

I, Wendy Orcutt, Executive Director of the City of Ann Arbor Employees' Retirement System, hereby certify that the following is a true and correct copy of a resolution adopted by the Board of Trustees:

**CITY OF ANN ARBOR EMPLOYEES' RETIREMENT SYSTEM
POLICY RESOLUTION**

Adopted: November 15, 2001

Revised: March 15, 2018

Re: Statement of Administrative Policies and Procedures - Domestic Relations Matters

WHEREAS, the Board of Trustees ("Board") of the City of Ann Arbor Employees' Retirement System ("Retirement System") is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

WHEREAS, Public Act 46 of 1991, MCLA 38.1701 *et seq.* (the "EDRO Act") mandates that all public employee retirement systems must comply with Eligible Domestic Relations Orders ("EDRO's") issued pursuant to the domestic relations laws of the State of Michigan, and

WHEREAS, the Retirement System was recently amended to incorporate the terms and provisions of a money purchase plan for the purpose of providing funds for retirement to eligible City employees hired or rehired on or after January 1, 2017, and

WHEREAS, effective January 1, 2018, the Board is responsible for the administrative management and oversight of the City of Ann Arbor's 457 Deferred Compensation Plan (the "Deferred Compensation Plan"), and

WHEREAS, in light of the foregoing the Board of Trustees desires to restate its various policies and procedures with regards to the Retirement System's administration of all court orders, subpoenas and requests for information with regards to domestic relations proceedings, and

WHEREAS, the Board has discussed this matter with its legal counsel, therefore be it

RESOLVED, that the Board hereby adopts the following "Statement of Administrative Policies and Procedures Regarding Domestic Relations Matters":

I. PLAN OVERVIEW

The City of Ann Arbor Employees' Retirement System was established on May 27, 1968, and restated effective January 1, 2017, pursuant to Title I, Chapter 18 of the City of Ann Arbor Code of Ordinances, as amended (the "Retirement Ordinance"). The Retirement System is comprised of a defined benefit plan (the "Traditional Retirement Plan") and a defined contribution money purchase plan (the "Dual Retirement Plan"). The Retirement System is a qualified governmental plan pursuant to applicable provisions of the Internal Revenue Code.

The Traditional Retirement Plan is currently governed by the Retirement Ordinance provisions, applicable collective bargaining agreements, and applicable state and federal laws. The Dual Retirement Plan is governed by the Retirement Ordinance provisions, money purchase plan document, applicable collective bargaining agreements, and applicable state and federal laws. The Board has retained ICMA-RC to administer the Dual Retirement Plan. These procedures have incorporated ICMA's Qualified Domestic Relations Order (QDRO) procedures where applicable.

The Deferred Compensation Plan is currently governed by the plan provisions, applicable collective bargaining agreements, and applicable state and federal law. The Board has retained ICMA-RC to administer the Deferred Compensation Plan. Accordingly, ICMA-RC receives and administers all QDROs related to the Deferred Compensation Plan in accordance with its QDRO Procedures. These procedures have incorporated ICMA's QDRO procedures where applicable.

II. MODEL EDRO, DRO & QDRO

The Board has approved the availability of model EDROs, DROs, and a QDRO for use by its members and beneficiaries. The model EDROs, DROs and QDRO are forms only. The parties and/or their attorneys must conduct their own research and investigation of the plan provisions and applicable law, including but not limited to the EDRO Act, to determine which type of order and provisions are appropriate under the circumstances. A copy of the model EDROs and DROs are available from the Retirement office. [Form DRO-1A (Traditional Retirement Plan active employee), DRO-1B (Dual Retirement Plan active employee), DRO-1C (current retiree), and DRO-1D (Deferred Compensation Plan)]. A copy of the model QDRO is available from the 457 Plan's Third Party Administrator ("TPA"), ICMA-RC.

III. REQUESTS FOR INFORMATION

The Board respects an individual member's right to privacy and strictly interprets the Freedom of Information Act as to the release of a member's retirement data to third parties. Requests by third parties for personal retirement data must be accompanied by a signed waiver or a court entered order or attorney-issued subpoena.

IV. PROPOSED ORDERS

The parties to a domestic relations proceeding (e.g. divorce) are encouraged to forward their proposed EDRO, DRO, or QDRO, or other applicable order to the Board for review prior to entry of the order with the court. The Board, through its legal counsel, will review the proposed order for compliance with plan provisions and applicable law. Comments and/or required amendments or additions will be forwarded to the parties. **While the Board's legal counsel may offer pre-approval of a proposed QDRO, ICMA-RC will be solely responsible for determining if the parties' QDRO meets the Deferred Compensation Plan's requirements.**

V. COSTS

A. Policy Statement:

The Retirement System is frequently presented with requests, court judgments and/or court orders which require the providing of estimates and/or calculations with respect to proposed or actual court judgments or domestic relations orders, including proposed or actual Eligible Domestic Relations Orders pursuant to Public Act 46 of 1991 of the State of Michigan statutes (MCL 38.1701, et seq.). The EDRO Act requires the Board to establish a reasonable procedure to determine if a domestic relations order qualifies as an Eligible Domestic Relation Order under the EDRO Act. The Board has adopted this procedure to implement the requirements of the EDRO Act, which procedure necessarily includes the involvement of professional advisors due to the legal and actuarial issues inherently involved. Despite the increased costs to the Retirement System and the taxpayers of the City of Ann Arbor imposed by the enactment of domestic relations legislation, the Legislature has not provided funding to administer the legal and actuarial mandates imposed by said legislation. The Board is vested with the fiduciary responsibility and authority for the general administration and management of the Retirement System. The Board is of the opinion that the costs for providing estimates and calculations is not the responsibility of the Retirement System, but is the responsibility of the parties to the domestic relations proceeding. Additionally, please note that ICMA-RC charges the parties a processing fee for all QDROs pertaining to the Deferred Compensation Plan.

B. Cost Allocation:

The parties are encouraged to address each party's share or percentage of responsibility for payment of actuarial costs within the terms of their respective EDRO, DRO, QDRO, or other court order which requests and/or requires actuarial calculations. A Fee Payment Agreement [Form DRO-7] is available for use by the parties which upon completion should be forwarded to the Board. In the absence of a signed payment agreement or specific terms in the EDRO, DRO, or QDRO, the Board of Trustees when calculating benefits pursuant to the terms of an order, shall split (50/50) the actuarial costs between the party or parties to the order. The party requesting an estimate or other actuarial calculations prior to entry of an order shall otherwise be responsible for the corresponding costs.

C. Payment:

Any domestic relations order or request for calculation submitted to the Retirement System shall be subject to reimbursement of the Retirement System's actuarial fees and costs associated therewith. The relevant party or parties shall tender such amounts as may be required upon billing by the Retirement System. In the event such costs are not paid by either or both parties to the domestic relations proceeding, the applicable costs, plus interest at the Retirement System's actuarially assumed rate, shall be

deducted from the respective party's benefit at such time as benefits become payable from the Retirement System.

D. Upon receipt of an entered domestic relations order, the Board shall follow the procedures outlined in Section VI. The actuarial costs directly attributable for actuarial review and certification (i.e., that the EDRO does not increase plan costs) are the responsibility of both parties. If the parties request or circumstances dictate (i.e. participant or alternate payee commencing benefits immediately) an immediate actuarial calculation of benefits, including estimates, said costs are also the responsibility of the parties. In the event said cost is not paid by either or both parties to the domestic relations proceedings, the applicable costs, plus interest at the Plan's actuarially assumed rate, shall be deducted from the party's benefits at such time as benefits become payable by the Plan.

E. Upon the participant's retirement, the Board will pay the normal actuarial costs for determining the amounts otherwise payable to the participant (i.e., the amount for calculation of the participant's straight life benefit and applicable options). Any additional actuarial costs for calculations required pursuant to the terms of the EDRO, DRO, or QDRO will be the responsibility of the parties.

VI. ENTERED ORDERS

A. Upon receipt of a judgment or order purporting to be an EDRO or a DRO, the Board is required to acknowledge receipt of said judgment or order.

