



**Municipal Employees' Annuity and
Benefit Fund of Chicago**

Qualified Illinois Domestic Relations Orders

Information and Forms for

Members in Divorce Proceedings

Effective July 1, 2006

321 North Clark Street, Suite 700, Chicago, Illinois 60654

Telephone: 312-236-4700 Fax: 312-527-0192

Foreword.....	3
Time Line.....	4
MEABF Retirement Benefits and Divorce.....	5
• What is a Qualified Illinois Domestic Relations Order (QILDRO)?.....	5
• Division of Benefits	5
• What is a QILDRO Calculation Court Order?.....	5
• What is the Consent to Issuance of QILDRO?	6
• How have QILDRO’s changed?	6
• What about out-of-state divorces?	7
Benefits Affected by a QILDRO	7
• Monthly retirement benefit	7
• Termination refund	7
• Partial refund.....	7
• Refund in the event of a member’s death	7
Benefits Not Affected by a QILDRO	8
Benefit Information Provided by MEABF	8
• In response to subpoena or member’s request	8
• In response to a QILDRO	9
• In response to a percentage QILDRO.....	9
• In response to a Calculation Order.....	9
• At notice of member’s death.....	10
Completing the QILDRO.....	10
Completing the Calculation Order	10
QILDRO and Calculation Order Comparison Chart	11
Requirements for a Valid QILDRO and Calculation Order	12
Filing Procedure.....	14
• Where to send	14
• Processing fees.....	14
• Certified copy required	14
• Notification from MEABF.....	14
Implementing the QILDRO	15
• What if the alternate payee is missing?.....	15
• What if MEABF has not received a Calculation Order?	15
Effective Date of the QILDRO	17
Expiration of the QILDRO	17
Required Forms.....	17
Income Tax Reporting	17
Information about MEABF.....	18
GLOSSARY	19
Instructions and Forms.....	20

Foreword

The following publication provides information about Qualified Illinois Domestic Relations Orders (QILDROs). Both this publication and the required forms are available from the Municipal Employees' Annuity and Benefit Fund of Chicago at 321 North Clark Street, Suite 700, Chicago, IL 60654, (312) 236-4700.

In 2005, legislation was enacted that amended the law governing QILDROs, (40 ILCS 5/1-119). The amended law is effective July 1, 2006 and dramatically changes QILDROs. If you were familiar with QILDROs before July 1, 2006, it is important that you learn about the changes. For detailed information not covered in this text, please consult the Illinois Pension Code. If there is any conflict between this information and applicable law, the law will prevail.

This subject matter may be of considerable financial significance. **It is strongly recommended that you obtain competent legal and/or other expert assistance.** This information is provided with the understanding that the Municipal Employees' Annuity and Benefit Fund of Chicago (MEABF or the "Fund") is not rendering legal, financial, or other professional advice. The Fund does not assume responsibility for the specific consequences resulting from application of the information in this publication to a particular member or alternate payee.

MEABF has provided the enclosed materials based on the best information available at the time of publication. Similarly, MEABF will provide benefit information that is accurate at the time of the request.

The Fund has no responsibility to recalculate information previously provided, or to inform an alternate payee regarding any statutory changes that may affect the calculation of a member's benefit, unless the Fund is subsequently served with a subpoena for new QILDRO benefit information. Receipt of a modified QILDRO or QILDRO Calculation Court Order ("Calculation Order") could adversely affect an alternate payee's payment priority.

The law provides that the Fund, as a result of the existence of a QILDRO, will never be required to disburse to the member and his/her alternate payee(s) accumulated amounts greater than the amount that would have been otherwise disbursed to the member. It is the responsibility of the alternate payee and their counsel to be aware of, and in compliance with, the Illinois statutes governing QILDRO as they may be amended or reinterpreted over the life of the QILDRO.

TIME LINE

Observe the following time line when considering MEABF benefits in divorce proceedings:

