

# OHIO DEFERRED COMPENSATION PROGRAM (Ohio DC)

## Procedures to Determine Qualified Status Of Domestic Relations Orders and to Administer Distributions Pursuant to Qualified Orders

### GENERAL PROCEDURES AND POLICIES REGARDING THE ADMINISTRATION OF QUALIFIED DOMESTIC RELATIONS ORDERS:

**1. General Information:** Ohio DC has the authority to determine whether a domestic relations order (“Order”) is a qualified domestic relations order (“QDRO”). Copies of each Order relating to the Ohio DC Plan (“Plan”) should be forwarded immediately to Ohio DC along with any associated correspondence relative to the Order. All pertinent documentation and requests for QDRO information should be addressed to:

**Ohio Deferred Compensation Program  
257 East Town Street Suite 400  
Columbus, Ohio 43215-4623  
Attn: Ohio DC QDRO Compliance Team  
Phone: (614) 466-7245  
Fax: (614) 728-2601**

**2. Review of “Certified” DROs that Purport to be QDROs Under the Ohio Public Employees Deferred Compensation Plan of Ohio DC:** Upon initial receipt of a certified DRO that purports to be a QDRO, Ohio DC will review the order to determine its qualified status as a QDRO in accordance with federal law. During this qualification review period, the plan administrator will separately account for the alternate payee’s assigned portion of the benefits in accordance with Section 414(p)(7) of the Internal Revenue Code, as amended, in order to prevent payment of such benefits to the plan participant.

**3. Notification of Rejected Orders:** Once Ohio DC reviews the Order, the Plan Administrator will notify the Participant, each Alternate Payee (or their designated representative), in writing, of the determination as to the qualified status of the Order. If the Order is rejected, the notification letter will include the reasons why the Order failed to qualify. The purpose of this letter is to assist in expediting the QDRO approval process.

**4. Notification of Approved Orders (The “*Interpretation Letter*”):** If the Order is deemed to qualify as a QDRO, the Plan Administrator will notify the parties regarding the Order’s approval as a QDRO and will distribute an “Interpretation Letter” to all parties setting forth how the Plan Administrator will interpret the terms and provisions of the QDRO. The Interpretation Letter will state in clear terms the rights and entitlements of the alternate payee.

**5. No Retroactive Assignment of Gains or Losses is Permitted.** In addition to other requirements and limitations imposed by federal law, Ohio DC does not permit retroactive assignment of gains or losses in a QDRO. The QDRO can provide the alternate payee with a dollar amount or a percentage of the participant’s account balance as of a specified date. By retroactive, Ohio DC means that gains or losses can only be calculated as of the date that the

plan administrator actually “segregates” the called-for amounts from the participant’s accounts into a separate account for the alternate payee.

**Important Note:** Please see language in paragraph #7 of attached sample QDRO.

#### **6. Segregation of Participant’s Benefits During QDRO Qualification**

**Determination Period:** Pursuant to section 414(p)(7) of the Internal Revenue Code, during any period in which the issue of whether a “**certified**” (ie., signed by the judge and filed stamped by the court) domestic relations order is a qualified domestic relations order is being determined, the Plan Administrator shall separately account for the amounts which would have been payable to the alternate payee during such period if the order had been determined to be a qualified domestic relations order. In other words, the Plan Administrator shall separately account for the called-for portion of the participant’s benefits during the period in which it is determining whether the Order is a QDRO in order to prevent the Participant from receiving such benefits, as follows:

- (a) With respect to a Participant who is receiving a monthly payment under the Plan, the amounts which would have been payable to an Alternate Payee (on a prospective basis) shall be separately accounted for.
- (b) With respect to a Participant who has an account balance with Ohio DC, the amounts which would have been payable to an Alternate Payee shall be separately accounted for. Amounts will be taken proportionately from each Investment Fund in which the Participant’s account is invested. During this QDRO determination period, and with respect to the Participant’s total account balance, the Participant will still be permitted to direct their own investments in accordance with the terms of the Plan. However, he/she may be restricted from making withdrawals, loans, etc. in accordance with federal law and these written QDRO procedures.

**7. Review of “Draft” Orders:** The Plan Administrator will review a draft QDRO before it is executed by the court. Please feel free to have your QDRO pre-approved before you have the judge sign it. You may send the QDRO to the following address:

**Ohio Deferred Compensation Program  
257 East Town Street Suite 400  
Columbus, Ohio 43215-4623  
Attn: Ohio DC QDRO Compliance Team  
Phone: (614) 466-7245  
Fax: (614) 728-2601**

**Important Note:** Please be sure to submit your QDRO on a timely basis for review and approval. There may be adverse consequences for the alternate payee should the participant retire or die before the Plan Administrator receives and approves a certified copy of the QDRO.

