

**Firemen's Annuity and Benefit Fund of Chicago**

Twenty South Clark, Suite 1400

Chicago, Illinois 60603

(312) 726-5823 or (800) 782-7425 Fax (312) 726-4312

**QILDROs**

**STATEMENT OF POLICY OF THE FABF**

**REGARDING APPLICATION OF**

**QILDROs TO MEMBERS' RETIREMENT BENEFITS**

P.A. 94-657, eff. 7-1-06

Revised and Approved by the Board 5/06

Revised 2/08, 12/08

## TABLE OF CONTENTS

<i>Foreword</i> .....	3
<i>Timeline of Events</i> .....	4
<i>FABF Retirement Benefits</i> .....	5
Division of Benefits .....	5
Benefits Affected By a QILDRO .....	5
Benefits Not Affected By a QILDRO .....	6
Who May Be An Alternate Payee .....	6
Providing Information About a Member's Retirement Benefits .....	6
Use of FABF Adopted Forms .....	7
Procedure for Filing a QILDRO with FABF .....	7
Requirements for a Valid QILDRO .....	8
Correcting Minor Deficiencies.....	9
Other Deficiencies .....	10
Effect of a Valid QILDRO .....	10
Current Address of Alternate Payee .....	12
Amount Payable to Alternate Payee .....	12
Application for Benefits By Alternate Payee .....	13
Modified QILDROs .....	13
Expiration of a QILDRO .....	14
Income Tax Reporting .....	14
Information about FABF .....	15
<i>Glossary</i> .....	16
<i>Guidelines for Completing QILDRO and QILDRO Calculation Order</i> .....	18
<i>QILDRO Order</i>	
<i>QILDRO Consent</i>	
<i>QILDRO Calculation Form</i>	

## FOREWORD

*The following information is designed to assist members when their retirement benefits are being considered for possible division in divorce proceedings. This booklet was created to provide a general overview of the QILDRO provisions and the basic rules governing the content of QILDROs. Members are encouraged to obtain legal counsel in connection with any matter relating to the application of QILDROs. Beginning July 1, 1999, the Firemen's Annuity and Benefit Fund of Chicago (FABF) will accept Qualified Illinois Domestic Relations Orders, or "QILDROs" entered against FABF members. A QILDRO is a court order that transfers part or all of a member's retirement benefits to an alternate payee.*

*Much of the information provided is based on express statutory language and requirements imposed upon Illinois public retirement systems by QILDRO legislation. This legislation, with an effective date of July 1, 2006, amended the Illinois Pension Code by adding a new section 1-119 (40 ILCS 5/1-119), and by modifying portions of the Illinois Marriage and Dissolution of Marriage Act [750 ILCS 5/503].*

*This subject matter relating to QILDRO may be of considerable financial significance. It is strongly recommended that the member obtain the assistance of legal and/or other expert assistance. This information is provided with the understanding that FABF is not rendering legal, financial, tax or other professional advice. FABF does not assume responsibility for the specific consequences resulting from application of the information in this packet to a particular member or alternate payee.*

*This informational summary is for information purposes only and conveys no rights other than those provided by the QILDRO legislation. Nothing contained in this summary shall be considered binding on the FABF. All matters set forth herein are subject to modification or amendment. All references to the QILDRO legislation are qualified in their entirety by reference to the definitive form of such legislation.*

*If you have any questions regarding this material please contact Ms. Lori Lund at the office of the Fund, (312) 726-5823.*

## TIMELINE OF EVENTS

The following timeline of events should be observed when FABF benefits are being considered in divorce proceedings.

<b><i>2-3 months before court date</i></b>	Telephone FABF and request a QILDRO information packet.
<b><i>6-8 weeks before court date<sup>1</sup></i></b>	Submit request for benefit information for divorce via member's written or verbal authorization or subpoena.
<b><i>Within 45 days after receipt of request or subpoena</i></b>	FABF sends a statement of accumulated contributions, accrued Pension Benefits, Refund of Contribution Amount, Partial Member Refund (No Spouse) amount, and Death Benefit Amount as of the date of the request or another requested date.
<b><i>Court date</i></b>	Illinois court may, in its discretion, enter a QILDRO.
<b><i>Immediately following Court date</i></b>	Send certified copy of the QILDRO to FABF, Attention: Lori Lund, accompanied by a nonrefundable \$50 processing fee by check payable to the Firemen's Annuity and Benefit Fund of Chicago. NOTE: If the QILDRO applies to a person who became a FABF member prior to July 1, 1999, the QILDRO must be accompanied by the member's original written Consent to Issuance of QILDRO.
<b><i>Within 45 days after receipt of court order</i></b>	FABF notifies member and alternate payee by 1st class mail that: (1) the court order was received; (2) whether the court order is a valid QILDRO; and (3) if not a valid QILDRO, reason, why it is invalid. <u>If allocation to alternate payee is on a dollar amount basis and the member is not retired, the QILDRO is placed in file. If member is retired, the order will be processed within 30 days of receipt of the valid order and distribution will begin with the next annuity payment.</u> <u>If allocation to the alternate payee is on a percentage basis and the member has retired, FABF will provide the effective date of the retirement, benefit commencement date, number of months of pensionable service credit, gross amount of annuity, gross amount of any partial contribution refund (no spouse), and gross amount of death benefits. FABF will advise of the need for a QILDRO Calculation Order and that payment to the Alternate payee will begin with the payment occurring at least 30 days after the QILDRO Calculation Order is received by FABF.</u> <u>If allocation of benefits is on a percentage basis and member is not retired, FABF will provide initial service date, pensionable service credit to the most recent date, benefit estimate at most recent date, amount of partial contribution refund as of date and amount of death benefit as of date.</u>
<b><i>QILDRO Calculation Order. When member is not retired and FABF receives 1) request for retirement application from member; 2) request for refund application from member; 3) notice of death of member.</i></b>	Within 45 days of FABF receiving all information necessary to determine the benefit payable, FABF will advise of the need for a QILDRO Calculation Order and provide the effective date of retirement, benefit commencement date, total pensionable service credit, gross amount of annuity and/or gross amount of contributions refund and /or partial contributions (no spouse) refund and gross amount of death benefits.
<b><i>Within 45 days after receipt of QILDRO Calculation Order.</i></b>	FABF will acknowledge receipt and notify if order is valid. If not valid, clear or does not match the original QILDRO order, FABF will notify all parties.
<b><i>Receipt of payments</i></b>	Alternate payee receives the first payment at the time of the first payment to the member occurring at least 30 days after FABF received the valid QILDRO.

<sup>1</sup> Please allow a **minimum** of 4-6 weeks for FABF to process requests for benefit information for divorce purposes.

