay Service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242.)

To submit a domestic relations order to PBGC (or a draft order for a preliminary, informal review), send it to PBGC QDRO Coordinator, P.O. Box 151750, Alexandria, VA 22315-1750.

PRIVACY ACT NOTICE

PBGC is giving you this notice (whether you are a participant or an alternate payee) pursuant to the Privacy Act of 1974, as amended, 5 U.S.C. § 552a (2012), as part of a collection of information from you related to a qualified domestic relations order. PBGC uses the information collected to determine whether an alternate payee is entitled to a portion (or all) of the participant's benefit and to make appropriate payments. PBGC uses the Social Security Numbers you provide to identify the participant's and the alternate payee's records within PBGC, to report income for tax purposes, and to respond to lawful requests for information from other individuals and entities. Your response is voluntary (although a court may require you to give PBGC some or all of this information in order to receive a benefit due to you as a participant or alternate payee). However, PBGC generally cannot pay any portion of a living participant's benefit to someone else, except as provided in a qualified domestic relations order. Failure to provide information to PBGC, including a Social Security Number, may delay or prevent PBGC from paying a benefit to an alternate payee.

PBGC may release information about you to other individuals and entities when necessary and appropriate under the Privacy Act, including: to third parties to make benefit payments to you; to a company that was responsible for the pension plan or to entities related to that company; to a labor organization that represents you; to obtain information from the Federal Aviation Administration relevant to a pilot or former pilot's eligibility for a disability benefit; to obtain your address from other sources when PBGC does not have a current or valid address for you; and, to a limited extent, to your spouse, former spouse, child, or other dependent when such individual may be entitled to benefits from PBGC.

PBGC may also release information about you to appropriate law enforcement agencies when PBGC becomes aware of a possible violation of civil or criminal law. If PBGC, an employee of PBGC, the United States, or another agency of the United States, is involved in litigation, PBGC may provide relevant information about you to a court or other adjudicative body or to the Department of Justice when it represents PBGC. PBGC may also provide information about you to the Office of Management and Budget in connection with review of private relief legislation or to a Congressional office in response to an inquiry that office makes about you at your request.

PBGC publishes notices in the Federal Register that describe in more detail when information about you may be made available to others. A copy of the most recent Federal Register notice may be obtained from PBGC Privacy page (www.pbgc.gov/privacy), or by contacting PBGC's Customer Contact Center by calling 1-800-400-7242. If you use a TTY/ASCII, call toll-free 1-800-877-8339 and give the communications assistant PBGC's telephone number. PBGC's authority to collect information from you, including your Social Security Number, is derived from 29 U.S.C. §§ 1055, 1056(d)(3), 1302, 1321, 1322, 1322a, 1341, and 1350 (2012).

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PBGC Publication 100
Revised 08/22