B. The Board will notify the parties who will be affected by such order (the plan participant, the alternate payee and legal counsel for said parties) and inform them that the Board will proceed with a determination as to whether the order is an effective Eligible Domestic Relations Order within 60 days after receipt of the order. An "Acknowledgment of Receipt of Judgment or Order Purporting to be an Eligible Domestic Relations Order" form letter will be completed by the Board and forwarded to the parties. [Form DRO-2]

a)The Executive Director shall forward a copy of the order and other appropriate information to the Board's legal counsel for review as to whether the order complies with the plan's provisions and applicable law. [Form DRO-3]

b)Upon review, the Board's legal counsel will prepare and forward correspondence and/or proposed resolutions as may be applicable for forwarding to the Board and/or parties. Legal counsel will forward its opinion to the Board as to compliance of the order with applicable law and plan provisions. [Form DRO-4]. If the order does not meet the requirements of the EDRO Act or the applicable plan provisions, the Board's legal counsel will promptly notify

the parties of the deficiencies and the Participant's retirement allowance effective date shall be stayed and payments shall not commence for sixty (60) days, during which time the parties may submit an amended domestic relations order that qualifies as an EDRO.

c)After the Board's legal counsel opines that the order complies with applicable law and plan provisions, a copy of the order will be forwarded by the Executive Director to the Board's actuary for review and certification (i.e., that the EDRO does not increase plan costs). [Form DRO-5] Said review and certification will be forwarded by the actuary to the Board. Please note: The parties will be responsible for all actuarial costs and must comply with the provisions regarding costs in Section V.

d)Upon receipt of (a) the opinion of its legal counsel, and (b) review and certification from its actuary, the Board will adopt a resolution acknowledging receipt of an entered order which complies with plan provisions and applicable law. A copy of this resolution will be forwarded to the parties and their attorneys. A copy of the approved order will be placed in the participant's Retirement System file and forwarded to ICMA-RC for administration of any applicable Dual Retirement Plan benefits.

e)The Executive Director will thereafter request computation of any required payroll data and service credit and complete the EDRO Information form for inclusion in the participant's Retirement System file [Form DRO-6].

C. Upon receipt of an entered QDRO, the following will occur pursuant to ICMA-RC's QDRO Procedures:

a) The Board will forward any entered QDRO it receives directly to ICMA-RC.

b) ICMA-RC will freeze the Participant's Deferred Compensation Plan account. The Participant will be able to change his/her investment elections. However, the Participant will not be able to take in-service withdrawals, or any other distributions from his/her account. Once a QDRO has been determined to be qualified and an account has been established for the Alternate Payee under the QDRO, the account freeze will be automatically removed.

c) Prior to the transfer of assets, a separate account will be established in the Alternate Payee's name for each account assigned. ICMA-RC will provide notice of the establishment of each account before the transfer of assets.

Upon transfer of the assets, ICMA-RC will send confirmation to the parties.

d) Benefit payments cannot be distributed to either party while the QDRO is pending qualification. A party may dispute ICMA-RC's determination by delivering written objections to ICMA-RC. If there is a dispute of the determination, ICMA-RC will freeze both accounts, to the extent that each account has been established and funded. During such a freeze, both parties will be able to direct their investments, but will not be allowed to withdraw funds. Upon resolution of the dispute, the freeze will be lifted.

e) If ICMA-RC determines that the order does not qualify as a QDRO, ICMA-RC will notify the parties in writing of the determination. The notice will include the reasons for such determination.

f) Any beneficiary designations that the parties wish to change must do so through ICMA-RC's standard process for beneficiary changes. Beneficiary changes referenced in a QDRO or a Judgment of Divorce will not be recognized by ICMA-RC.

VII. REQUEST FOR BENEFIT ESTIMATES AND/OR CALCULATIONS

A. In cases where a member or retiree of the Retirement System or their respective spouse or alternate payee seeks actuarial information concerning the retirement allowance of a member or retiree, such estimates may be obtained from the Retirement System's Executive Director. In the event the Retirement System's Executive Director does not have access to the requested information, the Board has no objection to the actuary providing the information provided:

1. The member or retiree, or their respective spouse or alternate payee, directly contacts the actuary:

[Name]
[Address]
[City, State, Zip]
Attn:

2. The Board and the Board's legal counsel (VanOverbeke, Michaud & Timmony, P.C.) shall be sent a copy of all correspondence between (a) the member or retiree; (b) their respective spouse or alternate payee; or (c) their legal counsel and the Board's Actuary.

3. The Retirement System shall be reimbursed for all costs associated with the request by the party or parties requesting the actuarial calculation in compliance with Section V. In the absence of a signed Fee Payment Agreement [Form DRO-7] or specific terms in the EDRO, the Board shall split (50/50) the actuarial costs between the parties to the order.

IX. ALTERNATE PAYEES COMMENCEMENT OF BENEFITS

- A. Upon receipt and approval of an EDRO or other appropriate order, the Board resolves to put a copy in the participant's file. The Board does not notify alternate payee of their eligibility to commence receipt of benefits until such time as the participant files application for retirement. If it is the intent of the alternate payee to commence receipt of benefits at the participant's earliest retirement date, the alternate payee must keep track of that date and make application to the retirement system as appropriate.
- B. An alternate payee must make application not less than 30 and not more than 90 days prior to their intended benefit commencement date.

Alternate payees must make formal application for commencement of benefits by completion and submission of the Application for Retirement Benefits pursuant to Domestic Relations Order. [Form DRO-8]

FURTHER RESOLVED, that a copy of this resolution shall be provided to the Board's actuary and legal counsel, and

FURTHER RESOLVED, that a copy of this resolution shall be provided to the parties and attorney involved in domestic relations proceedings involving Retirement System benefits.



Wendy Orcutt, Executive Director
City of Ann Arbor Employees' Retirement System

March 15, 2019
Date

**USING THE CITY OF ANN ARBOR
EMPLOYEES RETIREMENT SYSTEM
MODEL EDROs/DROs/QDRO**

BACKGROUND

The Board of Trustees of the City of Ann Arbor Employees Retirement System (the “Retirement Board”) has developed four model orders for use with dividing amounts payable from the City of Ann Arbor Employees’ Retirement System (the “Retirement System”) and the City of Ann Arbor 457 Deferred Compensation Plan (the “Deferred Compensation Plan”).

The model orders are intended to cover the most common scenarios and are designed to be flexible within the constraints of the Eligible Domestic Relations Order Act, Public Act 46 of 1991, as amended (MCL 38.1701 et seq.) (the “EDRO Act”), and the provisions of the Retirement System. The Retirement Board realizes that the model orders do not cover every possible scenario and are only intended to provide the parties to a domestic relations proceeding with a framework for preparing any necessary domestic relations orders.

Submitted orders, which follow a model order *exactly*, will very likely be approved quickly and without required modification. Orders that depart from the models will necessitate detailed review, possibly including submissions to the actuary and the Retirement System legal counsel. This review process will likely be lengthier and result in higher processing fees for which the parties will be responsible.

REVIEWING THE MODEL EDROS

Comments are shown inside braces “{ }” and should not be included in the applicable order.

Text in brackets “[]” is either optional or gives a choice of two possibilities, for example [Plaintiff/Defendant]. Include only the applicable text.

1. Four main types of orders are provided:
 - a. Form DRO-1A - an EDRO which is applicable to active employees that are Members of the Traditional Retirement Plan;
 - b. Form DRO-1B - an EDRO which is applicable to active employees that are Dual Retirement Plan Members;
 - c. Form DRO-1C - a DRO which is applicable to those retirees that are in receipt of retirement benefits from the Retirement System; and
 - d. Form DRO-1D - a QDRO which is applicable to those participants in the Deferred Compensation Plan.
2. The Model Orders include alternate provisions which are designated as such. Include only the alternate provision that is/are appropriate to the case at hand.
3. Optional paragraphs are marked as such in the left margin of the page. Include only if appropriate.
4. Language selected in alternate and optional provisions must be drafted to be consistent with each other.

