

# Qualified Domestic Relations Orders: A Practical Guide to Dividing PBGC Benefits in Divorce

March 24, 2026

Pension benefits paid by the Pension Benefit Guaranty Corporation (PBGC) are covered by federal law. Benefits paid by PBGC can be significant financial assets, which may be divided when a marriage ends. When there is a divorce, it is important that the divorce decree clearly addresses whether and how these retirement plan benefits will be divided.

## About this guide

This guide is for people who are trying to divide a benefit in a PBGC-trusted defined benefit pension plan as part of a divorce. This guide can help you navigate the QDRO process, ensuring the participant and alternate payee will receive the benefits as determined in the divorce proceeding. PBGC's QDRO guidance: [Qualified Domestic Relations Orders \(QDRO\) and PBGC](#),

provides significantly more detail than this practical guide, and will control if there is a conflict between the two.

PBGC frequently hears from divorced individuals who expect to collect the retirement benefits awarded in their divorce decree – and they usually do. But sometimes they fail to get a valid [Qualified Domestic Relations Order \(QDRO\)](#). A QDRO is a court order that clearly explains how PBGC should divide a pension benefit after a divorce happens. It is usually a separate order from the divorce decree and settlement agreement.

A QDRO approved by PBGC must be in place for PBGC to divide a pension after a divorce. Failing to get a QDRO and have it approved by PBGC may result in the loss of expected benefits.

## Overview

**What is a QDRO:** A QDRO is a [domestic relations order](#) (DRO) from a state court or other designated state authority. A retirement plan's administrator must “qualify” (approve) the DRO before it can take effect. The QDRO authorizes a portion of the participant's benefits to be paid to an [alternate payee](#), such as a former [spouse](#), child, or other dependent.

### Learn more

For more detail read:

[Qualified Domestic Relations Orders \(QDRO\) and PBGC.](#)

**Why you need a QDRO:** Without a valid QDRO, PBGC can only pay benefits to the *participant* or a beneficiary after the participant's death – no matter what the divorce decree may say about how and to whom payments should be made. Without a valid QDRO, a former spouse usually cannot be paid any portion of the participant's benefit.

**What you can do:** Use this guide to navigate the QDRO process. You can also review PBGC's written QDRO guidance: [Qualified Domestic Relations Orders \(QDRO\) and PBGC](#).

**Best practice:** Gather information about the retirement benefit early in the divorce process. Don't wait until your divorce is final to address the QDRO. It is a good idea to consult with an attorney, ideally one with knowledge of the rules about dividing a pension benefit in a divorce.

**Use caution:** Once a divorce is final, it is difficult to go back and fix mistakes. If retirement benefits aren't handled properly in the DRO or divorce decree, you may not be able to get a QDRO later.

## QDRO Basics

### Who is this guide for?

This guide is for people who are trying to divide a benefit in PBGC-trusted defined benefit pension plans as part of a divorce. PBGC is a federal agency that insures most private-sector *defined benefit plans*.

In some cases, if an insured plan is unable to pay the benefits it owes, PBGC becomes responsible for administering benefits under the plan through a legal process called "trusteeship." PBGC then becomes responsible for dividing retirement benefits related to a divorce, whether the divorce occurs before or after the trusteeship. You can use the [plan search tool](#) to verify whether your plan is trusted by PBGC.

This guide does not apply to QDROs submitted for benefits held under PBGC's Missing Participants Program (MPP). To learn more about the MPP or to search for unclaimed benefits, visit [Find your retirement benefits - Missing Participants Program](#). If you have a QDRO that you need to submit to the MPP, call PBGC at 800-736-2444

**Which QDROs can PBGC review:** PBGC can review and qualify QDROs only for the plans that it has taken over as trustee. Your QDRO should clearly identify the name of the plan to ensure qualification. **Note:** Many people participate in more than one retirement plan with one or more employers. A QDRO that divides a benefit in a PBGC-trusted plan should be submitted to PBGC;

any QDRO that identifies other retirement plans should be sent to the administrator of the identified plan.

