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QDRO's are only required on "qualified" retirement plans under the Internal Revenue Code and ERISA. Most often, IRA assets can be transferred without a QDRO by using a Letter of Instruction and a Letter of Acceptance along with a certified copy of the Judgment. Also, stock options are not part of a "qualified" retirement plan and cannot be assigned by a QDRO. Stock Options must be exercised between the parties.

This letter sets out the procedure generally for QDROs in which the portion awarded according to the terms of a Judgment for Dissolution of Marriage is completed. You may want to share this information with your clients.

I have drafted QDROs for 14 years while with the firm of Rosing, Smith, Ericksen, Zeit & Stanczak, Ltd. Since January 1, 2002, I have opened my own office, concentrating in domestic relations orders. During the last 20 years, I have completed acceptable QDROs for over 300 different company and union plans, and over 10 different governmental plans. I have also lectured on the topic of QDROs several times for the Lake County Bar Association Family Law seminars, as well as having been published in the Lake County Bar Association magazine, The Docket, for my article on Qualified Illinois Domestic Relations Orders.

My present hourly rate is \$250.00, which reflects the complex area of law involved, and my experience. I have found that QDROs for defined contribution plans (e.g. 401(k) plans) take approximately 2 to 3 hours of my time and QDROs for defined benefit plans (traditional pension plans) take approximately 3 to 4 hours of my time. According to the IRC and ERISA, the Plan Administrator has up to 18 months to review and accept a qualified domestic relations order. I usually draft the QDROs and send drafts to the respective Plans for pre-approval prior to the QDROs being entered by the Court. Once the draft QDROs are pre-approved, I request a court date for the entry the QDROs. Recently, the Court calendar has been backed up so that it takes three to four weeks to have a QDRO placed on the Court calendar for entry. After the Court enters the QDRO's, certified copies are sent to the respective Plans for review and processing of the QDROs. Once a defined contribution or 401(k) plan QDRO is accepted by the Plan, the Plan sends the assignee information directly on their investment and payment options. Please be advised that there is no tax or penalty to the assignee if they rollover the assigned funds. If the assignee decides to take a direct payment of any portion of the assigned funds, there is a 20% federal income tax withholding. Please advise your clients that they should contact a financial advisor prior to requesting any distribution. Once a defined benefit or pension plan QDRO is accepted the Plan, the Plan sends the assignee information on how to begin their share of the benefits - normally when the plan participant attains the "earliest retirement age" under the Plan (which is usually age 55). I find that most orders are accepted by the plans within two to four months after they receive the orders.

If the above-stated is acceptable, the following is a list of information I usually require to draft the QDROs. In order to prepare the QDROs, I need both spouses' social security numbers, dates of birth, and addresses. Also, I need a copy of the [proposed] Judgment for Dissolution of Marriage and any statements on the Plan(s).