The EDRO Act requires that if the alternate payee begins to receive payments before the participant's employment terminates, the payments to the alternate payee will be adjusted. MCL 38.1705. You may refer to the adjustment in your order.

Paragraph 5(d) of Forms DRO 1-A & DRO 1-B will indicate how the benefits to the alternate payee are to be paid from the Traditional Retirement Plan. The choices include (a) a benefit paid during the life of the participant, (b) a benefit paid during the life of the alternate payee and (c) a benefit paid as a joint and survivor annuity with the participant. All retirement allowances that are paid on an optional joint and survivor basis are reduced from the full retirement allowance amount. Paragraph 5(c) Alt. 3 refers to the allocation percentage in Paragraph 5(a) to indicate how the reduced retirement allowance is to be allocated while both parties are alive.

The EDRO Act specifies that an EDRO shall not require a plan to pay benefits of greater value than the benefits that would have been paid had the divorce not occurred. Similarly, the plan does not intend to "profit" from paying benefits of a lesser value. Therefore, the payments described by a domestic relations order will often require an adjustment to keep the value of the payments equal to the value before the order was issued. Typically, an adjustment is necessary to convert from a retirement allowance payable over the participant's lifetime to a retirement allowance payable over the alternate payee's lifetime. Paragraph 5(d) of Forms DRO 1-A & DRO 1-B specifies an adjustment to the alternate payee's or participant's (or both) benefit in order to ensure that the value of the accrued retirement allowance is allocated in accordance with the percentage entered in paragraph 5(a).

OTHER COMMENTS

The final order will allocate the participant's retirement allowance between the parties to the domestic relations matter. If, for some reason, the Retirement System has no obligation to pay a retirement allowance to the participant, there can be no retirement allowance allocated to the alternate payee. Possible causes of a forfeiture would include termination of covered employment before the retirement allowance becomes vested or death of the participant before satisfying the eligibility conditions for a pre-retirement survivor benefit. If the participant dies before benefits are payable to the alternate payee, the alternate payee will receive a retirement allowance only if optional paragraph 5(h) has been included and the participant had satisfied the eligibility conditions for the payment of a survivor benefit.

The City of Ann Arbor Employees Retirement System does not allow an Alternate Payee to convert his/her lifetime benefit to an optional form of payment, such as a lump sum distribution or a joint and survivor benefit.

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF _____

Plaintiff

Case No: _____

vs.

Hon: _____

Defendant

_____ /

P _____

Attorney for Plaintiff

{Address} _____

{Phone#} _____

P _____

Attorney for Plaintiff

{Address} _____

{Phone#} _____

ELIGIBLE DOMESTIC RELATIONS ORDER

At a session of said court, held in the Courthouse,
City of _____, County of _____,
State of Michigan, on the _____ day of _____, 20____.

PRESENT: HON. _____
CIRCUIT COURT JUDGE

This Order is intended to serve as an Eligible Domestic Relations Order ("EDRO") by which [Plaintiff/Defendant], _____ assigns, a portion of [his/her] retirement benefits, under the retirement system specified below, to the [Plaintiff/Defendant], in accordance with the Eligible Domestic Relations Order Act (Public Act 46 of 1991 - MCL 38.1701-38.1711) and the City of Ann Arbor Employees Retirement System. [It is intended that this Order be incorporated in the Judgment of Divorce entered _____, 20____, and made a part thereof].

1. The retirement system (the "Plan") subject to this Order is as follows:

City of Ann Arbor Employees Retirement System
532 S. Maple Rd.
Ann Arbor, Michigan 48103
Attn: Retirement System Executive Director

The plan is a Defined Benefit Plan.

2. The Participant is the [Plaintiff/Defendant]. The Participant's Social Security Number, Date of Birth and last known address will be provided under a separate attachment that is not to be made part of the public record.

3. The Alternate Payee is the [Plaintiff/Defendant] The Alternate Payee's Social Security Number, Date of Birth and last known address will be provided under a separate attachment that is not to be made part of the public record.

4. The Participant and the Alternate Payee were married on _____, _____, and were [divorced/separated] on _____, _____.

5. The Participant assigns to the Alternate Payee a portion of [his/her] benefits from the Plan and the Plan will pay benefits to the Alternate Payee according to the following terms and conditions:

(a) **SELECT:**

Alt. 1 It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Defined Benefit Plan of _____% of the amount of the Participant's retirement allowance, including a prorata share of any guaranteed automatic annual benefit increases, which has accrued as of _____, _____, which percentage takes into consideration the years of service, if any, that were accrued prior to the date of marriage.

OR

Alt. 2 It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Plan of \$_____, including a prorata share of any guaranteed automatic annual benefit increases.

Optional

(b) It is the parties intention and the order of this Court that the Alternate Payee receive a distribution from the Annuity Savings Fund of [\$_____/_____%] of the Participant's account balance which has accrued as of _____, _____, including a prorata share of any annual adjustments made after _____, _____ to reflect gains or losses allocated to the account, which percentage takes

into consideration the years of service, if any, that were accrued prior to the date of marriage.

- (c) Payments to the Alternate Payee shall commence

SELECT:

Alt. 1 when the Participant begins to receive benefits under the Plan.

OR

Alt. 2 as selected by the Alternate Payee at any time beginning when the Participant reaches the earliest retirement date as defined in Section 2(d) of the Eligible Domestic Relations Order Act (PA 46 of 1991).

- (d) Payments to the Alternate Payee for that portion of the retirement allowance which is being divided in Paragraph 5(a) will be made

SELECT:

Alt. 1 during the life of the Alternate Payee and shall end upon the death of the Alternate Payee.

OR

Alt. 2 during the life of the Participant and shall end upon the death of the Participant.

OR

Alt. 3 under the Plan's Option [I, II, III, IV or V]. The Participant shall designate the Alternate Payee as beneficiary of the Option [I, II, III, IV or V] allowance. While both parties are alive, the Plan shall pay the Alternate Payee [Alt. 1: ____%/Alt. 2 \$ ____] of the Option [I, II, III, IV or V] retirement allowance. After the Participant's death, if the Alternate Payee is alive, payments to the Alternate Payee, if any, shall continue in accordance with the optional form of benefit elected. After the Alternate Payee's death, if the Participant is alive, the entire reduced Option [I, II, III, IV, or V] retirement allowance shall be paid to the Participant.

- (e) If the provisions of paragraphs 5(c) and 5(d) above would require the Plan to provide increased benefits compared to the benefits the Plan would have paid had the divorce not occurred, determined on the basis of actuarial equivalent values, due to differences in life expectancies of the Participant and the Alternate Payee, the increased value shall be eliminated through adjustments to the benefits otherwise payable to

SELECT:

Alt. 1 the Alternate Payee.

OR

Alt. 2 the Participant.

- Optional** (f) If the Plan pays any post-retirement cost of living benefit increase (i.e., non-guaranteed annual increases, supplemental payments/13th checks, one-time increases) on the benefits being paid from the Plan, the Alternate Payee shall receive a share of each such increase that is paid after the later of the date this Order is determined by the Plan Administrator to be an EDRO, and the date when the Participant begins to receive benefits under the Plan. The Alternate Payee's share of each such increase will be in proportion to the amount of the Participant's retirement allowance that is awarded the Alternate Payee under Paragraph 5(a).
- (g) If the Alternate Payee predeceases the Participant prior to the commencement of benefits to the Alternate Payee under this Order, the Alternate Payee's interest in the Plan shall revert back to the Participant.
- Optional** (h) The Participant shall designate the Alternate Payee as the surviving spouse for all purposes under the Plan for that portion of the retirement allowance which is being divided in Paragraph 5(a).
- (i) The Alternate Payee shall include in [his/her] gross income, for the tax year of receipt, all retirement benefit distributions that [he/she] receives pursuant to the Participant's assignment of benefits under this EDRO; and, accordingly, the Participant shall not include such benefit distributions in [his/her] gross income. The Alternate Payee shall be treated as the sole distributee under IRC Sections 72 and 402 of any payment or distribution that is made to [him/her] under the Participant's assignment of benefits under this EDRO.
- (j) The Participant and the Alternate Payee agree to share any additional actuarial costs incurred by the Plan due to this Order or the benefit election by the Alternate Payee under this Order. The Alternate Payee's share of said costs shall be in proportion to [his/her] share of the Participant's total retirement allowance awarded to the Alternate Payee under Paragraph 5(a).

