



# Qualified Illinois Domestic Relations Order (QILDRO)

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## *Forms and Explanation of Procedures Regarding QILDRO Law*

Forms may be downloaded from the Fund's website.  
[www.cookcountypension.com](http://www.cookcountypension.com)

**Adopted on June 7, 2006**  
**Forms Effective July 2006**  
**Revised May 2012**  
**Revised March 2013**  
**Revised June 2014**

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**Forms and their Instructions follow the Glossary:**

- **Qualified Illinois Domestic Relations Order (QILDRO)**
- **Consent to Issuance of QILDRO (Consent Form)**
- **QILDRO Calculation Order (QCO)**

## FOREWORD

*The following information is designed to assist members when their retirement benefits are being considered for possible division in divorce/legal separation proceedings. The office of the County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County (collectively, "the Cook County Pension Fund" or "the Fund") handles inquiries and benefit information requests for these purposes. A Qualified Illinois Domestic Relations Order, or QILDRO, is an Illinois court order that transfers part or all of a member's retirement benefit to an alternate payee.*

*Much of the information provided is based on the express statutory language and requirements imposed upon Illinois public retirement systems by the QILDRO statute. This legislation, with an effective date of July 1, 1999, 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]. New modifications and clarifications were added to the Illinois Pension Code 1-119 (40 ILCS 5/1-119) effective July 1, 2006. The forms and instructions enclosed in this booklet pertain to benefits that will be effective (ordered by the judge and received by the Fund) after July 1, 2006.*

*This subject matter may be of considerable financial significance. It is strongly recommended that the member obtain competent legal and/or other expert assistance. This information is provided with the understanding that 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 packet to a particular member or alternate payee.*

*Inquiries concerning a QILDRO may be directed to the Fund office at (312) 603-1200.*

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## DISCLAIMER

The Fund has provided the enclosed materials based on the best information available at the time of the last publication. Similarly, the Fund will provide benefit information which 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 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.

## TIMELINE OF EVENTS

The following timeline of events should be observed when Fund benefits are being considered in divorce or legal separation proceedings.

2-3 months before court date	Call the Fund office at (312) 603-1200 to request a QILDRO packet.
6-8 weeks before court date	Submit request for benefit information for divorce via member's written authorization or subpoena. Include a \$25.00 subpoena fee. Please allow a <b>minimum</b> of 4-6 weeks for the Fund to process requests for benefit information for divorce purposes.
Within 45 days after the Fund's receipt of request or subpoena	The Fund sends a customized statement providing the following information about the member's account: the amount of full and partial refund of contributions, the amount of death benefit, and the accrued pension benefit applicable, as of the date of the request.
Court date	An Illinois court may, at its discretion, enter a QILDRO.
Immediately following court date	Send a certified copy of the QILDRO (and the Divorce Decree, if applicable) to the Fund office, accompanied by a nonrefundable \$50 processing fee by check payable to the Cook County Pension Fund. <i>Note:</i> If the QILDRO applies to a person who became a Fund member prior to 07/01/99, the QILDRO <b>must</b> be accompanied by the member's written Consent to Issuance of QILDRO.  Forms and instructions are provided (see Qildro Consent Form).
Within 45 days after Fund's receipt of QILDRO	The Fund notifies the member and the alternate payee by 1 <sup>st</sup> class mail: (1) that the court order was received; (2) whether the court order is a valid QILDRO; and (3) if not a valid QILDRO, reason(s) why it is invalid. <ul style="list-style-type: none"> <li>- <u>If the QILDRO is valid and the allocation is on a dollar amount basis</u>, the QILDRO is placed in the member's file and subsequent payments are made accordingly.</li> <li>- <u>If the QILDRO is valid and the allocation of benefits is on a percentage basis and the member is not retired</u>, the Fund will provide: permissive and regular service from initial membership date to the most recent date providing date used, an estimate of the gross monthly annuity benefit earned, amount of contribution refund and calculation date, amount of partial contribution refund and calculation date, and amount of death benefit and calculation date.</li> <li>- <u>If the QILDRO is valid and the allocation of benefits is on a percentage basis and the member is retired</u>, The Fund will provide retirement effective date, benefit commencement date, gross amount of current annuity (identifying amount based upon regular and permissive service credit), and gross amount of death benefit. The Fund will advise of the need for a QILDRO Calculation Order. After the QILDRO Calculation Order is received, payment to the Alternate Payee will begin with the payment occurring at least 30 days after the Fund's receipt of the QILDRO Calculation Order.</li> </ul>

