

# Retirement System

## Retirement Board

### Chapter 6: Qualified Domestic Relations Orders

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## CHAPTER 6

### QUALIFIED DOMESTIC RELATIONS ORDERS

Section 1. Rules Established. In cases of domestic relations orders affecting the assets of the Wyoming Retirement System, rules are established to provide for compliance with court orders while protecting the actuarial soundness of the System. The rule making authority for this chapter is provided by W.S. 9-3-409(a). The Wyoming Retirement System will make an effort to abide by the conditions set forth in domestic relations orders affecting the division of retirement assets of a member of the Wyoming Retirement System pursuant to W.S. 9-3-426(b). If the Wyoming Retirement Board determines the order is ambiguous, lacks sufficient information, or needs further clarification, the order will be declared not qualified and will be returned to the parties involved to petition the court and amend the order so that it will be qualified.

Section 2. Minimum Requirements for Qualification. The Qualified Domestic Relations Order must provide enough information for the System to make an unambiguous determination of the rights of the parties specified in the order.

(a) The order must be a judgment, order decree, or approval of a property settlement agreement made under a valid domestic relations law;

(b) The order must relate to the provision of child support, spousal support, or marital property rights to a spouse, former spouse, child, or dependent of the System member;

(c) The order must create or recognize the existence of the eligible alternate payee's right, or must assign to the alternate payee the right to receive all or part of the member's benefits under the plan;

(d) The order may not require the payment of any type, form, option, or amount of benefit other than that allowed by Wyoming Retirement Statutes or by these rules.

(e) The order must specify:

(i) the name, birth date, social security number, and last known mailing address of the System member and the name, birth date, social security number, and mailing address of each alternate payee;

(ii) the percentage of the member's accrued annuity benefits or account, and the percentage of pre-retirement death benefits;

(iii) the number of payments or period to which the order applies; and

(iv) each retirement plan to which the order applies.

Section 3. Policy Provisions. The following rules are promulgated to reflect the policy of the Wyoming Retirement Board on Qualified Domestic Relations Orders. These are intended to provide the courts with a means of determining what divisions of assets are acceptable to the System.

(a) The Wyoming Retirement System provides a monthly benefit at retirement. A Qualified Domestic Relations Order will divide that benefit by a percentage determined by the court. A Qualified Domestic Relations Order will specify a division of the pre-retirement death benefit of the member. In the absence of the order specifying a division of the member's pre-retirement death benefit, such division will not be allowed for the alternate payee.

(b) In accordance with W.S. 9-3-426(c), upon request of the alternate payee, a lump sum refund of the alternate payee's percentage of the member's account shall be paid pursuant to the qualified domestic relations order. Acceptance by the alternate payee of the lump sum refund terminates his right to any further payment or benefit provided by the retirement system. If a member is separated from service and is eligible for retirement but has not yet applied for retirement the alternate payee is considered eligible and can receive a benefit.

(c) In lieu of the order specifying another form of payment allowed under the plan, the benefit for the alternate payee will be based on the life expectancy of the alternate payee. All options available to the member except joint and survivor options will be available to the alternate payee when the benefit is based on the life expectancy of the alternate payee.

(d) An actuarial reduction will be made to the benefit amount of the alternate payee in cases where the alternate payee is younger than the member and the benefit is based on the life expectancy of the alternate payee.

(e) If the alternate payee dies before retirement benefits have begun then all benefits awarded by the order will revert back to the member.

(f) If the member dies prior to retirement, the alternate payee will have the option to receive the proportion of the death benefit available as awarded by the court, or the retirement benefits determined available to the alternate payee at the retirement age of the alternate payee.

(g) In the event the Legislature awards an improvement in retirement benefits, the alternate payee's benefits will be increased to the extent the increase is attributable to years of service during the marriage.

(h) Subsidized early retirement benefits will not be provided to an alternate payee in cases where the alternate payee receives benefits prior to the member reaching age 60 if the member is not yet retired.

(i) The Wyoming Retirement System will not accept a division of a Disability Award when the disabled member is not of retirement age. If the member is of retirement age the distribution will be based on a reduced amount according to the age of the member.

(j) Any payment by the retirement system to an alternate payee in conjunction with a qualified domestic relations order is not subject to the provisions of W.S. 9-3-424 and cannot be redeposited by the member.

#### Section 4. Definitions.

(a) “Alternate Payee” means a spouse, former spouse, child, or other dependent of a member or retiree who is recognized by a domestic relations order as having a right to receive all or a portion of the benefits payable by the Wyoming Retirement System with respect to such member or retiree.

(b) “Domestic Relations Order” means any judgment, decree, or order, including approval of a property settlement agreement, which relates to the provision of child support, spousal support, or marital property rights to a spouse, former spouse, child, or other dependent of a member of the Wyoming Retirement System, is made pursuant to a valid domestic relations law, and which creates or recognizes the existence of an alternate payee’s right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable to the member of the Wyoming Retirement System.

(c) “Qualified Domestic Relations Order” means a domestic relations order which creates or recognizes the existence of an alternate payee’s right, or assigns to an alternate payee the right, to receive all or a portion of the benefits payable with respect to a member or retiree under the Wyoming Retirement System, which directs the Wyoming Retirement System to disburse benefits to the alternate payee, and which meets the requirements of Chapter VI of these rules.

(d) “Account” or “member account” means the member’s contributions paid by an employer under W.S. 9-3-412 and any amounts transferred to the system from a terminated system on behalf of the member, plus interest compounded annually at a rate determined by the board not to exceed the average annual investment yield earned on the assets of the system.