

Qualified Domestic Relations Order— Procedures

The FRS Investment Plan

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The FRS Investment Plan

This document contains the procedures used when determines the qualifications for a Qualified Domestic Relations Order commonly referred to as a QDRO. There are many ways to design a QDRO that provide for the division of benefits based on personal life experiences. The FRS Investment Plan makes no representation as to which method is best for the parties involved. This information is to be used as a guideline to assist members and alternate payees in the QDRO process.

Below are some helpful hints to review while creating a QDRO. Using these hints will allow a quicker review and will decrease the approval time. Missing information from a QDRO could case a delay in approval, which will delay the transfer of eligible funds.

QDRO Helpful Hints

Does the order relate to state domestic relations law?

See Section II of The FRS Investment Plan Procedures: Creating a Domestic Relations Order. The order must contain a statement that it is issued pursuant to state domestic relations law of a particular state.

Does the order clearly state that it applies to the qualified plan(s) of the member?

The order must specify each plan to which it applies (i.e., name the plan sponsor [employer] and the type of plan to be divided (i.e., defined contribution [savings])). The plan name is the FRS Investment Plan.

Does the order specify the name and last known address of the member and alternate payee?

The order must contain this information or reference an attachment that provides this information. The date of birth and Social Security number of the alternate payee are also required to establish the account.

Does the order specify the benefit to be paid to each alternate payee and the manner in which such amount or percentage is to be determined?

The order must contain a single valuation date and a clear benefit assignment. If the member transferred from the FRS Pension Plan to the FRS Investment Plan, the valuation date must be after the Transfer Date.

Does the order specify the manner of payment (including amounts, frequency, and number of periods of payment) and the time at which the payments shall commence to be paid to each alternate payee?

For the FRS Investment Plan, a separate account will be established as soon as administratively reasonable following qualification.

Does the order meet the survivorship procedures established for the plan(s)?

The alternate payee may not name a beneficiary in the order for payment of savings benefits upon the alternate payee's death. A subsequent spouse of the alternate payee cannot be named surviving spouse for the pension benefit.

Does the order meet taxation language IRC rules?

If the alternate payee is a spouse or former spouse, the alternate payee will be taxed on any distributions.

If the alternate payee is a child, the member will be taxed.

Is the order a court-certified document?

If the order is a final court order, is it signed by the judge, and does it have a clerk certification stamp or seal? Please note that orders submitted as drafts for preliminary review are also accepted.

Below are some common reasons QDROs are denied. Avoiding these events will allow for a quicker review and will decrease the approval time. Missing information from a QDRO could cause a delay in approval, which will delay the transfer of eligible funds.

Common Reasons for Denials

The Order Must Relate to State Law

The order must state that it's created pursuant to a state domestic relations law.

Court Certification

The order must be court certified. This means that it must be signed or stamped by a judge or other court official and have a stamp or seal from the clerk of the court stating the order is a certified copy. A photocopy or a faxed copy of a court-certified order is acceptable.

Valuation Date Prior to the Date of Transfer to the Investment Plan

The valuation date is not acceptable because the member did not have a balance in the Investment Plan as of that date. The valuation date may not be a date prior to the transfer of funds into the Investment Plan. Please revise the order so that it contains a valuation date after the transfer date. The parties may account for the balance that the member accumulated after the divorce date by awarding the alternate payee 50 percent of a marital fraction as of the transfer date, with the fraction consisting of months of service under the plan during the marriage over total months of service as of transfer date. Please note the parties must provide the dates of marriage and divorce if the parties use a marital fraction.

Second Election Not Yet Initiated by the Member

Please note that the member must make a second election prior to the QDRO being accepted. To reduce the turnaround time and the number of submissions, please request a second election prior to starting the QDRO Process.

Questions?

Call the FRS Investment Plan Administrator toll-free at +1.866.446.9377, Option 4, and request a transfer to the Qualified Order Team or email us at QOCenter@alight.com. You will receive a response within two business days at the latest.

