



Step 2: Implementing a QILDRO

RETIREMENT BENEFITS

<p>When IMRF receives a retirement application from the member</p>	<p>For a QILDRO using dollar amounts for the retirement benefit, IMRF sends to the alternate payee notification and an address verification (which must be returned) so processing can begin for the alternate payee's portion of the retirement benefit.</p> <p>For a QILDRO using percentages for the retirement benefit, IMRF will provide specific benefit information within 45 days after IMRF receives a retirement application from the member. See Benefit Information Provided by IMRF on page 10 of the QILDRO booklet. The alternate payee, attorney, and member receive this information along with a notice to obtain a QILDRO Calculation Court Order.</p> <p>The alternate payee, member or attorney must obtain a Calculation Court Order from an Illinois Court and send the following to the IMRF Legal Department: Certified Copy * (over) of Calculation Order and a \$50 processing fee. Remember, IMRF cannot pay the alternate payee based on a percentage QILDRO until a Calculation Order is received.</p> <p>Within 45 days after IMRF receives the Calculation Court Order, IMRF sends notice regarding validity of the Calculation Order to the member, the alternate payee and the attorney who sent the court order to IMRF. After receipt of a valid court order, processing can begin for the alternate payee's portion of the retirement benefit.</p>
<p>How alternate payee is paid</p>	<p>QILDRO retirement payments to an ex-spouse alternate payee are subject to withholding taxes. QILDRO retirement payments to a dependent alternate payee are NOT subject to withholding taxes; the member is subject to taxes on the dependent alternate payee's portion. If all proper documentation is received, the alternate payee is paid their portion of the monthly retirement benefit about 25 days after the member receives their monthly payment. Please note that the federal tax treatment may be different for a QILDRO resulting from the dissolution of a civil union.</p>

REFUND BENEFITS

<p>If IMRF receives a refund application from a member</p>	<p>For a QILDRO using dollar amounts for the refund benefit, IMRF sends to the alternate payee notification and an address verification (which must be returned) so processing can begin for the alternate payee's portion of the refund benefit.</p> <p>For a QILDRO using percentages for the refund benefit, IMRF will provide specific benefit information within 45 days after IMRF receives a refund application from the member. See Benefit Information Provided by IMRF on page 10 of the QILDRO booklet. The alternate payee, attorney and member receive this information along with a notice to obtain a QILDRO Calculation Court Order.</p> <p>The alternate payee, member or attorney must obtain a Calculation Court Order from an Illinois Court and send the following to the IMRF Legal Department: Certified Copy * (over) of Calculation Order and a \$50 processing fee. Remember, IMRF cannot pay the alternate payee based on a percentage QILDRO until a Calculation Order is received.</p> <p>Within 45 days after IMRF receives the Calculation Court Order, IMRF sends notice regarding validity of the Calculation Order to the member, the alternate payee and the attorney who sent the court order to IMRF. After receipt of a valid court order, processing can begin for the alternate payee's portion of the refund benefit.</p>
<p>How alternate payee is paid</p>	<p>The alternate payee can select a rollover or direct payment. (See Form BW-60Q at www.imrf.org/pubs/forms/form_series_misc/BW60Q.pdf) A QILDRO refund direct payment to an ex-spouse alternate payee is subject to federal withholding of 20% and possible penalty. A QILDRO direct refund payment to a dependent alternate payee is NOT subject to federal withholding; the member is subject to taxes on the dependent alternate payee's portion. If all proper documentation is received, the alternate payee receives their portion of a lump sum refund payment about 25 days after the member receives their refund payment. Please note that the federal tax treatment may be different for a QILDRO resulting from the dissolution of a civil union.</p>

DEATH BENEFITS

<p>If IMRF receives notice of a member's death</p>	<p>If the QILDRO uses dollar amounts for the death benefit, IMRF sends to the alternate payee notification and an address verification (which must be returned) so processing can begin for the alternate payee's portion of the death benefit.</p> <p>For a QILDRO using percentages for the death benefit, IMRF will provide death benefit information. See Benefit Information Provided by IMRF on page 10 of the QILDRO booklet. The alternate payee receives this information along with a notice to obtain a QILDRO Calculation Court Order.</p> <p>The alternate payee must obtain a Calculation Court Order from an Illinois Court and send the following to the IMRF Legal Department: Certified Copy * of Calculation Order and a \$50 processing fee. Remember, IMRF cannot pay the alternate payee based on a percentage QILDRO until a Calculation Order is received.</p> <p>Within 45 day after IMRF receives the Calculation Court Order, IMRF sends notice regarding validity of the Calculation Order to the alternate payee and the attorney who sent the court order to IMRF. After receipt of a valid court order, processing can begin for the alternate payee's portion of the death benefit.</p>
<p>How alternate payee is paid</p>	<p>The alternate payee can select a rollover or direct payment. (See Form BW-60Q at www.imrf.org/pubs/forms/form_series_misc/BW60Q.pdf). A QILDRO death benefit direct payment to the alternate payee is subject to a mandatory federal withholding of 20%. Please note that the federal tax treatment may be different for a QILDRO resulting from the dissolution of a civil union.</p> <p>For a QILDRO using dollar amounts for the death benefit, the alternate payee usually receives payment within 60 days if all proper documentation is received at IMRF.</p> <p>For a QILDRO using percentages for the death benefit:</p> <ul style="list-style-type: none">▪ <i>If the member dies while actively participating in IMRF</i>, the amount of the alternate payee's payment may be contingent on the death benefit selection of the member's surviving spouse. If a qualifying surviving spouse chooses a surviving spouse annuity, the alternate payee only receives their portion of the \$3000 death benefit. If the qualifying surviving spouse chooses a lump sum payment, the alternate payee is paid their QILDRO death benefit before the qualifying surviving spouse receives their lump sum death benefit.▪ <i>If a member dies during retirement and member credits still remain</i>, the amount of the alternate payee's payment may be contingent on the death benefit of a surviving spouse. If a qualifying surviving spouse chooses a surviving spouse annuity, the alternate payee only receives their portion of the \$3000 death benefit. If a current spouse does not qualify for a surviving spouse pension, the alternate payee is paid their QILDRO death benefit before the current spouse and/or other beneficiaries are paid their lump sum death benefits.▪ <i>If the member dies during retirement</i>, the alternate payee usually receives their portion of the death benefit within 60 days after receipt of the calculation court order.

* A Clerk's Court's seal or stamp certifies a true and correct copy of original order. Plain or file-stamped copies are unacceptable.

IMPORTANT!

A QILDRO can only be implemented when:

- the member files the appropriate IMRF benefit application, such as refund or retirement
OR
- IMRF receives legal notice (death certificate) of the member's death, in the case of a QILDRO death benefit.