As you are considering divorce	Obtain a QILDRO publication from the Fund office: Municipal Employees' Annuity and Benefit Fund of Chicago 321 North Clark Street, Suite 700 Chicago, IL 60654 You may also call (312) 236-4700 to request a copy.
At least 45 days before needed	Request a benefit estimate for divorce purposes. This is sent to MEABF members upon request. Current and former spouses and legal representatives must provide member's written authorization or subpoena.
Court date	Illinois court may, in its discretion, enter a QILDRO. Obtain a certified ¹ copy of QILDRO.
After court issues QILDRO	Send to MEABF: <ol style="list-style-type: none">1. certified¹ copy of QILDRO2. \$50 processing fee3. original or certified¹ copy of Consent to Issuance of QILDRO² form signed by member
Within 45 days after MEABF receives QILDRO	MEABF sends notification ³ regarding validity of QILDRO. If QILDRO uses percentages, we will provide customized benefit information. See <i>Benefit Information Provided by MEABF</i> .
When member retires	If QILDRO uses percentages, send to MEABF: <ol style="list-style-type: none">1. certified¹ copy of Calculation Order2. \$50 processing fee Remember, MEABF cannot pay an alternate payee based on a percentage QILDRO until Calculation Order is received.
Within 45 days after MEABF receives member's retirement application	MEABF will provide customized benefit information. See <i>Benefit Information Provided by MEABF</i> .
Within 45 days after MEABF receives Calculation Order	MEABF sends notification ³ regarding validity of Calculation Order.
When MEABF receives notice of member's death	If QILDRO allocates part of death benefit to alternate payee, we will provide death benefit information. See <i>Benefit Information Provided by MEABF</i> .

¹ Original order with Clerk of Court's seal or stamp.

² Consent form only required for members hired prior to July 1, 1999.

³ Notification will be sent to member, alternate payee, and attorney who sent court order to MEABF.

MEABF Retirement Benefits and Divorce

What is a Qualified Illinois Domestic Relations Order?

A Qualified Illinois Domestic Relations Order is a court order issued by an Illinois court that directs an Illinois public retirement system to pay an alternate payee, all or a portion of a member's retirement benefit, certain refunds, or lump sum death benefit. An alternate payee is typically a former spouse, but may be a current spouse, child, or other dependent.

The QILDRO law applies to Illinois public retirement systems governed by the Illinois Pension Code, 40 ILCS 5. Illinois public funds may only pay benefits to a former spouse according to a QILDRO. They cannot pay a former spouse based on a member's judgment for dissolution of marriage or marital settlement agreement. QILDROs are different from, and should not be confused with Qualified Domestic Relations Orders (QDROs). State law does not allow public retirement systems to honor QDROs.

Division of Benefits

MEABF benefits may be a marital asset. Your personal attorney should advise you whether a former spouse is entitled to any of your benefits. The Fund cannot provide legal advice.

The Fund may only pay benefits to a former spouse according to a QILDRO. MEABF cannot pay a former spouse based on a QDRO, judgment for dissolution of marriage, or marital settlement agreement. Even if MEABF has a valid QILDRO on file, payment cannot be accelerated to pay a former spouse before the member is paid. An alternate payee will only receive payment if and when the member receives payment, and will never receive more or different benefits than the member is eligible to receive.

You and your attorney should carefully review the QILDRO law and the required forms. MEABF will provide benefit information to help you determine the alternate payee's share. The Fund will also provide general information about benefits, procedures, and form requirements as explained in this publication. However, it is up to the divorcing couple and their attorneys to decide how to complete the QILDRO and if applicable, the Calculation Order. Every situation is unique. The Fund cannot help you make these decisions or perform any calculations for you.

What is a QILDRO Calculation Court Order?

The QILDRO Calculation Court Order is a separate court order issued by an Illinois court. This order provides numerical information as determined in the divorce proceedings to instruct MEABF how much to pay the alternate payee. It is a feature of the new QILDRO law and will only be accepted for a QILDRO submitted on or after July 1, 2006.

A Calculation Order is only necessary if the QILDRO indicates that the alternate payee is to receive a percentage of the benefit. If you want to avoid the Calculation Order, you can express the amounts payable to the alternate payee as specific dollar amounts in the QILDRO.

You must send a Calculation Order to MEABF before payment can be made to the alternate payee. Generally, the QILDRO would be issued at the time of divorce, and the parties would return to court to obtain the Calculation Order at the time of the member's retirement, when the amount of the retirement benefit becomes known.

The Fund will implement valid court orders that are sent to MEABF, but the Fund cannot tell you whether the court orders are consistent with the terms of your divorce. MEABF will provide benefit information, but shall have no obligation to review, verify equations or to assist in the calculations used to determine such amounts. MEABF cannot determine whether the numbers in the Calculation Order are accurate or whether the calculations are in accordance with the marital settlement agreement or judgment for dissolution of marriage. The Fund cannot reject a Calculation Order because the calculations are not accurate or do not correspond to what was decided in your divorce. The Fund's sole obligation with respect to the equations in the Calculation Order is to pay the amounts indicated as a result of the equations.

What is the Consent to Issuance of QILDRO?