**What if you have a QDRO that was qualified before the plan terminated and PBGC became trustee:** In most cases, if your QDRO was reviewed and qualified by the prior plan administrator, you do not need to take further action unless PBGC contacts you with questions. More information on how PBGC processes QDROs that are qualified before PBGC became trustee of the plan is available in PBGC's written QDRO guidance. You can call PBGC's Customer Contact Center at 800-400-7242 if you have questions.

## What should you consider before drafting your QDRO?

**Identify the participant:** This is the employee who worked for the employer that sponsored the plan and earned the benefits that are to be divided.

**Identify the alternate payee:** This is the person receiving a portion (some or all) of the benefit, typically a participant's former spouse, child, or other dependent.

**Determine the QDRO's purpose:** Most QDROs serve one of two different purposes:

- Divide retirement benefits to provide alimony or child support payments.
- Divide marital property when dissolving a marriage.

**Questions to ask:** Answers to these questions will help clarify the QDRO's purpose.

- Is the alternate payee the participant's spouse, former spouse, child or another dependent?
- Is the goal to divide future benefit payments and provide for survivor benefits after the participant's death? See "Shared Payment Approach," below.
- Does the alternate payee want a separate right to receive a portion (some or all) of the benefit, payable over the alternate payee's lifetime? See "Separate Interest Approach," below.

**Bottom line:** Your answers will guide how you draft the QDRO and what details to include.

## How will PBGC pay benefits?

Understanding how PBGC pays benefits is important, as the QDRO must specify what benefits are being divided.

- Plans that terminate and become trustee by PBGC are defined benefit plans. These types of plans are traditional pensions that promise a specific benefit – a monthly payment called an *annuity*— for life after retirement.
- Important features of benefits paid under a defined benefit plan are:
  - Payments can begin when a participant reaches the plan's *earliest PBGC retirement date* (provided in the participant's benefit determination).
  - Payments continue over the participant's lifetime, or for the joint lifetimes of the participant and the designated beneficiary (usually the participant's spouse at the time benefits start).
- PBGC also offers several optional forms of payment. More information on benefit options is available at [Benefit options](#).
- Some plans offer *subsidized early retirement benefits* that have a greater *actuarial value* than the plan's *normal retirement benefit*. For example, a benefit is fully subsidized if a plan pays a participant the same amount per month starting at early retirement age (age 55, for example) that the plan would pay the participant starting at normal retirement age (age 65, for example).
- As discussed below in this guide, once a participant begins receiving payments (meaning the participant has reached their *annuity starting date*), there are limits to how a QDRO can require payments to the alternate payee.
- Because benefits paid by PBGC are subject to legal limits, the benefit to be divided may be less than the benefit otherwise promised by the plan.

### Learn more

- For an explanation of how subsidies affect the benefit and how to divide the subsidy in a QDRO, see the discussion on p.17 [Qualified Domestic Relations Orders \(QDRO\) and PBGC](#) (explanation follows Example 1 of the instructions to PBGC's Model Separate Interest QDRO).
- For tips to make sure your QDRO considers the impact of benefit reductions due to Title IV benefit limitations, see [Qualified Domestic Relations Orders \(QDRO\) and PBGC](#), especially Appendix A.

## How are benefits divided in a pension plan?

**There are two common ways to divide retirement benefits through a QDRO: a [Shared Payment Approach](#) and a [Separate Interest Approach](#). The method to use depends on the type of plan, the timing of payments, and the goals of the parties.**

### Shared Payment Approach

This approach divides each of the participant's monthly payments between the participant and the alternate payee as the payments are made. In drafting a QDRO under this approach, consider the following:

- The alternate payee receives a share (some or all) of each payment the participant would receive.
- If the participant is already receiving benefits, a shared payment approach is the only type of QDRO that PBGC can qualify.

**Caution:** The alternate payee won't receive any payments under the QDRO if the participant never starts receiving benefits from PBGC.

