

DOMESTIC RELATIONS ORDERS

The FPDR administers two types of Domestic Relations Orders (DRO):

1) Separate Interest

- Can always be used - whether a divorcing Member is still working, terminated, or retired
- Single life annuity based on the Alternate Payee's life expectancy
- Benefit to Alternate Payee continues for life of Alternate Payee
- If Member is not currently receiving FPDR pension benefits, and dies before reaching Member's earliest retirement date, Alternate Payee never receives a benefit *unless* the DRO provides that the Alternate Payee be treated as the Surviving Spouse in the case of Member's pre-retirement death
 - DRO can award all of member's pre-retirement death benefit to the Alternate Payee, or split the benefit between the Alternate Payee and a future spouse
 - DRO cannot award Member's post-retirement death benefit for a Surviving Spouse to the Alternate Payee
- Actuary will calculate the value of the Alternate Payee's benefit using the plan's actuarial assumptions at the time the DRO is accepted by the FPDR, based on the Alternate Payee's life expectancy
 - Unless the DRO awards the Alternate Payee a fixed dollar amount (rather than a percent), in which case the actuary will calculate the Member's pension reduction, based on the Member's life expectancy and anticipated or actual retirement date
- If Alternate Payee dies first, Alternate Payee's benefit reverts to Member

2) Shared Interest

- Can only be used when a divorcing Member is already receiving FPDR pension benefits
- Single life annuity based on the Member's life
- Member's pre-DRO benefit is simply split between the parties – no actuarial calculation
- Benefit to Alternate Payee stops on the death of Member
 - However, Alternate Payee can be treated as the Surviving Spouse and receive the Member's death benefit, but only if the Member has remarried (and there would be no benefit to new spouse)
- If Alternate Payee dies first, Alternate Payee's benefit reverts to Member

Other Information:

- A Member is eligible for retirement at age 50 with 25 years of service, or age 55, whichever comes first
- Once a DRO has been accepted by FPDR, the Alternate Payee:
 - Is eligible to begin drawing a benefit as soon as the Member is eligible for retirement, even if the Member chooses to continue working
 - Must begin drawing a benefit no later than the date the Member actually retires, or the month following DRO acceptance if the Member is already retired