If MEABF membership started before July 1, 1999, the effective date of the original law, a QILDRO will only be valid if the member signs a Consent to Issuance of QILDRO ("Consent") in writing. You must use the specific Consent form obtained from our office as explained in the *Required Forms* section of this booklet and it must accompany the QILDRO. **No alterations to the form are permitted.**

The Consent form must be signed by the member and the member only the member. The law does not provide for the court or anyone else to sign the Consent form if the member is absent or refuses to sign.

Any member who begins employment with any Illinois public retirement system after July 1, 1999 accepts the principles of the QILDRO law as a condition of employment.

How have QILDROs changed?

The 2005 legislation is a significant revision of the QILDRO law, and enacted the following major changes:

- The amount payable to the alternate payee may be expressed as a percentage or a specific dollar amount. Under the old law, the only way to express the alternate payee's share was a specific dollar amount.
- The new law introduces the Calculation Order. It provides the numerical information that the retirement system must have to implement a QILDRO that uses percentages to allocate the alternate payee's share. The Calculation Order is not required if dollar amounts are used in the QILDRO rather than percentages.
- The alternate payee may receive a share of any lump sum payment of contributions that would be payable upon the member's death. The new QILDRO still does not apply to monthly survivor benefits.

- The new QILDRO law specifies what benefit information must be provided by MEABF and what events will trigger our office to provide benefit information for divorce purposes.
- In addition, the new QILDRO allows for a specified number of payments to the alternate payee.

The new QILDRO does not change the law that determines appropriate division of marital assets. You should consult your personal attorney about what assets are included in your marital property and about the proper division of those assets.

What about out-of-state divorces?

If your divorce occurred in another state, it may be possible to request an Illinois court to enter a QILDRO. Courts in other states do not have statutory authority or jurisdiction to issue QILDROs. Please seek advice from your personal attorney if you were divorced in a state other than Illinois and you wish to obtain a QILDRO.

Benefits Affected by a QILDRO

Monthly retirement benefit

The QILDRO allows an alternate payee to receive all or a portion of a member's monthly retirement benefit.

Termination refund

The QILDRO allows the alternate payee to receive all or a portion of a refund of retirement contributions that the member may receive after the last day of MEABF covered employment. Upon accepting a termination refund, the member forfeits all rights to benefits, unless benefits are reinstated through repayment of the refund after returning to MEABF covered service for at least 90 days. Repayment of the refund will not reinstate the QILDRO. A payment would have been made to the alternate payee at the time of the termination refund if the QILDRO required it.

Partial refund

The QILDRO allows the alternate payee to receive all or a portion of a partial refund that the member may receive. This includes a refund of surviving spouse benefit contributions payable to a member at retirement, if the member does not have an eligible spouse at the time of retirement.

Refund in the event of a member's death

MEABF does not provide a specific lump sum death benefit. The QILDRO allows an alternate payee to receive all or a portion of a lump sum payment of a member's contributions not already received as annuity payments. Death benefits are paid according to the most recent beneficiary designation on file with our office at the time of death, unless there is a QILDRO directing us to

pay an alternate payee. When you divorce, you should review your designation on file, making sure that death benefits will be paid to your intended beneficiary(ies). To make changes, you must complete and file a new Beneficiary Designation form. This form must be notarized to be valid and can be obtained by calling the Fund office at (312) 236-4700.

Benefits Not Affected by a QILDRO

Monthly survivor benefits, disability benefits, and health insurance cannot be obtained through a QILDRO. A QILDRO does not provide any insurance coverage or make a former spouse eligible to participate in a member's health care program.

Benefit Information Provided by MEABF

MEABF will provide customized benefit information within 45 days of the request. In preparing benefit information for divorce, the Fund does not speculate as to potential future events such as early retirement, reciprocal retirement, additional service credit, future salary increases, purchase of optional or refunded service, or statutory changes. MEABF does not provide hypothetical estimates for retired members assuming facts that are different from the member's actual retirement record. Also, MEABF does not provide actuarial opinions as to the present market value of a member's benefits or other interests.

Benefit information will be provided to members in response to their request. Due to the Fund's confidentiality rule, information may only be provided to spouses (current and former) and legal representatives in response to a subpoena or with the member's written authorization. Please plan ahead and request the information at least four to six weeks before it is needed. **MEABF is unable to accommodate "rush" requests for imminent court dates.**

If requested, MEABF will also provide the latest *Booklet of Information on the Law Governing the Fund* booklet, which contains general information about MEABF benefits.