### Separate Interest Approach

This approach gives the alternate payee a separate, independent right to a portion (some or all) of the participant's retirement benefit. One advantage is that the alternate payee can receive payments at a different time and in a different form than the participant. In drafting a QDRO under this approach, consider the following:

- Specify the amount, percentage, or method for calculating the alternate payee's share of the participant's retirement benefit.
- Clarify the number of payments or the time period the QDRO applies to. The QDRO can meet this requirement by permitting the alternate payee to elect their own first payment date and form of benefit.

**Important Note:** This approach is not available after the participant starts receiving benefits from PBGC.

#### Learn more

For additional details, refer to Section II of [Qualified Domestic Relations Orders \(QDRO\) and PBGC](#).

**Bottom line:** Federal law does not require a specific approach unless benefit payments have already started. You must determine which approach best meets your goals for dividing retirement benefits.

## Have you contacted PBGC and reviewed plan documents before drafting the QDRO?

We suggest contacting PBGC to get information about the retirement benefit before you start drafting. This information will help you understand the amount of the benefit being divided.

- Participants can call PBGC's Customer Contact Center at 800-400-7242.
- Alternate Payees must follow the instructions outlined in [Qualified Domestic Relations Orders \(QDRO\) and PBGC](#) Appendix G to submit a written request for information to PBGC's Disclosure Division about the participant's benefit entitlement from PBGC.
- Review PBGC's written QDRO procedures at [Qualified Domestic Relations Orders \(QDRO\) and PBGC](#).

**Best practice:** Get the benefit information as soon as possible – preferably before the divorce is finalized.

**Review PBGC's model QDROs:** PBGC has created several optional model QDROs that can simplify drafting and help avoid common errors. Note that use of one of PBGC's models doesn't guarantee approval.

**Caution:** A proposed QDRO that violates plan terms or PBGC requirements will not be qualified as a QDRO.

## Have you included all the required provisions? Have you left out prohibited provisions?

PBGC created a checklist to help ensure your QDRO meets all the requirements.

## How do you address the survivor benefits?

Pension plans offer [survivor benefits](#) — payments — made to someone else after the participant dies.

**Why survivor benefits matter:** Federal law requires all retirement plans to provide benefits in a way that includes a survivor benefit for the participant's spouse. That is, if a participant is married when benefit payments begin and the participant dies before their spouse, defined benefit plans must provide the spouse monthly benefit payments for life unless the spouse has waived this right.

A QDRO can protect a former spouse's access to survivor benefits by assigning all or a portion of the survivor benefits to the former spouse as an alternate payee.

**Determine the survivor benefits available:** Before you draft the QDRO, determine who is currently entitled to the plan's survivor benefits and understand the rules that apply.

- Typically, the survivor benefits available are the plan's [qualified pre-retirement survivor annuity \(QPSA\)](#) — payable if the participant dies before starting to receive benefits — and [qualified joint-and-survivor annuity \(QJSA\)](#), which is the form of benefit paid to a married participant unless the participant's spouse consents to the election of a different benefit form. The QJSA pays a benefit to the surviving spouse (the spouse married to the participant at the time the participant started receiving benefits) if the participant dies after starting benefits.
- Prior benefit elections, waivers, or [spousal consents](#) can alter who is entitled to survivor benefits. Once a participant has elected a form of benefit and has begun receiving benefit payments, the named [beneficiary](#) (and survivor benefits) cannot be changed.
- Be aware that if another former spouse is already entitled to the survivor benefits under a different QDRO, a new QDRO cannot change the beneficiary.

**Bottom line:** Determine the availability of survivor benefits during the divorce. If the parties agree or if the court decides to assign survivor benefits to the alternate payee, make sure both the divorce decree and the QDRO clearly state which survivor benefits must go to the alternate payee and not to a new spouse.

### Learn more

Survivor benefit allocations can involve complex rules under ERISA and the specific terms of the plan. For detailed guidance, refer to [QDROs Chapter 3 - Drafting QDROs | U.S. Department of Labor](#) especially Question 3-5: "What are survivor benefits and why should a QDRO take them into account?"