**8. Ambiguity in Domestic Relations Order:** In the event of an ambiguity in a DRO that would otherwise constitute a QDRO, the Plan Administrator may resolve the ambiguity by written agreement of the Participant and Alternate Payee and/or their legal counsel.

**9. Scope of Discussions with the Plan Administrator Regarding QDRO Fairness and Equitability Issues:** The Plan Administrator will avoid discussing fairness or equitability issues regarding the division of benefits under a QDRO. It is the responsibility of the parties' legal counsel to negotiate the substantive provisions of a QDRO. The Plan Administrator will limit its review to the technical requirements for QDROs as set forth under ERISA and Section 414(p) of the Internal Revenue Code.

**10. Death of the Plan Participant before a QDRO is Approved by the Plan Administrator:** The Plan Administrator will not consider a QDRO applicable for a specific case until a *certified, executed copy is received by the Plan Administrator*. If the participant dies before a certified copy of the QDRO has been received by the Plan Administrator, the alternate payee may be entitled to a portion of the participant's benefits as specified in the QDRO.

**Important Note:** If a QDRO is submitted after the death of a Plan participant, please be sure to include a certified, executed copy of the Divorce Decree and Separation Agreement.

**11. Obtaining Participant Information from the Plan Administrator:** In order to obtain information regarding the status of a certain Plan participant relative to their account, the requesting party must furnish the Plan Administrator with a written, signed release from the participant. Once the Plan Administrator receives the proper release, the requesting party can receive the following information regarding the status of the Plan participant including but not limited to:

- (a) Status of Plan participant, whether active, inactive, currently in payout, etc.
- (b) Current account balance information
- (c) Account balance and activity information as may be necessary to determine the marital estate
- (d) If applicable, the form of benefit distribution option elected by the participant
- (e) Available distribution options

Your request for specific participant information should be addressed to:

Ohio Deferred Compensation Program  
257 East Town Street Suite 400  
Columbus Ohio 43215-4623

**Important Note:** The Plan Administrator will only address the actual questions that are asked in the release, so please be specific.

IN THE COURT OF COMMON PLEAS  
DIVISION OF DOMESTIC RELATIONS  
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QUALIFIED DOMESTIC  
RELATIONS ORDER

IT IS HEREBY ORDERED AS FOLLOWS:

**1. Effect of This Order as a Qualified Domestic Relations Order:** This Order creates and recognizes the existence of an Alternate Payee’s right to receive a portion of the Participant’s benefits payable under a government-sponsored retirement plan that is qualified under Section 457 of the Internal Revenue Code (the “Code”). It is intended to constitute a Qualified Domestic Relations Order (“QDRO”) under Section 414(p) of the Code and Section 206(d)(3) of ERISA.

**2. Participant Information:** The name, last known address, social security number, and birth date of the Plan “Participant” are:

Name: John Smith

Address: 567 Jones Road  
Cleveland, OH 44124

Social Security Number: 000-00-0000

Birth Date: January 1, 1962

**3. Alternate Payee Information:** The name, last known address, social security number and birth date of the “Alternate Payee” are:

Neither Nationwide nor Ohio DC Plan representatives offer tax or legal advice.  
Please consult a professional advisor with questions about your particular situation.

Name: Jane Smith  
Address: 123 Broadway Street  
Medina, OH 44256

Social Security Number: 111-11-1111

Birth Date: June 5, 1965

The Former Spouse shall have the duty to notify in writing the Ohio Public Employees Deferred Compensation Program (located at 257 East Town Street, Suite 400, Columbus, Ohio 43215-4623) of any changes in mailing address subsequent to the entry of this Order and within thirty (30) days of any such change of address.

**4. Plan Name:** The name of the Plan to which this Order applies is the **Ohio Public Employees Deferred Compensation Program** (hereinafter referred to as “Plan”). Further, any successor plan to the Plan or any other plan(s) to which liability for provision of the Participant’s benefits described below is incurred, shall also be subject to the terms of this Order.

**5. Pursuant to State Domestic Relations Law:** This Order is entered pursuant to the authority granted in the applicable domestic relations laws of the State of Ohio.

**6. For Provision of Marital Property Rights:** This Order relates to the provision of marital property rights and/or spousal support to the Alternate Payee as a result of the Order of Divorce between Participant and Alternate Payee.