6. This assignment of benefits shall not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan. This assignment shall not require the Plan to provide increased benefits, determined on the basis of actuarial equivalent values. This assignment shall not require the Plan to provide benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined to be an EDRO, or as otherwise provided by Section 11 of the Eligible Domestic Relations Order Act (Public Act 46 of 1991).

7. The Participant, the Alternate Payee and the Court intend this Order to be an EDRO under the Eligible Domestic Relations Order Act (Public Act 46 of 1991), the Plan and related legislation.

8. The parties agree that their mutual intent is to provide the Alternate Payee with a retirement payment that fairly represents what they have agreed to be the Alternate Payee's marital share of the Participant's accrued retirement benefit as defined in Paragraphs 5(a). In the event the administrator of the Plan determines this Order not to be an EDRO satisfactory to the Plan, the Participant and Alternate Payee hereby agree to submit to and request a court of competent jurisdiction to modify the Order to make it an EDRO satisfactory to the Plan in such a manner that will reflect the parties' intent as herein expressed and thereafter to enter an order modifying this Order, said modification order to be entered nunc pro tunc, if appropriate, so as to comply with Public Act 46 of 1991, the Plan and related legislation.

Circuit Court Judge

Approved as to form:

Attorney for Plaintiff

P _____ Date

Attorney for Defendant

P _____ Date

- Distribution of copies:
- Original to Circuit Court Clerk
 - Certified copy to Plan Administrator

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF _____

Plaintiff

Case No: _____

vs.

Hon: _____

Defendant

/

P

Attorney for Plaintiff

{Address} _____

{Phone#} _____

P

Attorney for Plaintiff

{Address} _____

{Phone#} _____

ELIGIBLE DOMESTIC RELATIONS ORDER

At a session of said court, held in the Courthouse,
City of _____, County of _____,
State of Michigan, on the _____ day of _____, 20____.

PRESENT: HON. _____
CIRCUIT COURT JUDGE

This Order is intended to serve as an Eligible Domestic Relations Order ("EDRO") by which [Plaintiff/Defendant], _____ assigns, a portion of [his/her] retirement benefits, under the retirement system specified below, to the [Plaintiff/Defendant], in accordance with the Eligible Domestic Relations Order Act (Public Act 46 of 1991 - MCL 38.1701-38.1711) and the City of Ann Arbor Employees Retirement System. [It is intended that this Order be incorporated in the Judgment of Divorce entered _____, 20____, and made a part thereof].

1. The retirement system (the "Plan") subject to this Order is as follows:

City of Ann Arbor Employees Retirement System
532 S. Maple Rd.
Ann Arbor, Michigan 48103
Attn: Retirement System Executive Director

The Plan consists of a Defined Benefit Plan and a Defined Contribution Plan.

2. The Participant is the [Plaintiff/Defendant]. The Participant's Social Security Number, Date of Birth and last known address will be provided under a separate attachment that is not to be made part of the public record.

3. The Alternate Payee is the [Plaintiff/Defendant] The Alternate Payee's Social Security Number, Date of Birth and last known address will be provided under a separate attachment that is not to be made part of the public record.

4. The Participant and the Alternate Payee were married on _____, _____, and were [divorced/separated] on _____, _____.

5. The Participant assigns to the Alternate Payee a portion of [his/her] benefits from the Defined Benefit Plan ("DB Plan") and the DB Plan will pay benefits to the Alternate Payee according to the following terms and conditions:

(a) **SELECT:**

Alt. 1 It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Defined Benefit Plan of _____% of the amount of the Participant's retirement allowance, including a prorata share of any guaranteed automatic annual benefit increases, which has accrued as of _____, _____, which percentage [does / does not] take into consideration the years of service, if any, that were accrued prior to the date of marriage.

OR

Alt. 2 It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Defined Benefit Plan of \$_____, including a prorata share of any guaranteed automatic annual benefit increases.

Optional (b) It is the parties intention and the order of this Court that the Alternate Payee receive a distribution from the Annuity Savings Fund of [_____% / \$_____] of the Participant's account balance which has accrued as of _____, _____, including a prorata share of any annual adjustments made after _____,

_____ to reflect gains or losses allocated to the account, which percentage takes into consideration the years of service, if any, that were accrued prior to the date of marriage.

- (c) Payments to the Alternate Payee shall commence

SELECT:

Alt. 1 when the Participant begins to receive benefits under the Plan.

OR

Alt. 2 as selected by the Alternate Payee at any time beginning when the Participant reaches the earliest retirement date as defined in Section 2(d) of the Eligible Domestic Relations Order Act (PA 46 of 1991).

- (d) Payments to the Alternate Payee for that portion of the retirement allowance which is being divided in Paragraph 5(a) will be made

SELECT:

Alt. 1 during the life of the Alternate Payee and shall end upon the death of the Alternate Payee.

OR

Alt. 2 during the life of the Participant and shall end upon the death of the Participant.

OR

Alt. 3 under the Plan's Option [I, II, III, IV, or V]. The Participant shall designate the Alternate Payee as beneficiary of the Option [I, II, III, or IV] allowance. While both parties are alive, the Plan shall pay the Alternate Payee [Alt. 1: _____%/Alt. 2 \$ _____] of the Option [I, II, III, IV, or V] retirement allowance. After the Participant's death, if the Alternate Payee is alive, payments to the the Alternate Payee, if any, shall continue in accordance with the optional form of benefit elected. After the Alternate Payee's death, if the Participant is alive, the entire Option [I, II, III, IV, or V] retirement allowance shall be paid to the Participant.

- (e) If the provisions of paragraphs 5(c) and 5(d) above would require the Plan to provide increased benefits compared to the benefits the Plan would have paid had the divorce not occurred, determined on the basis of actuarial equivalent values, due to differences in life expectancies of the Participant and the Alternate Payee, the increased value shall be eliminated through adjustments to the benefits otherwise

payable to

SELECT:

Alt. 1 the Alternate Payee.

OR

Alt. 2 the Participant.

- Optional** [(f) If the Plan pays any post-retirement cost of living benefit increase (i.e., non-guaranteed annual increases, supplemental payments/13th checks, one-time increases) on the benefits being paid from the DB Plan, the Alternate Payee shall receive a share of each such increase that is paid after the later of the date this Order is determined by the Plan Administrator to be an EDRO, and the date when the Participant begins to receive benefits under the Plan. The Alternate Payee's share of each such increase will be in proportion to the amount of the Participant's retirement allowance that is awarded the Alternate Payee under Paragraph 5(a).]
- [(g) If the Alternate Payee predeceases the Participant prior to the commencement of benefits to the Alternate Payee under this Order, the Alternate Payee's interest in the DB Plan shall revert back to the Participant.]
- Optional** [(h) The Participant shall designate the Alternate Payee as the surviving spouse for all purposes under the DB Plan for that portion of the retirement allowance which is being divided in Paragraph 5(a).]

6. It is the parties' intention and the Order of this Court that the Alternate Payee receive a benefit from the Defined Contribution Plan ("DC Plan") and the DC Plan will pay benefits to the Alternate Payee according to the following terms and conditions:

(a) **SELECT:**

Alt. 1 _____ Percent (____%) of the Participant's total account balance accumulated under the DC Plan as of [Division Date] (or the closest valuation date thereto).

OR

Alt. 2 \$ _____ of the Participant's total account balance accumulated under the DC Plan as of [Division Date] (or the closest valuation date thereto).