I. Domestic Relations Order (DRO) Overview

What's a Domestic Relations Order?

A Domestic Relations Order is a court order, judgment, or decree issued under a state's domestic relations law. It recognizes the right of the following individuals (referred to as "alternate payees") to receive all or part of the member's account balance or accrued benefit in an employer retirement plan:

- Spouse
- Former spouse
- Child
- Other dependent of the member

A Domestic Relations Order must be submitted and qualified by the FRS Investment Plan Administrator to become an approved QUALIFIED Domestic Relations Order.

What's a Qualified Domestic Relations Order (QDRO)?

A QDRO is a Domestic Relations Order (see above) that has been determined by the FRS Investment Plan Administrator to meet specific requirements mandated by federal law and the provisions of the Investment Plan.

The Employee Retirement Income Security Act of 1974 (ERISA) states that a member's retirement plan benefits may be transferred to his or her spouse, former spouse, child, or other dependent if a payment is mandated under a QDRO.

The Domestic Relations Order must be qualified by the FRS Investment Plan Administrator before any payment is made to an alternate payee.

II. Creating a QDRO

Considerations Before Seeking a QDRO

Before starting the process of seeking a QDRO, it's important to learn the following information:

- Is the FRS member entitled to a benefit under the Investment Plan (not the Pension Plan)?
 - Please note that the member must make a second election prior to the QDRO being accepted. To reduce the turnaround time and the number of submissions, please request a second election prior to starting the QDRO Process or the QDRO will be denied and will delay the QDRO approval process.
- If you're a member, you can call the FRS Investment Plan Administrator toll-free at +1.866.446.9377, Option 4 to get your benefit information.
- All other parties can work with the member or the member's attorney for member-specific information. Sometimes it may be necessary to subpoena the information from State Board of Administration of Florida or the Investment Plan Administrator for member account information. See Page 11 for subpoena information.
- The member can be restricted from retirement plan activity once the FRS Investment Plan Administrator receives notification of a draft domestic relations order, court order, or joinder.

Steps for Creating a QDRO

There are many ways to draft the terms of a QDRO. The FRS Investment Plan's model language form provides what is considered acceptable for a QDRO, if the required information is accurately completed. It is available to assist you in drafting of the QDRO that meets the requirement of the federal law and the Plan's provisions. However, using FRS Investment Plan's model language form isn't required. These procedures and model language are intended to provide general guidance and not legal advice. The Model Language is available at MyFRS.com in the "Publications" section.

Dividing retirement benefits in domestic relations proceedings involves complex matters such as marital rights, legal issues, and tax consequences. You may want to consult with an attorney to best handle your case to see if the model form is sufficient or if some modifications are necessary to address issues applicable to your particular situation

Follow the steps below (either using the model language form or creating your own) to complete a Domestic Relations Order that meets FRS Investment Plan's QDRO requirements.

Steps for Using the Model QDRO Language Form

1. Complete the model language form without changing or adding language.
2. Have your order signed by a judge.
3. Obtain a court-certified copy of the order from the clerk of the court. See details about **court-certified copies** below. *Handwritten changes will not be accepted.*

Note: *The DRO must be signed by a judge AND contain a court-certified seal from the Clerk of the Court to be approved.*

4. Send the court-certified order to:

FRS Investment Plan Administrator
Attention: Qualified Order Center
P.O. Box 299088
Lewisville, TX 75029-9088

Fax : +1.847.554.1963

5. Alternatively, orders may be uploaded to our Qualified Order Center using the website at **www.QOCenter.com**.

Creating Your Own Form

1. Complete a draft (not signed by a judge) of your domestic relations order, making sure it satisfies all of the FRS Investment Plan's QDRO requirements outlined later in this document.
2. Send the draft order to:

FRS Investment Plan Administrator
Attention: Qualified Order Center
P.O. Box 299088
Lewisville, TX 75029-9088
Fax: +1.847.554.1963

Alternatively, orders may be uploaded to our Qualified Order Center using the website at www.QOCenter.com. See helpful hint below.