**7. Amount of Alternate Payee’s Benefit:** This Order assigns to Alternate Payee **\*\*\*(1)(\$\_\_\_\_\_)** **or** **\*\*\*(2)(an amount equal to \_\_\_\_\_ Percent ( \_%))** of the Participant’s Total Account Balance accumulated under the Plan as of **\*\*\* date \*\*\***(or the closest valuation date thereto), plus any interest and investment earnings or losses attributable thereon subsequent to the date of acknowledged receipt of this order by OPEDCP, until the date of total distribution. Such Total Account Balance shall include all amounts maintained under all of the various accounts and/or investment funds established on behalf of the Participant. The Alternate Payee’s share of the benefits shall be allocated on a “pro-rata” basis among all of the accounts maintained on the Participant’s behalf under the Plan.

**8. Commencement Date and Form of Payment to Alternate Payee:**

If elected, the Alternate Payee shall be paid benefits as soon as administratively feasible following the date this Order is approved as a QDRO by the Plan Administrator, or at the earliest date permitted under the Plan or Section 414(p) of the Internal Revenue Code, if later. Benefits will be payable to the Alternate Payee in any form or permissible option otherwise available to participants and alternate payees under the terms of the Plan, including, but not limited to, a single lump-sum cash payment.

Neither Nationwide nor Ohio DC Plan representatives offer tax or legal advice.  
Please consult a professional advisor with questions about your particular situation.

**9. Alternate Payee's Rights and Privileges:** On or after the date that this Order is deemed to be a Qualified Domestic Relations Order, but before the Alternate Payee receives a total distribution under the Plan, the Alternate Payee shall be entitled to all of the rights and election privileges that are afforded to Plan beneficiaries, including, but not limited to, the rules regarding the right to designate a beneficiary for death benefit purposes.

**10. Death of Alternate Payee:** In the event of Alternate Payee's death prior to Alternate Payee receiving the full amount of benefits called for under this Order, such Alternate Payee's beneficiary(ies), as designated on the appropriate form provided by the Plan Administrator (or in the absence of a beneficiary designation, the Alternate Payee's estate), shall receive the remainder of any unpaid benefits under the terms of this Order.

**11. Death of Participant:** In the event that the Participant dies **before** the Alternate Payee receives a distribution in accordance with the terms of this QDRO, or before the establishment of separate account(s) in the name of the Alternate Payee, such Alternate Payee shall be treated as the surviving spouse of the Participant for any death benefits payable under the Plan to the extent of the Alternate Payee's full amount of benefits as called for under Paragraph 7 of this Order. Should the Participant predecease the Alternate Payee **after** the new account(s) for the Alternate Payee have been established, such Participant's death shall not affect Alternate Payee's right to the portion of the benefits as stipulated herein.

**12. Savings Clause:** This Order is not intended, and shall not be construed in such a manner as to require the Plan:

- (a) to provide any type or form of benefit option not otherwise provided under the terms of the Plan;
- (b) to require the Plan to provide increased benefits determined on the basis of actuarial value; or
- (c) to require the payment of any benefit to the Alternate Payee which are required to be paid to another alternate payee under another death order which was previously deemed to be a QDRO.

**13. Tax Treatment of Distributions Made Under This Order:** For purposes of Sections 402 and 72 of the Internal Revenue Code, any Alternate Payee who is the spouse or former spouse of the Participant shall be treated as the distributee of any distribution or payments made to the Alternate Payee under the terms of this Order, and as such, will be required to pay the appropriate federal income taxes on such distribution.

**14. Constructive Receipt:** In the event that the Plan Trustee inadvertently pays to the Participant any benefits which are assigned to the Alternate Payee pursuant to the terms of this Order, the Participant shall immediately reimburse the Alternate Payee to the extent benefit payments are received, and shall forthwith pay such amounts so received directly to the Alternate Payee within ten (10) days of receipt.

Neither Nationwide nor Ohio DC Plan representatives offer tax or legal advice.  
Please consult a professional advisor with questions about your particular situation.

**15. Continued Jurisdiction:** The Court shall retain jurisdiction with respect to this Order to the extent required to maintain its qualified status and the original intent of the parties as stipulated herein. The Court shall also retain jurisdiction to enter such further orders as are necessary to enforce the assignment of benefits to Alternate Payee as set forth herein.

**16. Plan Termination:** In the event of a Plan termination, the Alternate Payee shall be entitled to receive the portion of Participant's benefits as stipulated herein in accordance with the Plan's termination provisions for participants and beneficiaries.

**17. Actions By Participant:** The Participant shall not take any actions, affirmative or otherwise, that can circumvent the terms and provisions of this Qualified Domestic Relations Order, or that could diminish or extinguish the rights and entitlements of the Alternate Payee as set forth herein. Should the Participant take any action or inaction to the detriment of the Alternate Payee, the Participant shall be required to make sufficient payments **directly** to the Alternate Payee to the extent necessary to neutralize the effects of the Participant's actions or inactions and to the extent of the Alternate Payee's full entitlements hereunder.

IT IS SO ORDERED.

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JUDGE << Enter Judge >>

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