OR

Alt. 3 _____ Percent (____%) of the contributions made to the DC Plan on behalf of the Participant from [START DATE] to [DIVISION DATE] (or the closest valuation date thereto). Any contributions made prior to [START

DATE] or after [DIVISION DATE] shall remain the property of the Participant, as shall any gains and losses on such contributions.

(b) **SELECT:**

Alt. 1 Payment to the Alternate Payee shall be adjusted for any investment gains and losses in accordance with the provisions of the DC Plan for the period between [DATE] and the date of transfer of assets to the Alternate Payee hereunder.

OR

Alt. 2 No gains or losses are to be applied to the assigned assets.

- (c) As soon as administratively feasible after the date of this order, the DC Plan shall transfer the Alternate Payee's share to a separate account under the DC Plan in the Alternate Payee's name. The portion of the Participant's Account Balance assigned to the Alternate Payee shall be based on proportionate shares of each asset type that comprises the Account Balance at the date of account segregation. After transfer the Alternate Payee shall have the right to direct investment of the Alternate Payee's separate account.
- (d) Payments to the Alternate Payee for that portion of the Participant's account balance which is being divided in Paragraph 6(a) will be made upon the Alternate Payee's commencement of benefits in the form of a total lump sum distribution to the Alternate Payee or a lump sum direct rollover to another qualified plan to the extent allowed by federal law and in accordance with the DC Plan's rollover procedures.
- (e) The Alternate Payee shall be designated as the Participant's beneficiary for that portion of the benefits which are awarded to [him/her] pursuant to Paragraph 6(a).
- (f) Alternate Payee shall receive distribution of the balance in the Alternate Payee's separate account from the DC Plan at the earliest possible time after the Participant has become eligible for disbursement. Alternate Payee understands that disbursement must be requested through the same process as any other participant must request disbursement of an account and that certain paperwork must be completed prior to disbursement taking place.
- (g) Except to the extent of any portion of the Participant's account balance that is assigned to the Alternate Payee under this Order or assigned to the Alternate Payee or another alternate payee under any other DRO, the non-assigned portion of the Participant's Account Balance in the Plan shall remain the sole and separate interest of the Participant.
- (h) If the Plan provides a choice of investment options to participants, and distribution to the Alternate Payee is deferred, then

SELECT:

Alt. 1 the Alternate Payee may elect, on the appropriate form provided by the Plan Administrator, the manner in which [his/her] interest under the DC Plan is to be invested. The investment options available to the Alternate Payee will be the same investment options available to the Participant under the DC Plan.

OR

Alt. 2 the Alternate Payee's interest will be invested pursuant to the Participant's investment elections then in effect.

- (i) If the Alternate Payee predeceases the Participant prior to the transfer of benefits to the Alternate Payee under this Order, the Alternate Payee's interest in the DC Plan shall

SELECT:

Alt. 1 revert to the Participant.

OR

Alt. 2 shall be paid at the earliest date permitted by the DC Plan to the beneficiary designated by the Alternate Payee, if any and if permitted by the DC Plan; otherwise to the Alternate Payee's estate.

7. The Alternate Payee shall include in [his/her] gross income, for the tax year of receipt, all retirement benefit distributions that [he/she] receives pursuant to the Participant's assignment of benefits under this EDRO; and, accordingly, the Participant shall not include such benefit distributions in [his/her] gross income. The Alternate Payee shall be treated as the sole distributee under IRC Sections 72 and 402 of any payment or distribution that is made to [him/her] under the Participant's assignment of benefits under this EDRO.

8. The Participant and the Alternate Payee agree to share any additional actuarial costs incurred by the Plan due to this Order or the benefit election by the Alternate Payee under this Order. The Alternate Payee's share of said costs shall be in proportion to [his/her] share of the Participant's total retirement allowance awarded to the Alternate Payee under Paragraph 5(a).

9. This assignment of benefits shall not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan. This assignment shall not require the Plan to provide increased benefits, determined on the basis of actuarial equivalent values. This assignment shall not require the Plan to provide benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined to be an EDRO, or as otherwise provided by Section 11 of the Eligible Domestic Relations Order Act (Public Act 46 of 1991).

10. The Participant, the Alternate Payee and the Court intend this Order to be an EDRO under

the Eligible Domestic Relations Order Act (Public Act 46 of 1991), the Plan and related legislation.

11. The parties agree that their mutual intent is to provide the Alternate Payee with a retirement payment that fairly represents what they have agreed to be the Alternate Payee's marital share of the Participant's accrued retirement benefit as defined in Paragraphs 5(a). In the event the administrator of the Plan determines this Order not to be an EDRO satisfactory to the Plan, the Participant and Alternate Payee hereby agree to submit to and request a court of competent jurisdiction to modify the Order to make it an EDRO satisfactory to the Plan in such a manner that will reflect the parties' intent as herein expressed and thereafter to enter an order modifying this Order, said modification order to be entered nunc pro tunc, if appropriate, so as to comply with Public Act 46 of 1991, the Plan and related legislation.

Circuit Court Judge

Approved as to form:

Attorney for Plaintiff P _____ Date

Attorney for Defendant P _____ Date

Distribution of copies:

- Original to Circuit Court Clerk
- Certified copy to Plan Administrator

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF _____

Plaintiff

Case No: _____

vs.

Hon: _____

Defendant

_____/

P _____

Attorney for Plaintiff
{Address} _____

{Phone#} _____

P _____

Attorney for Plaintiff
{Address} _____

{Phone#} _____

_____/

DOMESTIC RELATIONS ORDER

At a session of said court, held in the Courthouse,
City of _____, County of _____,
State of Michigan, on the _____ day of _____,
20____.

PRESENT: HON. _____
CIRCUIT COURT JUDGE

This Order is intended to serve as a Domestic Relations Order ("DRO") by which [Plaintiff/Defendant], _____ assigns, a portion of [his/her] retirement benefits, under the City of Ann Arbor Employees' Retirement System, to the [Plaintiff/Defendant], _____, in accordance with the Public Employee Retirement Benefit Protection Act (Public Act 100 of 2002 - MCL 38.1684(2)) and the Support and Parenting Time Enforcement Act (Public Act 295 of 1982 - MCL 552.601 et seq.). It is intended that this Order be incorporated in the Judgment of Divorce entered _____, 20____, and made a part thereof.

- 1. The retirement system (the "Plan") subject to this Order is as follows:

City of Ann Arbor Employees Retirement System

532 S. Maple Rd.
Ann Arbor, Michigan 48103
Attn: Retirement System Executive Director

- 2. The Participant is the [Plaintiff/Defendant]. The Participant’s Social Security Number, Date of Birth and last known address will be provided under a separate attachment that is not to be made part of the public record.
- 3. The Alternate Payee is the [Plaintiff/Defendant] The Alternate Payee’s Social Security Number, Date of Birth and last known address will be provided under a separate attachment that is not to be made part of the public record. The Alternate Payee shall be required to notify the Plan Administrator in writing of any changes to [his/her] mailing address subsequent to the entry of this order.
- 4. The Participant and the Alternate Payee were married on _____, _____, and were [divorced/separated] on _____, _____.
- 5. The Participant’s date of employment was _____, and [his/her] effective date of retirement was _____.
- 6. The Participant assigns to the Alternate Payee a portion of [his/her] benefits from the Defined Benefit Plan and the Plan will pay benefits to the Alternate Payee according to the following terms and conditions:

(a) It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Defined Benefit Plan of ____% / \$_____ of the Participant's monthly retirement allowance, including a prorata share of any guaranteed automatic annual benefit increases, which has accrued as of _____, 20____, which percentage takes into consideration the years of service, if any, that were accrued prior to the date of marriage. At the time of the Participant's retirement the Participant elected:

SELECT:

Alt. 1 the Plan’s straight life benefit. Payment of benefits to the Alternate Payee will terminate upon the death of the Participant.