In response to subpoena or member's request

To help the parties value the benefit for divorce purposes, MEABF will provide the following customized information:

- Date of initial MEABF membership
- Amount of regular and purchased service credit
- Non-reduced monthly retirement benefit estimate
- Earliest date when non-reduced monthly retirement benefit will become payable
- Refund amount upon termination of employment
- Spouse contribution refund amount (if applicable)

In response to a QILDRO

If a QILDRO is received prior to retirement

- Refer to *Notification from MEABF*.

If a QILDRO is received on or after the effective date of retirement

- Refer to *Implementing the QILDRO*.

In response to a percentage QILDRO

When the Fund receives a percentage QILDRO we will provide the following customized information:

If a percentage QILDRO is received prior to retirement

- Date of initial MEABF membership
- Amount of regular and purchased service credit
- Non-reduced monthly retirement benefit estimate
- Earliest date when non-reduced monthly retirement benefit will become payable
- Refund amount upon termination of employment
- Spouse contribution refund amount (if applicable)
- Whether or not member has filed a retirement application
- Intended retirement date, if member has filed retirement application

If a percentage QILDRO is received on or after the effective date of retirement

- Effective date of retirement
- Date retirement benefits commenced (or will commence)
- Amount of service credit
- Actual monthly retirement benefit
- Spouse contribution refund amount (if applicable)
- If a percentage QILDRO is on file with MEABF but a Calculation Order has not been received, notification that a Calculation Order is needed to implement the QILDRO

In response to a Calculation Order

When MEABF receives a Calculation Order, the Fund will provide the following notifications:

- Notification of receipt
- Notification if no underlying QILDRO is on file with the Fund
- Notification if Calculation Order does not clearly indicate amount payable

At notice of member's death

When our office receives a death notification we will provide the following information:

- Notification of the termination of the QILDRO
- Lump sum death benefit amount (only provided if QILDRO allocates share of lump sum death benefit to the alternate payee)

Completing the QILDRO

In order to assure you are using the correct QILDRO form, you must determine the date that MEABF will receive a certified copy of the QILDRO, allowing time for the order to be issued by the court.

- If the Fund will receive the order before July 1, 2006, you must use the old QILDRO form.
- If the Fund will receive the order on or after July 1, 2006, you must use the new QILDRO form.

The new QILDRO form is detailed and longer than the old form, therefore, it is critical that you and your attorney carefully review and complete the new QILDRO form. Certain sections contain multiple options from which you must select only one. If you fill in more than one option where the form indicates that you are to select only one option, MEABF will reject the QILDRO.

The QILDRO form should be obtained from the Fund office as explained in the *Required Forms* section of this publication. If you omit sections of the form, MEABF will reject your QILDRO, because there is no way to tell whether you intended to leave those sections out, or you inadvertently omitted them. **Remember, no text changes or alterations to the form are permitted.**

Be sure to keep a copy of your QILDRO if you intend to submit a Calculation Order at a later date. You will need the underlying QILDRO to prepare the Calculation Order.

Completing the Calculation Order

The Calculation Order provides the amounts that the Fund needs to implement the QILDRO and must be based on an underlying QILDRO between the same MEABF member and alternate payee. If MEABF receives a Calculation Order without an underlying QILDRO, the order will be meaningless and the Fund will send notification to the parties. If the Calculation Order does not clearly indicate the amounts payable to the alternate payee, the Fund will also send notification to the parties. The Calculation Order is only required if the underlying QILDRO uses a percentage method of allocating benefits to the alternate payee.

The Calculation Order form should be obtained from the Fund office as explained in the *Required Forms* section of this publication. If you omit sections of the form, we will reject your Calculation Order, because there is no way to tell whether you intended to leave those sections out, or you inadvertently omitted them. **Remember, no text changes or alterations to the form are permitted.**

Certain sections in the order contain multiple options from which you must select only one. If you fill in more than one option where the form indicates that you are to select only one option, MEABF will reject the Calculation Order.

This chart will assist you in determining which sections of the Calculation Order you need to complete so that it will correspond with the QILDRO.

QILDRO and Calculation Order Comparison Chart

If you completed QILDRO Section	Must complete marital portion benefit calculation formula QILDRO Section IX	Must complete corresponding Section in Calculation Order
III.A.1	No	No
III.A.2	Yes	3(a)
III.A.3	No	4(A)
V.A.1	No	No
V.A.2	Yes	3(b)
V.A.3	No	4(B)
VI.A.1	No	No
VI.A.2	Yes	3(c)
VI.A.3	No	4(C)
VII.A.1	No	No
VII.A.2	Yes	3(d)
VII.A.3	No	4(D)

The following summarizes the QILDRO sections and methods for allocating payment to the alternate payee.