### When can the alternate payee start receiving benefits?

The answer depends on the QDRO's approach and the retirement plan's terms. Whichever approach is used, the QDRO must specify the start and end of the alternate payee's benefits. The start and end dates may be determined by the form of benefit chosen by the alternate payee under a Separate Interest Approach.

## Shared Payment Approach

The alternate payee can begin receiving benefits when the participant starts receiving benefits. If the participant is already receiving benefits, the alternate payee may begin receiving benefits as of the first of the month following the date the QDRO was submitted to PBGC for review.

The QDRO must include a specific date or tie the beginning of payments to a triggering event, such as when the participant's annuity starts. The QDRO may also specify the end date of the benefit – for example, if the alternate payee is the child of the participant, the QDRO may state that the payments will end when the child reaches a specific age.

**Note:** due to the time it takes for PBGC to process a QDRO and prepare payments, the first payment date may be delayed past the specified beginning date of the QDRO. When this happens, PBGC will issue a one-time back payment, with interest, retroactive to the specified beginning date.

## Separate Interest Approach

When using the separate interest approach, the QDRO may allow the alternate payee to start receiving benefits as of any future date, as long as it is not before the participant's [\*earliest PBGC retirement date\*](#).

The separate interest approach also permits the alternate payee to choose a form of benefit. This form of benefit will determine the end date of the benefit. The form of benefit will also determine whether any payments are owed to the alternate payee's designated beneficiary after the alternate payee's death.

**Reminder:** a QDRO may not require that the alternate payee begin receiving benefits on a date before PBGC first receives the QDRO.

**Best practice:** Review the benefit information that was provided by PBGC's Disclosure Division to determine the earliest PBGC retirement date.

### Learn more

For additional details, see the “Benefits Start” discussion in [Qualified Domestic Relations Orders \(QDRO\) and PBGC](#).

## How will the benefits be paid?

In addition to saying how benefits will be divided and when the alternate payee can begin receiving benefits, the QDRO must say how the benefits will be paid.

In a shared payment approach, the alternate payee cannot choose the form of benefit — the alternate payee simply receives a portion (some or all) of the payment that would otherwise be made to the participant.

In a separate interest approach, the alternate payee may choose any of PBGC's [single-life annuity](#) forms. The alternate payee will make this choice when the benefit starts.

## Have you requested preliminary review from PBGC before submitting your proposed QDRO to the state court?

PBGC will conduct a preliminary review of your draft QDRO before it is submitted to the court and let the participant and alternate payee know if the draft requires changes to meet PBGC's requirements.

**Why it matters:** Requesting preliminary review from PBGC helps you catch errors before the QDRO is finalized. For more information on requesting a preliminary review see [Qualified Domestic Relations Orders \(QDRO\) and PBGC](#).

Once PBGC has approved the draft, submit the draft QDRO to the domestic relations court.

## Have you sent the signed QDRO back to PBGC for qualification?

Getting a signed QDRO from the court is not the final step.



**PBGC must review and officially qualify the QDRO.**

**Why it matters:** Only PBGC can confirm the alternate payee's legal right to receive a portion of any retirement benefits and "qualify" the order as a QDRO – not the court.

**What to expect from PBGC:** Once PBGC receives the signed QDRO, we will begin the review process. Even if PBGC approved a draft, mistakes in the QDRO can lead to rejection. If PBGC rejects your QDRO, revise it, have the revised version issued by a court, and resubmit it to PBGC promptly.

**Best practice:** Get written confirmation from PBGC that your QDRO is qualified. Keep the confirmation in your files.

## Do you have additional questions or need additional resources?

This guide is focused on the steps necessary to have your QDRO qualified by PBGC. If you have questions about QDROs generally or want more detailed information on QDROs, [QDROs: The Division of Retirement Benefits Through Qualified Domestic Relations Orders | U.S. Department of Labor](#) may be a useful resource.