OR

Alt. 2 the Plan’s Option [I, II, III, IV, or V] form of benefit and named the Alternate Payee as his/her survivor beneficiary. Upon the death of the Participant, benefit payments shall continue to be paid to the Alternate Payee in accordance with the optional form of benefit elected. After the Alternate Payee’s death, if the Participant is alive, the entire Option [I, II, III, IV, or V] benefit will be paid to the Participant.

- (b) It is the parties intention and the order of this Court that the Alternate Payee receive a distribution from the Defined Contribution Plan of _____% of the Participant's balance which has accrued as of _____, _____ a prorata share of any annual adjustments made after _____, _____ to reflect gains or losses allocated to the Defined Contribution Plan, which percentage takes into consideration the years of service, if any, that were accrued prior to the date of marriage.

{Note: Subparagraph (b) will only apply if the Participant has funds remaining in the Defined Contribution Plan at the time of divorce. If the Defined Contribution Plan funds were paid or otherwise distributed at the Participant's retirement, then subparagraph (b) is inapplicable and unnecessary.}

Optional

- (c) If the Plan pays any cost of living benefit increase (i.e., non-guaranteed annual increases, supplemental payments/13th checks, one-time increases) on the benefits being paid from the Plan after the date of this Order, the Alternate Payee shall receive a share of each such increase. The Alternate Payee's share of each such increase will be in proportion to the amount of the Participant's retirement allowance that is awarded the Alternate Payee under Paragraph 6(a).

- (d) The Alternate Payee shall include in [his/her] gross income, for the tax year of receipt, all retirement benefit distributions that [he/she] receives pursuant to the Participant's assignment of benefits under this EDRO; and, accordingly, the Participant shall not include such benefit distributions in [his/her] gross income. The Alternate Payee shall be treated as the sole distributee under IRC Sections 72 and 402 of any payment or distribution that is made to [him/her] under the Participant's assignment of benefits under this EDRO.

- (e) If the Alternate Payee predeceases the Participant, the Alternate Payee's interest in the Plan shall revert back to the Participant.

Optional

- (f) The Participant and the Alternate Payee agree to share any additional actuarial costs incurred by the Plan due to this Order or the benefit election by the Alternate Payee under this Order. The Alternate Payee's share of said costs shall be in proportion to [his/her] share of the Participant's total retirement allowance awarded to the Alternate Payee under Paragraph 5(a).

7. This assignment of benefits shall not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan. This assignment shall not require the Plan to provide increased benefits, determined on the basis of actuarial equivalent values. This assignment shall not require the Plan to provide benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined to be an EDRO, or as otherwise provided by Section 11 of the Eligible Domestic Relations Order Act (Public Act 46 of 1991).
8. The parties agree that their mutual intent is to provide the Alternate Payee with a retirement payment that fairly represents what they have agreed to be the Alternate Payee's marital share of the Participant's accrued retirement benefit. In the event the administrator of the

Plan determines this Order not to be an DRO satisfactory to the Plan, the Participant and Alternate Payee hereby agree to submit to and request a court of competent jurisdiction to modify the Order to make it an DRO satisfactory to the Plan in such a manner that will reflect the parties' intent as herein expressed and thereafter to enter an order modifying this Order, said modification order to be entered *nunc pro tunc*, if appropriate, so as to comply with the Plan and related legislation.

- 9. This Order is issued pursuant to the laws of the State of Michigan which relate to the provision of child support, alimony payments and marital property rights, as defined spouses and former spouses in actions for divorce.

Circuit Court Judge

Approved as to form:

Attorney for Plaintiff

P

Date

Attorney for Defendant

P

Date

Distribution of copies:

- Original to Circuit Court Clerk
- Certified copy to Plan Administrator

STIPULATION FOR DIVISION OF BENEFITS/QDRO

This Order is entered pursuant to the authority granted in the applicable domestic relations law of the state of: _____.

IT IS ORDERED AND ADJUDGED as follows:

I. For purposes of this Order, the following terms are defined as follows:

A. "Plan"¹ is the 401 457 Plan through Participant's Employment with _____, as may be amended from time to time, and any successor thereto, to which this Order applies.

B. "Participant" is²:

NAME: _____

SOCIAL SECURITY NUMBER: _____ - _____ - _____

ADDRESS: _____

C. "Alternate Payee" is:

NAME: _____

SOCIAL SECURITY NUMBER: _____ - _____ - _____

ADDRESS: _____

DATE OF BIRTH: _____ / _____ / _____ (MM/DD/YYYY)

D. The Alternate Payee has the following relationship to the Participant³:

Spouse

Former spouse

Child

Other Dependent: _____

E. As referred to herein, "Plan Administrator" is ICMA Retirement Corporation ("ICMA-RC") and may be contacted at:

ICMA-RC

777 North Capitol Street, NE

Suite 600

Washington, D.C. 20002-4240

Fax: 202-962-4601 or 202-682-6439

¹ If benefits under both a 401 and 457 Plan are being assigned, a separate order must be used for each plan. If the Participant has both a 401 and 457 plan account and this section is not completed, the order will not be accepted. If the Participant participates in more than one 401 Plan, the Plan number must also be included.

² Orders that do not contain the information requested in Section I.B. or I.C. will not be accepted unless a Private Information Form is also submitted at the same time that an order is presented to ICMA-RC.

³ Please check the appropriate box. If this section is not completed, and the relationship of the parties is not clear from the documentation provided, the Order will not be accepted.

II. The following provisions govern the assignment, management and distribution of the benefit awarded to the Alternate Payee under this Order.

- A. **Amount of Benefit Assigned to the Alternate Payee.** The Alternate Payee is awarded from the Participant's vested account under the Plan (select one⁴):
1. \$_____.
2. _____% of the Participant's account under the Plan determined as of the following date:
 ____ / ____ / ____ (MM/DD/YYYY).
- B. **Gains and Losses.** Payment shall be adjusted for any investment gains and losses in accordance with the provisions of the Plan for the following period (select one^{5,6}):
1. Between ____ / ____ / ____ (MM/DD/YYYY) and the date of transfer of assets to Alternate Payee's separate account.
2. No gains or losses are to be applied to the assigned assets.
- C. **Participant Loans.** If the Participant has an outstanding loan on the date the Order is reviewed to determine its qualification, then the balance of any Participant loan outstanding as of the date used to calculate the Alternate Payee's award shall be excluded when calculating the Alternate Payee's award.
- D. **Separate Account Established for the Alternate Payee.** The Plan Administrator is hereby instructed to establish a separate account under the Plan in the name of the Alternate Payee and in the amount of the benefit assigned to the Alternate Payee pursuant to II.A. above (adjusted for gains and losses pursuant to II.B. above). The amount assigned to the Alternate Payee will be taken from the Participant's vested account on a pro-rata basis from the Participant's investment elections in effect on the date the Alternate Payee's account is established ("set investment elections"). The Alternate Payee's account will continue to be invested in the default fund of the Employer unless the Alternate Payee has made a different selection, subject to subsequent change by the Alternate Payee. Set investment elections shall not include any outstanding Participant loan under the Plan and the repayment of any such loan shall remain the sole responsibility of the Participant. Set investment elections shall also not include any amounts included in a Participant's self-directed brokerage account, unless required to administer the Order. In such case, the Participant will be required to liquidate the appropriate amount from such self-directed brokerage account before the Order can be administered.
- E. **Investment Options.** Following the establishment of the Alternate Payee's account, if distribution to the Alternate Payee is deferred, the Alternate Payee may change the investment of his/her assigned benefit and invest said benefit in any of the investment options offered under the Plan
- F. **Form of Benefit Payment to Alternate Payee.** The Alternate Payee shall receive the benefit assigned on his/her behalf in accordance with one of the payment options available to the Participant in the Plan as selected by the Alternate Payee, provided, however, that under no circumstance may the Alternate Payee elect to receive a joint and survivor annuity and name a subsequent spouse as a joint annuitant. Alternate Payee will be provided with information concerning all available options.
- G. **Commencement of Benefit Payment to Alternate Payee.** The Alternate Payee may elect to commence distribution of the benefit assigned on his/her behalf at any time after the Plan Administrator has determined that the Order constitutes a Qualified Domestic Relations Order ("QDRO") within the meaning of Section 414(p) of the Internal Revenue Code of 1986, as amended ("Code"), by filing the proper distribution form with the Plan Administrator; provided, however, such date is not later than the "required beginning date" as set forth in Section 401(a)(9) of the Code and the regulations thereunder.