QILDRO Section III: monthly retirement benefit

A.1: dollar amount

A.2: percentage of marital portion

A.3: percentage as of retirement date or when alternate payee benefit commences

QILDRO Section V: termination refund

A1: dollar amount

A2: percentage of marital portion

A3: percentage as of retirement date

QILDRO Section VI: partial refund

A1: dollar amount

A2: percentage of marital portion

A3: percentage as of retirement date

QILDRO Section VII: lump sum death benefit

A1: dollar amount

A2: percentage of marital portion

A3: percentage as of the date benefit becomes payable

Requirements for a Valid QILDRO and Calculation Order

For a QILDRO or Calculation Order to be valid **all** of the following criteria must be satisfied:

- (1) If the order applies to a person who became a MEABF member before July 1, 1999, it must be accompanied by the original Consent form signed by the member. This form is irrevocable and will be valid for all subsequent orders relating to the member and alternate payee.

You must use the specific Consent form obtained from the Fund office as explained in the *Required Forms* section of this publication and it must accompany the QILDRO. **No alterations to the form are permitted.**

- (2) Each order must:
 - Be accompanied by a \$50 processing fee, payable to MEABF.
 - Be a certified¹ copy of the original, entered in court, signed and dated by the issuing judge.
 - Have been issued by an Illinois court of competent jurisdiction in a proceeding for declaration of invalidity of marriage, legal separation, or dissolution of marriage that provides for the distribution of property, or any proceeding to amend or enforce such a property distribution.
 - Contain the name, mailing address, and social security number of the member.
 - Contain the name, mailing address, and social security number of the alternate payee.
 - Identify the Municipal Employees' Annuity and Benefit Fund of Chicago as the retirement system to which it is directed.
 - Identify the court that issued it.
 - Specify the dollar amount of the benefit and/or refund payable to the alternate payee, or percentages or formulas as stipulated on the QILDRO form.

- Specify whether the alternate payee will or will not receive a proportional share of any applicable cost of living adjustments received by the member.
 - Be in the form adopted by MEABF. Any alterations to the form will invalidate the order.
- (3) The order must apply only to benefits that are statutorily subject to QILDROs. (See *Benefits Affected by a QILDRO*).
 - (4) The date of receipt of the order must be on or after July 1, 2006.
 - (5) The Calculation Order must not be completed in a manner that changes the intent of the QILDRO to which it relates.

If a percentage formula was elected on the QILDRO document, a Calculation Order must be provided prior to any benefits being paid.

¹ Original order with Clerk of Court's seal or stamp.

Filing Procedure

Where to send

QILDROs and Calculation Orders should be sent to:

Municipal Employees' Annuity and Benefit Fund of Chicago
321 North Clark Street, Suite 700
Chicago, IL 60654

Processing fees

For each order that is submitted, a \$50 non-refundable processing fee, by check or money order payable to **MEABF**, is required. A QILDRO or Calculation Order will not be reviewed until the fee is received.

Certified copy required

Remember to send a court **certified** copy of the court order. A certified copy bears the Clerk of the Court's seal or stamp certifying the document as a true and correct copy of the original document. A plain or file-stamped copy will be rejected.

Notification from MEABF

The member, the alternate payee, and the attorney that sent the court order will receive notification within 45 days after MEABF has received the order. The order will be date-stamped upon receipt and deemed received on that date. The notification will also indicate whether the order is valid and other pertinent information regarding the order, provided the \$50 fee has been received. If not valid, the notification will specify the deficiencies. If the \$50 fee is not submitted, the notification will indicate that the QILDRO or Calculation Order will be reviewed once the fee is received.

All deficiencies must be corrected before the Fund may honor the QILDRO or Calculation Order. In most cases, deficiencies are easily corrected, for instance, by sending the \$50 fee or a certified copy of the order. If the order is defective, it will be necessary to obtain a new or amended order from the court. MEABF will send a new notification in response to each corrected or amended court order.

An invalid QILDRO has no effect on the member's benefits. **No QILDRO is valid until all deficiencies have been corrected.**

Implementing the QILDRO

The QILDRO will be placed in the member's record and will remain dormant until the member begins receiving retirement benefits, a refund or lump sum death benefit subject to when the QILDRO becomes payable. When one of these events occurs, MEABF will send notification to the alternate payee at the last address reported to us. The alternate payee must return a completed application form before payment can be made. It is the responsibility of the alternate payee to keep us informed of his or her current address.

What if the alternate payee is missing?

An alternate payee must keep MEABF informed of any name or address changes to receive payment. The law does not require the Fund to search for a missing alternate payee, other than sending notification to the last address reported to MEABF.