How to upload an order using the Qualified Order Center website: Please enter "Florida " on the Employer Name page and press "Continue ", then select "The Florida State Board of Administration " on the Choose Employer page. You will then be able to complete the upload process.

3. If you're notified that the draft order is preapproved, obtain a court-certified copy of the order from the Clerk of the Court and mail it to the address in Step 2. See details about **court-certified copies** below. Both draft and court-certified orders may be submitted to us by uploading them onto our Qualified Order Center website at www.QOCenter.com. *Handwritten changes made to the order after certification will not be accepted.*
4. If the draft was denied, you'll need to make the necessary revisions based on the reasons stated in the Denial Notice and resubmit your order to the address in Step 2.

Court-Certified Copies

A court-certified order is signed or stamped by the judge or other court official and has a stamp or seal from the clerk of the court stating the order is a certified copy. A photocopy or a faxed copy of a court-certified order is acceptable for qualification requirements.

What Happens with Your Order?

After the order is received, the Qualified Order Center will:

- Restrict the member's benefit activity, as outlined on **page 7**;
- Review the order to ensure that it meets all the qualification requirements;
- Notify all parties within 30 days of receiving the order whether it meets all qualification requirements; and
- If the order is qualified, direct the appropriate area to establish separate benefits for the alternate payee.

General Requirements for QDRO Approval

There are ten general qualification requirements that a Domestic Relations Order must meet. In addition, the order must satisfy **State Board of Administration of Florida (“SBA”)'s QDRO requirements** as described in the last sections of this document. Otherwise, the order will be **denied**. The order must:

1. Be a court order, judgment, or decree (certified **and** signed by a judge or other state-approved court official);
2. Relate to the alimony payments or marital property rights of a spouse or former spouse, or to the support of a child or other dependent of a retirement plan member;
3. Contain a statement that the order is issued pursuant to a state domestic relations law;
4. Clearly identify the legal plan name (Example: Florida Retirement System Investment Plan);
5. Include the following information for the member **and** alternate payee:
 - Name
 - Last known mailing address
 - Social Security number
 - Date of birth;
6. Describe the amount or percentage of benefits to be paid and when to calculate the award;
7. Not require the plan to pay more benefits than the member has earned;
8. Indicate the manner of payment and when payments may begin;
9. Not require the plan to provide any benefit not otherwise provided by the plan; and
10. Not require payments to an alternate payee that are already required to be paid to another alternate payee under a previously issued QDRO.

** (Pursuant to Secure Act 2.0, domestic relations orders issued by Tribal courts and received by the plan after December 31, 2022, will be reviewed. This will include any such order which is submitted for reconsideration after this date.)*

III. Changing a Previously Approved QDRO

What a Revised Order Must Indicate

Any order attempting to change or replace an existing QDRO—in addition to meeting all the QDRO requirements—must:

- Specifically state that it **amends** or **supersedes** the previously qualified order; and
- Identify the previous QDRO by plan name and date when it was signed by the court.

Send the order to:

FRS Investment Plan Administrator
Attention: Qualified Order Center
P.O. Box 299088
Lewisville, TX 75029-9088
Fax: +1.847.554.1963

Alternatively, orders may be uploaded to our Qualified Order Center website at www.QOCenter.com.

How to upload an order using the Qualified Order Center website: Please enter "Florida " on the Employer Name page and press "Continue ", then select "The Florida State Board of Administration " on the Choose Employer page. You will then be able to complete the upload process.

General Information on Special Situations

Defined Contribution Plan

If the alternate payee has already requested a total distribution under a defined contribution plan QDRO, the revised order may only award the alternate payee an increased benefit. If the revised order seeks a decreased benefit for the alternate payee, the order will be denied.