In no event will distribution be made to the Alternate Payee prior to the determination by the Plan Administrator that the Order constitutes a QDRO within the meaning of Section 414(p) of the Code and prior to receipt of the proper distribution form by the Plan Administrator.

⁴ Insert either a flat dollar amount or a whole percentage. If electing a percentage, also include the applicable date (mm/dd/yyyy). Valuation between inclusive dates of marriage is not acceptable and will cause the QDRO to be rejected.

⁵ Where a percentage is selected, and the Order does not specify any information in IIB, assignment shall be adjusted only for any gains and losses for the period between the date the order is signed by the court and the date of transfer to Alternate Payee's separate account.. Where a dollar amount is selected, no earnings or losses will accrue if not specified in Section IIB.

⁶ In the event that, on the date an account is established under the Plan for the Alternate Payee, due to market fluctuation, the Participant's vested account (less any outstanding loan) is less than the amount awarded to the Alternate Payee under the Order, then the Alternate Payee will instead receive the Participant's full vested account balance (less any outstanding loan) on such date

H. **Death of the Alternate Payee and/or the Participant.** The death of the Participant will not affect the payment of the benefit assigned to the Alternate Payee under this Order.

If the Alternate Payee dies before his/her interest has been distributed, the Alternate Payee's benefit, or remainder (if applicable), will be paid in a single lump sum cash payment to the beneficiary named by the Alternate Payee or, in the event the Alternate Payee does not make a valid beneficiary election, to the Alternate Payee's estate.

III. A fee of \$250.00 will be charged for the effectuation of the Order unless the Order is not for the distribution of marital property. This fee will be shared equally between the Participant and Alternate Payee (and reduce their respective account balances under the Plan) unless otherwise elected below.

Paid entirely from the Participant's Plan account balance after valuation of assignment to Alternate Payee

Paid entirely from the Alternate Payee's Plan account balance after valuation of Alternate Payee's share.

Allocated in the following manner: _____% from the Participant's account balance and _____% from the Alternate Payee's account balance after valuation of Alternate Payee's share.⁷

IV. The following provisions are made in accordance with Section 414(p)(3) of the Code:

A. This Order **does not** require the Plan to provide any type or form of benefit, or any option, not otherwise provided by the Plan.

B. This Order **does not** require the Plan to provide increased benefits (determined on the basis of actuarial value).

C. This Order **does not** require the payment of benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined to be a qualified domestic relations order.

V. This Stipulation and Order is intended to be QDRO, as defined in Code section 414(p). Within the restrictions of the Code and regulations thereunder, it is intended that the Participant and Alternate Payee shall have the maximum flexibility in receiving his/her respective portions of the benefits of the Plan.

In the event the Plan Administrator determines that the Order is not a QDRO, then each party shall cooperate and do all things necessary to modify the Order so that it may be deemed a QDRO by the Plan Administrator.

It is further ordered that the Court retains jurisdiction to amend or modify this Order so as to establish or maintain its qualification as a QDRO as defined above.

VI. The distribution of the benefit to an Alternate Payee who is the spouse or former spouse of the Participant will be included in the Alternate Payee's gross income in the year in which the distribution is made, to the extent the distribution does not include any Roth or after-tax contributions made to the Plan, and to the extent that the Alternate Payee does not elect to roll over the distribution to another qualified retirement plan or to an IRA. However, if the distribution is made to an Alternate Payee and is for child support, the distribution is included in the Participant's gross income and may not be rolled over to another qualified retirement plan or to an IRA.

The Alternate Payee is responsible for his/her own federal, state, local and other taxes attributable to the distribution of the benefit assigned to the Alternate Payee under this Order. The Plan Administrator will issue to the Alternate Payee a Form 1099-R stating the gross taxable amount of the distribution.

⁷ If this option is selected, specify the respective percentage of the review fee that shall be paid by each party. Use only whole numbers and make sure that the total percentage equals 100%. If whole numbers are not used or the total percentage does not equal 100%, the Plan Administrator shall split the fee equally between the Participant and the Alternate Payee.

ENTERED BY _____ THIS _____ DAY OF _____, 20 _____.

JUDGE

SIGNATURE OF PARTICIPANT

SIGNATURE OF ALTERNATE PAYEE

ATTORNEY FOR PARTICIPANT (if applicable)

ATTORNEY FOR ALTERNATE PAYEE (if applicable)

NAME: _____

NAME: _____

ADDRESS: _____

ADDRESS: _____

PARTIES' PRIVATE INFORMATION FOR ICMA-RC DOMESTIC RELATIONS ORDER

PARTICIPANT PRIVATE INFORMATION:

PARTICIPANT'S NAME: _____

DATE OF BIRTH: ____ / ____ / ____ (MM/DD/YYYY)

SOCIAL SECURITY NUMBER: ____ - ____ - ____

ALTERNATE PAYEE PRIVATE INFORMATION:

ALTERNATE PAYEE'S NAME: _____

DATE OF BIRTH: ____ / ____ / ____ (MM/DD/YYYY)

SOCIAL SECURITY NUMBER: ____ - ____ - ____

(To be typed on Retirement System letterhead)

**ACKNOWLEDGMENT OF RECEIPT OF JUDGMENT OR ORDER
PURPORTING TO BE AN ELIGIBLE DOMESTIC RELATIONS ORDER**

Divorce Case Caption: _____

Case Number: _____

County: _____

Judge: _____

Participant/Member's Name: _____

Address: _____

Alternate Payee/Former Spouse's Name: _____

Address: _____

Dear Mr./Mrs. _____:

On the ____ day of _____, 20__, the Board of Trustees of the City of Ann Arbor Employees Retirement System received an instrument which purports to be an Eligible Domestic Relations Order within the meaning of Act No. 46 of the P.A. of 1991, the Eligible Domestic Relations Order Act. The Board of Trustees will determine (with the assistance of the Board's legal counsel) whether or not the order is an Eligible Domestic Relations Order.

If the Order should be found to be an Eligible Domestic Relations Order under PA 46 of 1991, it will affect the payment of benefits to which the participant may be entitled, by providing for payment of all or a portion of the participant's interest under the plan to one or more persons identified as "alternate payees" in the order.

You are receiving this letter or notification as a "Notified Party" under the procedures adopted by the retirement system because you are either (1) the participant whose benefits will be affected if the instrument is determined by the Board of Trustees to be an Eligible Domestic Relations Order (EDRO), (2) or a person identified as an "alternate payee" in the order, or (3) a representative of one of the above. You are hereby advised as follows:

(1) The order was received by the Board of Trustees on the ____ day of _____, 20__.

(2) The Board of Trustees will proceed with its determination (by referring same to its

legal counsel) as to whether the domestic relations order is an EDRO and will attempt to make the determination within 30 days after the date of this letter.

- (3) Other notified parties with respect to this matter are listed as copy recipients as indicated below.

You will be notified of the determination by the Board of Trustees with respect to the status of the order as an EDRO as soon as that determination has been made.

If you have any questions with respect to this matter, the Board's legal counsel is:

VanOverbeke, Michaud & Timmony, P.C.
79 Alfred Street
Detroit, Michigan 48201
Phone: (313) 578-1200
Fax: (313) 578-1201

Very truly yours,

Board of Trustees of the City of Ann Arbor
Employees Retirement System

By: _____

cc: Attorney for Plaintiff
Attorney for Defendant

CITY OF ANN ARBOR EMPLOYEES RETIREMENT SYSTEM

REQUEST TO LEGAL COUNSEL
FOR REVIEW OF
DOMESTIC RELATIONS ORDER/JUDGMENT

VIA EMAIL

TO: VANOVERBEKE, MICHAUD & TIMMONY, P.C.
79 ALFRED
DETROIT, MICHIGAN 48201

FROM: BOARD OF TRUSTEES OF THE CITY OF ANN ARBOR
EMPLOYEES RETIREMENT SYSTEM

RE: _____ v. _____
DIVORCE ACTION/ ELIGIBLE DOMESTIC RELATIONS ORDER

DATE:

Attached is a Court Order/Judgment dated _____ which was received by this office
on _____. Kindly review and advise whether this order is an Eligible
Domestic Relations Order (EDRO) consistent with P.A. 46 of 1991 and advise as to what action
should be taken. The following information is provided from our records to assist your office.