MEABF will notify the alternate payee when a benefit becomes payable to him or her. An application for the QILDRO portion of the employee's benefit will be included with the application, and this must be completed and returned to the Fund within 180 days from the date MEABF sent the notification. MEABF will hold the payment for 180 days from the date we sent the notification or the date the benefit becomes payable, whichever is later. This amount will not accumulate interest. If the Fund is notified of the alternate payee's current address within 180 days, the amount held will be paid to the alternate payee.

If MEABF does not receive the completed application within 180 days, payment will be made as though there was no QILDRO. If the Fund later receives the application, the QILDRO will be implemented with the next available payment. The alternate payee will have no rights to any amounts previously paid.

What if MEABF has not received a Calculation Order?

If the QILDRO uses percentages, MEABF must receive a Calculation Order in order to pay the alternate payee. Generally, the Calculation Order would be submitted to the Fund upon the member's retirement, at which time the amount of the retirement benefit becomes known.

Monthly retirement benefit

If a percentage QILDRO on file with MEABF becomes payable, and a Calculation Order has not been received, if possible, MEABF will determine an anticipated payment to the alternate payee based on information in the QILDRO. The Fund will hold the alternate payee's anticipated payment and begin paying the member's monthly retirement benefit, less the amount held for the alternate payee, pending receipt of the order. Once the order is received, the amounts payable to the member and alternate payee may require adjustments. However, if it is not possible to determine an anticipated payment based only on the QILDRO, then neither the member nor the alternate payee will be paid until the order is received.

Refund or lump sum death benefit

If a refund or lump sum death benefit subject to a percentage QILDRO on file with MEABF becomes payable, and a Calculation Order has not been received, MEABF will hold the refund or death benefit until the order is received.

Effective Date of QILDRO

The QILDRO takes effect with the first available payment that occurs at least 30 days after MEABF has received a valid QILDRO.

MEABF annuity payments are disbursed on the first of each month for the current month. Generally, you should expect about a three-month processing period from the date that MEABF has received a valid QILDRO, and Calculation Order if applicable, until the alternate payee begins receiving monthly payments from the Fund. If payment is required during the processing period, the affected parties will need to make arrangements between themselves.

Expiration of QILDRO

The QILDRO will expire on the first of the following occurrences:

- A QILDRO expires upon the death of the member unless the QILDRO allocates death benefits that may be payable to an alternate payee.
- A QILDRO expires upon the death of the alternate payee.
- A QILDRO expires after a specified number of payments are made to the alternate payee, if the QILDRO indicates the number of payments to be made.
- A QILDRO ends when the member receives a refund that terminates participation in the Fund.
- A QILDRO may be terminated by a valid court order expressly vacating the order.

For monthly retirement benefits, the QILDRO must specify when payments to the alternate payee will terminate.

Required Forms

The QILDRO, Calculation Order, and Consent forms are detailed and do not lend themselves to re-typing. Copies of the forms are included with this publication. The easiest way to ensure that you are using the correct forms and have not inadvertently added, modified, or omitted language is to use the hard copy or PDF forms available from MEABF. **Remember no text changes or alterations to the form are permitted.**

Income Tax Reporting

Both the member and alternate payee will be mailed income tax form 1099-R by February 1st of each year for the previous calendar year. This form will provide the taxable and nontaxable portions of the benefit payments.

Information about MEABF

The benefit program administered by the Fund is a governmental plan as defined in section 414(d) of the Internal Revenue Code of 1986, as amended, and section 3(32) of the Employee Retirement Income Security Act of 1974, as amended. The retirement program is administered as a qualified plan pursuant to section 401(a) of the Internal Revenue Code of 1986, as amended. MEABF benefit programs are subject to Articles 1, 8, and 20 of the Illinois Pension Code [40 ILCS 5]. In addition, as a board created by the Illinois General Assembly, MEABF is subject to numerous other laws of the State. Article 8 of the Illinois Pension Code [[40 ILCS 5/8-101 et seq.](#)] explains MEABF benefits and the methods for calculating those benefits.