Transfer of FRS Pension Plan Benefit to FRS Investment Plan Account

If an active FRS Pension Plan member has an approved QDRO on file for his or her FRS Pension Plan benefit and elects to transfer to the FRS Investment Plan, a new QDRO must be submitted and approved, vacating the previously qualified QDRO. This should be completed prior to making the switch into the Investment Plan. If an FRS Investment Plan election is made, and the member has an approved FRS Pension Plan QDRO on file, the new election may be rejected and denied.

In order for the new QDRO naming the FRS Investment Plan to be qualified, the new QDRO must clearly state that the FRS Investment Plan QDRO vacates the previously approved QDRO for the FRS Pension Plan. If this is not listed in the new QDRO for the FRS Investment Plan, the QDRO will be denied and could delay the process.

IV. Canceling a Previously Approved QDRO

What an Order Must Indicate

Any order attempting to cancel an existing QDRO must:

- Specifically state that it **nullifies** or **vacates** the previously qualified order.
- Provide a way to identify the previous QDRO, such as a date when it was signed by the court.

Send the order to:

FRS Investment Plan Administrator
Attention: Qualified Order Center
P.O. Box 299088
Lewisville, TX 75029-9088
Fax: +1.847.554.1963

Alternatively, orders may be uploaded to our Qualified Order Center website at www.QOCenter.com.

How to upload an order using the Qualified Order Center website: Please enter "Florida " on the Employer Name page and press "Continue ", then select "The Florida State Board of Administration " on the Choose Employer page. You will then be able to complete the upload process.

General Information on Special Situations

Defined Contribution Plan

If the alternate payee has already requested a total distribution under a defined contribution plan QDRO, the canceling order will be denied.

Submitting a Subpoena

Sometimes it may be necessary to subpoena FRS Investment Plan for member specific account information. When submitting a subpoena to the FRS Investment Plan, the requesting party will receive detailed benefit information to assist in determining the QDRO assignment. A subpoena should be submitted prior to starting the QDRO process.

V. Awarding an additional benefit

What an Order Must Indicate

Any order attempting to assign an additional benefit in addition to a previously qualified order:

- Specifically state that it **is in addition to** the previously qualified order.
- Identify the previous QDRO by plan name and date when it was signed by the court.

Send the order to:

FRS Investment Plan Administrator
Attention: Qualified Order Center
P.O. Box 299088
Lewisville, TX 75029-9088
Fax: +1.847.554.1963

Alternatively, orders may be uploaded to our Qualified Order Center website at www.QOCenter.com.

How to upload an order using the Qualified Order Center website: Please enter "Florida " on the Employer Name page and press "Continue ", then select "The Florida State Board of Administration " on the Choose Employer page. You will then be able to complete the upload process.

VI. Benefit Restrictions on Member's Plan

Placing Benefit Restrictions

The member's benefit activity will be restricted when the Qualified Order Center receives one of the following:

- Draft domestic relations order
- Court order
- Joinder

The Investment Plan Administrator will start the process to prevent the member from withdrawing money, which otherwise may be payable to the alternate payee if the order is approved as a QDRO.

Defined Contribution Plans

The restriction lasts until the order is qualified or for a maximum period of 18 months per order. The member will be able to change investment choices and contribution amounts during the restriction period. However, none of the following account activities will be allowed by the member during the restriction period:

- Distributions
- Loans
- Withdrawals

Removing Benefit Restrictions

When a court order or draft order is on file, account restrictions and suspensions of benefit payments (if applicable) may be removed when any of the following events occurs:

- A Domestic Relations Order becomes qualified.
- A subsequent court-certified order, such as a divorce decree, is received. The new order must state that the alternate payee has waived his or her rights to the member's benefits under the plan or that the member is entitled to 100% of the benefit under the plan.
- A subsequent court-certified order is received that cancels the order that caused the restriction to be placed on the plan.
- A notarized letter signed by the alternate payee is received requesting that restrictions be removed and naming the plan(s) affected. This method of removing a restriction is an available option **only** when a draft order has been submitted.
- A qualified order isn't submitted within the 18-month restriction or suspension period.