- I. Participant/Member's Name: _____
S.S.# _____
Date of Birth: _____
Date of Hire: _____
Address: _____
Phone Number: _____
II. Alternate Payee/Former Spouse's Name: _____
S.S.# _____
Date of Birth: _____
Address: _____
Phone Number: _____
III. Participant's Status:
A. ___ Participant is currently an active employee:

- 1. Collective Bargaining Association (Yes) (No)
- 2. Name of Association: _____
- 3. Date Employee is eligible to retire: _____

B. Participant is currently:

- 1. Off the payroll due to: _____
- 2. Former employee who was terminated on _____.

C. Retired:

1. Effective date: _____

- 2. (a) Regular Service Retirement.
 Option _____

Named Beneficiary: _____

(b) Duty Disability.

(c) Non-Duty Disability.

IV. Our records indicate that the named beneficiary for refund of employee contributions is: _____

Date of Beneficiary designation: _____

Balance of employee contributions as of _____ is \$ _____

Withdrawn on: _____

V. Prior court orders on file: Yes [Dated: _____]
 No

VANOVERBEKE
MICHAUD &
TIMMONY, P.C

ATTORNEYS AND COUNSELORS

Michael J. VanOverbeke
Thomas C. Michaud
Jack Timmony
Francis E. Judd
Aaron L. Castle
Robert J. Abb
Jacqueline C. Sobczyk

79 Alfred Street
Detroit, Michigan 48201
Tel: 313-578-1200
Fax: 313-578-1201
www.vmtlaw.com

M E M O R A N D U M

**TO: BOARD OF TRUSTEES OF THE CITY OF ANN ARBOR
EMPLOYEES RETIREMENT SYSTEM**

FROM: VANOVERBEKE, MICHAUD & TIMMONY, P.C.

RE: _____ V. _____ (EDRO)
_____ COUNTY CASE NO. _____

DATE: _____

This office has reviewed the above-referenced court order and is of the opinion that the attached:

- _____ Order is consistent with the provisions of the City of Ann Arbor Employees Retirement System and applicable law, and benefits shall be paid immediately to alternate payee.
- _____ Order is consistent with the provisions of the City of Ann Arbor Employees Retirement System and applicable law, and benefits may be paid in the future, subject to actuarial calculations and/or receipt of written election from alternate payee to commence payment of benefits.
- _____ Order technically/legally defective and/or ambiguous and must be amended.

Respectfully submitted,

VanOverbeke, Michaud & Timmony, P.C.

CITY OF ANN ARBOR EMPLOYEES RETIREMENT SYSTEM

REQUEST TO ACTUARY
FOR REVIEW AND CERTIFICATION OF
DOMESTIC RELATIONS ORDER/JUDGMENT

VIA FACSIMILE -

TO: [NAME]
[ADDRESS]
[CITY, STATE, ZIP]

FROM: BOARD OF TRUSTEES OF THE CITY OF ANN ARBOR
EMPLOYEES RETIREMENT SYSTEM

RE: _____ V. _____
DIVORCE ACTION/ ELIGIBLE DOMESTIC RELATIONS ORDER

DATE: _____

Attached is a Court Order/Judgment dated _____ which was received by this office
on _____. Kindly review and certify whether the administration of benefits
consistent with the attached Eligible Domestic Relations Order (EDRO) does not increase plan costs
as required under P.A. 46 of 1991, as amended. The following information is provided from our
records to assist your office.

I. Participant/Member's Name: _____

S.S.#: _____

Date of Birth: _____

Date of Hire: _____

Address: _____

Phone Number: _____

II. Alternate Payee/Former Spouse's Name: _____

S.S.#: _____

Date of Birth: _____

Address: _____

Phone Number: _____

III. Participant's Status:

A. Participant is currently an active employee:

1. Collective Bargaining Association (Yes) (No)

2. Name of Association: _____

3. Employee is eligible to retire: _____

B. Participant is currently:

1. Off the payroll due to: _____

2. Former employee who was terminated on _____

C. Retired:

1. Effective _____

2. (a) Regular Service Retirement
 Option

Named Beneficiary: _____

(b) Duty Disability

1. Non-Duty Disability

IV. Our records indicate that the named beneficiary for refund of employee contributions is:

Date of Beneficiary designation: _____

Balance of employee contributions as of _____ / \$ _____

Withdrawn on _____

Prior court order on file: Yes [Dated: _____]
 No

EDRO INFORMATION/CHECKLIST

Divorce Case Caption: _____

Date Order Entered: _____

Participants Name: _____

Checklist (/)

- _____ Date Order Received: _____
- _____ Acknowledgment of Receipt Sent to Parties on: _____
- _____ Order forwarded to Legal Counsel and Actuary on: _____
- _____ Received Legal Counsel Opinion dated: _____
- _____ Received Actuarial Certification dated: _____
- _____ Approved by Board Resolution dated: _____
- _____ Approval Resolution forwarded to Parties/Counsel on: _____

Comments/ Other Action: _____

Benefit Data:

1. Participants earliest retirement date: _____
2. Alternate Payee granted benefits which have accrued as of _____ (benefit accrual date)
3. Participant's FAC as of benefit accrual date: _____
4. Participant's multiplier in effect as of benefit accrual date: _____
5. Participant's service credit as of benefit accrual date: _____
6. Miscellaneous data: _____

CITY OF ANN ARBOR EMPLOYEES RETIREMENT SYSTEM

ELIGIBLE DOMESTIC RELATIONS ORDER ACT
MICHIGAN ACT NO. 46 OF 1991

FEE PAYMENT AGREEMENT -

Note: This form may be used by the parties for agreement as to the costs for actuarial calculation of benefits. Provisions regarding costs as contained within a court entered order shall be controlling in the event of a conflict.

Participant's Name

Alternate Payee's Name

The actuarial cost for providing estimates and calculations is the responsibility of the party or parties to a domestic relations proceeding. The Retirement System must be reimbursed for fees for related actuarial calculations. Please choose Option #1, Option #2 or Option #3 below, sign as appropriate where indicated and return this agreement to the address listed below.

Option #1 By signing below, the above-named Participant agrees to reimburse the Retirement System in full for the actuarial fees.

Participant Date

Option #2 By signing below, the above-named Alternate Payee agrees to reimburse the Retirement System in full for the actuarial fees.

Alternate Payee Date

Option #3 By signing below, the above-named Participant and Alternate Payee each agree to individually reimburse the Retirement System for the following percentages of the actuarial fees:

Participant %
Alternate Payee %

Participant Date

Alternate Payee Date

Note: If either the Participant and/or Alternate Payee do not issue a payment for the actuarial fees, the amount will be deducted from their future benefit payments.

Please return this form to: City of Ann Arbor
Employees Retirement System
532 S. Maple Rd.
Ann Arbor, MI 48103

**Application for Retirement Benefits pursuant to
Domestic Relations Order**

To the Board of Trustees, City of Ann Arbor Employees' Retirement System

RE: _____

Participant's name _____

Participant's date of birth _____

Alternate payee's name _____

Alternate payee's date of birth _____

Form of benefit _____

Benefit effective _____

(1) I, _____, the alternate payee, having been furnished with an estimate of my EDRO retirement benefits, do hereby elect to receive my EDRO allowance effective _____.

(2) Send my retirement allowance to:
(please print)

(Signature of Alternate Payee)

(Signature of Witness)

Date