GLOSSARY

Alternate payee	The spouse, former spouse, child, or other dependent of a member, as designated in a QILDRO/Calculation Order. [40 ILCS 5/1-119(a)(1)]
Death Benefit	Any nonperiodic benefit payable upon the death of a member to a survivor of the member, to the member's estate or designated beneficiary, including any refund of contributions following the member's death, whether or not the benefit is so called under the applicable Article of the Illinois Pension Code. [40 ILCS 5/1-119(a)(2)]
Disability Benefit	Any periodic or nonperiodic benefit payable to a disabled member based on occupational or nonoccupational disability or disease, including any periodic or nonperiodic increases in the benefit, whether or not the benefit is so called under the applicable Article of the Illinois Pension Code. [40 ILCS 5/1-119(a)(3)]
Member	Any person who participates in or has service credit in MEABF, including a person who is receiving or is eligible to receive a retirement or disability benefit, without regard to whether the person has withdrawn from service. [40 ILCS 5/1-119(a)(4)]
Member's Refund	A return of all or a portion of a member's contributions that is elected by the member (or provided by operation of law) and is payable before the member's death. [40 ILCS 5/1-119(a)(5)]
Permissive Service	Service credit purchased by the member that the Fund includes by statute in member's benefit calculation. [40 ILCS 5/1-119(a)(5.5)]
Qualified Illinois Domestic Relations Order or "QILDRO"	An Illinois court order that creates or recognizes the existence of an alternate payee's right to receive all or a portion of the member's accrued MEABF benefits, is issued pursuant to Section 1-119 of the Illinois Pension Code and Section 503(b)(2) of the Illinois Marriage and Dissolution of Marriage Act, and meets the requirements of Section 1-119 of the Illinois Pension Code. A QILDRO is not the same as a QDRO issued pursuant to Section 414(p) of the Internal Revenue Code of 1986. [40 ILCS 5/1-119(a)(6)]
QILDRO Calculation Court Order	An Illinois court order that provides the amount of the retirement benefit, refund, partial refund and death benefit that is subject to a QILDRO allocation of benefits on a percentage basis. [40 ILCS 5/1-119(c)(5)]
Regular Payee	The person to whom a benefit would be payable in the absence of an effective QILDRO. [40 ILCS 5/1-119(a)(7)]
Regular Service	Service credit earned by the member, including a repayment of refund for regular service that the Fund includes by statute in a member's benefit calculation. [40 ILCS 5/1-119(a)(7.5)]
Retirement Benefit	Any periodic or nonperiodic benefit payable to a retired member based on age, service or on the amounts accumulated to the credit of the member for retirement purposes, including any periodic or nonperiodic increases in the benefit, whether or not the benefit is so called under Article 8 of the Illinois Pension Code. [40 ILCS 5/1-119(a)(8)]
Surviving Spouse	The legal spouse of a member at the time of the member's death. [40 ILCS 5/1-119(a)(10)]
Survivor's Benefit	Any periodic or nonperiodic benefit payable to a surviving spouse, child, parent, or other survivor of a deceased member, including any periodic or nonperiodic increases in the benefit, whether or not the benefit is so called under Article 8 of the Illinois Pension Code. [40 ILCS 5/1-119(a)(11)]

Instructions for QILDRO Form

Please follow these instructions for completing the QILDRO form.

Do not alter the form. Doing so will invalidate the QILDRO.

1. Caption:

- Enter court's judicial district and county. (The issuing court must be an Illinois court.)
- Enter the case caption and case number.

2. Section II:

- Enter member's name, mailing address and social security number.
- Enter alternate payee's name, mailing address and social security number.
- Check the box that indicates the relationship of the alternate payee to the Fund member during the course of the QILDRO.

3. Section III: For the alternate payee to receive a portion of a **retirement benefit**, enter either:

- **(A)(1)**, the exact dollar amount; or
- **(A)(2)**, the percentage per month of the marital portion of the retirement benefit (also complete Section IX); or
- **(A)(3)**, the percentage per month of the gross retirement benefit and check one option that applies.

If Section III (A) is left blank, no benefit will be paid to the alternate payee from the member's retirement benefit.

- **(B)** If the member already receives retirement benefits, check only ONE option to indicate when benefits will be payable to the alternate payee.
- **(C)** Automatically applies if the member does not yet receive retirement benefits.
- **(D)** Check only one option for when benefits will cease to be paid to the alternate payee.

4. Section IV: Check the appropriate box to indicate whether or not the alternate payee is to receive a proportionate share of the applicable cost of living adjustment increases on the retirement benefit.

5. Section V: For the alternate payee to receive a portion of a **termination refund**, enter either:

- **(A)(1)**, the exact dollar amount; or
- **(A)(2)**, the percentage of the marital portion of the termination refund (also complete Section IX); or
- **(A)(3)**, the percentage of the gross refund.

If Section V is left blank, no benefit will be paid to the alternate payee from the member's refund. If an amount or percentage is entered, the alternate payee will receive the benefit when a refund of contributions is payable to the member.