Note: Any new order received after a restriction has been removed will begin a new restriction period.

VII. Glossary

Definition of QDRO-Related Terms

Account balance—The dollar amount in the member’s Investment Plan account.

Alternate payee—Any spouse, former spouse, child or other dependent of a member who is recognized by a Domestic Relations Order as having a right to receive all or a portion of the member’s retirement benefits payable under the FRS Investment Plan.

Benefit commencement date—The date on which the member is scheduled to receive or actually begins receiving benefits in the FRS Investment Plan.

Date of distribution— The date on which the awarded benefit is distributed to the alternate payee.

Domestic Relations Order— Domestic Relations Order (DRO) is any judgment, decree, or order (including an approval of a property settlement agreement, divorce decree, Joinder, restraining order, draft DRO or a Court Certified Order) that relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a Member and that is made pursuant to a state domestic relations law (including a community property law).

FRS Investment Plan Qualified Order Team —The group responsible for determining whether a Domestic Relations Order meets all requirements for a QDRO.

Order— An order is defined as either a divorce decree, property settlement agreement, joinder, restraining order, draft DRO, or court certified DRO.

Plan administrator— Alight Solutions LLC (“Alight Solutions”) by contract with the State Board of Administration of Florida (“SBA”) is the Investment Plan Administrator and is responsible for processing Domestic Relations Order in accordance with the FRS Investment Plan’s QDRO requirements. Alight Solutions Qualified Order Team will conduct the qualification process.

Plan sponsor—The State Board of Administration of Florida (“SBA”) is the Plan sponsor.

Transfer Date—The Transfer Date is the date the member transferred a benefit from the FRS Pension Plan (Defined Benefit Plan) into the FRS Investment Plan via an accumulated benefit obligation.

Valuation date—The date on which the member’s benefit is valued to determine the alternate payee’s award. If the member transferred from the Pension Plan to the Investment Plan, the valuation date must be after the Transfer Date.

Vested account balance—The dollar amount of the member’s account balance in the FRS Investment Plan that the member has the right to keep after ending FRS participating employment.

VIII. How Death May Affect a QDRO

What Happens if a Member or Alternate Payee Dies

- If a member dies before a draft order is received, the FRS Investment Plan Qualified Order Teams retains its discretion to determine the proper course of action if a draft order is received.
- If a member dies before or after the Qualified Order Center receives an order, we'll continue the QDRO review process.
 - If survivor benefits have already been paid prior to the order being received, the Qualified Order Team will deny any order submitted as no further benefit is available.
- If an alternate payee dies before or after a draft order is received, the FRS Investment Plan Qualified Order Teams retains its discretion to determine the proper course of action if a draft order is received.
- If an alternate payee dies before or after a court order is received, we'll continue the QDRO review process.

IX. Contact Us

Where to Send an Order

Send all draft or court-certified orders to:

FRS Investment Plan Administrator
Attention: Qualified Order Center
P.O. Box 299088
Lewisville, TX 75029-9088
Fax: +1.847.554.1963

Alternatively, orders may be uploaded to our Qualified Order Center website at www.QOCenter.com.

How to upload an order using the Qualified Order Center website: Please enter "Florida " on the Employer Name page and press "Continue ", then select "The Florida State Board of Administration " on the Choose Employer page. You will then be able to complete the upload process.

Overnight Deliveries:

FRS Investment Plan Administrator
Attention: Qualified Order Center
2671 Edmonds Lane, Suite 200
Lewisville, TX 75067

How to Correspond with Us

If you have a question or need more information, send an e-mail message to QOCenter@alight.com, and we'll respond to you within two business days. Include the following information:

- Your name
- Employer's name
- Employee's name
- Plan name
- Last four digits of the employee's Social Security number

For your own security, don't include personal and confidential information (such as a full Social Security number or your order) in the e-mail, except for the information we've requested.