6. Section VI: For the alternate payee to receive a portion of a **partial refund of contributions**, enter either:

- **(A)(1)**, the exact dollar amount; or
- **(A)(2)**, the percentage of the marital portion of the partial refund benefit (also complete Section IX); or
- **(A)(3)**, the percentage of the gross partial refund benefit.

If Section VI is left blank, the alternate payee will not receive any portion of the member's partial refund. If an amount or percentage is entered, the alternate payee will receive the benefit when a partial refund of contributions is payable to the member.

7. Section VII: For the alternate payee to receive a portion of a **death benefit***, enter either:

- **(A)(1)**, the exact dollar amount; or
- **(A)(2)**, the percentage of the marital portion of the death benefit (also complete Section IX); or
- **(A)(3)**, the percentage of the gross death benefit.

If Section VII is left blank, no benefit will be paid to the alternate payee from the member's death benefit. If an amount or percentage is entered, the alternate payee will receive the benefit when it becomes payable to the beneficiary of the member.

** MEABF does not pay a death benefit, except to provide a beneficiary a refund of the member's contributions not already received as annuity payments.*

8. Section IX: Marital Portion Benefit Calculation Formula

This section must be filled out only when a percentage option is selected to calculate marital portion benefits in Sections III(A)(2), V(A)(2), VI(A)(2), and VII(A)(2).

- For subsection (1), please check only one box for **each** of "A" "B" and "C". Make sure that the marriage dates are listed where applicable. If nothing is checked, nothing is assumed, and the QILDRO is invalidated in the case of the percentage option.

If "other" is selected in "A" and/or "B" and/or "C", then a supplemental order must be entered with this QILDRO to clarify the intent of the parties or the court as to that item. The supplemental order cannot require the Fund to take any action not permitted under Illinois law or the Fund's administrative rules.

9. Section (XIII): This section must be completed if more than one QILDRO has been entered into the courts for the member and the alternate payee.

10. Signature lines: The QILDRO must be signed and dated by the issuing judge, and signed by the member and the alternate payee.

A \$50.00 processing fee must accompany the QILDRO when it is filed with the Fund.

A certified copy of the court order must be submitted to our office. A certified copy bears the Clerk of Court's seal or stamp certifying the document as a true and correct copy of the original document. A plain or file-stamped copy will be rejected.

Instructions for Member Consent to Issuance of QILDRO Form

Please follow these instructions for completing the Consent form.

Do not alter the form. Doing so will invalidate the consent.

This form is required only if MEABF membership began before July 1, 1999, when the QILDRO law was originally enacted. Once signed and submitted to the Fund, the consent form is irrevocable.

1. Caption:

- Enter the court's judicial district and county. (The issuing court must be an Illinois court.)
- Enter the case caption and case number.

2. Body:

- Enter member's name and social security number.
- Enter alternate payee's name and social security number.

3. Signature line: The consent form must be dated and signed by the consenting member of the Retirement Fund.

4. The Consent form must contain the member's original signature.

5. The Consent form must be notarized.

Note: This form is not required to be filed in court. The form with the employee's original signature should be sent to MEABF.

Instructions for QILDRO Calculation Court Order

Please follow these instructions for completing the Calculation Order form.

Do not alter the form. Doing so will invalidate the order.

This form is required only if the QILDRO requires payment of any benefit to be calculated using the marital portion benefit calculation formula or a percentage of gross benefit.

1. Caption:

- Enter court's judicial district and county. (The issuing court must be an Illinois court.)
- Enter the case caption and case number.

2. Section 2:

- Enter the member's name, mailing address and social security number.
- Enter the alternate payee's name, mailing address and social security number.
- Check the box that indicates the alternate payee's relationship to the member.

3. Sections 3 and 4:

If the court orders this benefit in the QILDRO...	...then the following subsection of the QILDRO Calculation Order must be completed	
QILDRO Section:	Section 3 – % of Marital Portion	Section 4 – % of Gross Benefit
III – Monthly Annuity	3A	4A
V – Full Refund	3B	4B
VI – Partial Refund	3C	4C
VII – Death Benefit	3D	4D

4. Section 6: This section must be completed if more than one Calculation Order has been entered into the courts for the member and the alternate payee

5. Signature Lines: The Calculation Order must be signed and dated by the issuing judge, and signed by the member and the alternate payee.

A \$50.00 processing fee must accompany the Calculation Order when it is filed with the Fund.

A certified copy of the court order must be submitted to the Fund. A certified copy bears the Clerk of Court's seal or stamp certifying the document as a true and correct copy of the original document. A plain or file-stamped copy will be rejected.