You can get more information on our Qualified Order Center website at www.QOCenter.com.

X. Defined Contribution Plan Requirements and Guidelines

The following are the FRS Investment Plan 's requirements and guidelines that will be used to process a QDRO for the FRS Investment Plan. If an order doesn't follow the requirements, it will be **denied**. Please also reference the Helpful Hints on **Page 1** and Common Reasons for Denial on **Page 2** when drafting your order.

Benefit Assignment

- The assignment to the alternate payee must be a dollar amount, a percentage of the member's account balance as of a valuation date, or a marital fraction assignment as of the Transfer Date.
- The order may not assign any portion of a member's nonvested account balance.
- The benefit can't be defined as a portion of the increase in value between two dates.
- The valuation date can't be a date prior to August 1, 2002.
- The valuation date can't be a future date (unless the future date is defined as the liquidation date).
- The assignment to the alternate payee can't exceed 100% of the member's account balance as of the valuation date.
- If the amount assigned to the alternate payee exceeds the full vested value of the member's account (less the amount of any outstanding loans, prior distributions, or account losses) as of the valuation date preceding the order should be denied.
- The order must specify a valuation date:
 - If the order doesn't specify a valuation date, the order will be denied.
 - If the order doesn't specify a valuation date and the order assigns a dollar amount, the order will be denied.
- A marital fraction assignment is permissible only where the member previously transferred his or her benefit in the FRS Pension Plan to the FRS Investment Plan.
- The marital fraction must clearly define the numerator of the marital fraction as the number of months of service credited to the member under the terms of the Investment Plan from the date of marriage to the date of divorce.
- A marital fraction assignment is permissible only where the date of divorce is a date prior to the date when the member transferred his or her benefit in the FRS Pension Plan (Defined Benefit Plan) to the FRS Investment Plan.
- If the date of divorce is a date later than the date when the member transferred his or her benefit in the FRS Pension Plan to the FRS Investment Plan, the assignment to the alternate payee must be a dollar amount or percentage of the member 's account balance as of the valuation date.
- The marital fraction assignment must clearly define the denominator of the marital fraction as the number of months of service credited to the member under the terms of the Investment Plan up to the Transfer Date.

- The marital fraction assignment must clearly define the percentage of the member's account balance to be awarded as of the Transfer Date. No other valuation date is acceptable for a marital fraction assignment.
- If the parties define the numerator of the marital fraction with an end date other than the Date of Divorce, the Marital Separation Agreement detailing the required end date of the numerator must be provided when the order is submitted, or the order will be denied.
- The order can include or exclude earnings and losses from the valuation date to the liquidation date.
- If the order doesn't address earnings and losses, the alternate payee won't receive earnings and losses between the valuation date and the liquidation date.
- If the order includes earnings and losses, earnings and losses will be calculated according to plan provisions. The order can't provide direction on how to calculate any earnings and losses.
- The alternate payee's benefit will be subject to earnings and losses from the liquidation date to the date of distribution from the plan.
- The benefit will be awarded pro rata across all funds and contribution sources.

Form of Payment and Timing of Receiving Benefits

- After the order is qualified, the benefit assigned to the alternate payee will be established in a separate account.
- The alternate payee is eligible for payment as soon as administratively possible after the order is qualified.
- The order can't provide payment or rollover instructions. The alternate payee must request a distribution or rollover through the FRS Investment Plan Administrator or online at MyFRS.com.
- The alternate payee is eligible for any available form of payment under the provisions of the plan, except for a joint and survivor option.

Survivorship

- After the order is qualified, the death of the member or the alternate payee won't impact the amount assigned to the alternate payee.
- A beneficiary for the alternate payee can't be named in the order. When a separate account is established, the alternate payee will have the chance to choose a beneficiary.
- If the alternate payee doesn't choose a beneficiary and dies, the benefit will be paid according to the provisions of Florida Law (see Section 121.4501(20)). The order may not state that the benefit will be paid to the alternate payee's estate.