## TIMELINE OF EVENTS (continued)

<p>Advise of the need for QILDRO Calculation Order (QCO) for pending retirement</p>	<p>Within 45 days of the Fund receiving all information necessary to determine a retirement benefit for a member who is applying for retirement, the Fund will provide the following information to the alternate payee: effective date of retirement, benefit commencement date, permissive and regular service, gross amount of annuity identified by permissive and regular credit, gross amount of contribution refund and partial contribution refund. The Fund will advise of the need for a QILDRO Calculation Order, which must be received within 60 days of this notification, unless the alternate payee cannot be located. (Refer to ‘Current Address of Alternate Payee.’)</p> <p>Forms and instructions are provided (see Qildro Calculation Order Form GF0020c).</p>
<p>Within 45 days after Fund’s receipt of QCO</p>	<p>The Fund will acknowledge receipt of the QCO and notify parties of the validity of the order. If no underlying QILDRO has been filed at the Fund, the parties will be notified of the need for a QILDRO.</p>
<p>Receipt of payments</p>	<p>The Alternate payee will receive or accrue payment at the time of the first payment to the member occurring at least 30 days after the Fund receives the valid QILDRO/QILDRO Calculation Order and the alternate payee's Application for Benefits.</p>

# COOK COUNTY PENSION FUND BENEFITS AND DIVORCE

## Division of Benefits

In marital dissolution/separation proceedings, a common issue is the manner and extent to which a person's retirement benefits may be divided between the pension holder and his or her former spouse. Benefits provided by the Fund are not subject to Qualified Domestic Relations Orders (QDROs). Under state law, Fund benefits may not be paid to anyone other than the member, except to an alternate payee pursuant to a valid QILDRO. Unless there is a QILDRO, the Fund will pay retirement benefits or a contribution refund to the member. It is the member's obligation to honor a divorce decree directing payment to an ex-spouse.

In 1998, the Illinois legislature passed what is known as the QILDRO legislation. This legislation, with an effective date of July 1, 1999, 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]. A QILDRO may require the Fund to pay all or a portion of a Fund member's retirement benefits to an "alternate payee." An alternate payee is usually the member's former spouse, but may also be a current spouse, child, civil union partner, or other dependent of the member.

In 2005, new modifications and clarifications were added to the Illinois Pension Code 1-119 (40 ILCS 5/1-119) and are effective July 1, 2006. The law expands the QILDRO to apply to death benefits, excluding surviving spouse benefits. The law also defines regular and permissive service credit, allows for division of benefits on a percentage basis, and provides for a QILDRO Calculation Order for that purpose. The law is very specific regarding what information is to be provided by the Fund and when it must be provided. Finally, the law states the responsibilities of the member, the alternate payee, and their representatives regarding the calculation of benefits, allocation methods, and filing requirements. The forms and instructions enclosed in this booklet pertain to benefits that will be approved by the judge and received by this Fund after July 1, 2006. These forms will be invalid if provided to this Fund prior to July 1, 2006. Please contact the Fund office at (312) 603-1200 for forms to be effective prior to July 1, 2006.

The QILDRO legislation does not change the law that determines an appropriate division of marital assets. A member should consult his or her divorce lawyer about what assets are included in the couple's marital property, and about the division of those assets. The Fund cannot give legal advice about the proper division of retirement benefits in a given case.

## Benefits Affected by a QILDRO

**Monthly retirement benefits.** An alternate payee may receive all or a portion of a member's monthly retirement benefit. (The Fund does not pay lump-sum retirement benefits.)

**Refunds.** An alternate payee may receive all or a portion of a member's refund. The types of refunds that may be subject to a QILDRO are:

1. A partial refund paid at the time of retirement that may consist of:
  - a refund of surviving spouse contributions if the member retires without having an eligible surviving spouse; or
  - an excess of optional contributions resulting from the member having sufficient service to preclude the need for all or a portion of Optional service contributions; or

- a refund of other excess withholding such as: accounts payable, Sheriff's 0.5%, or Automatic Increase 0.5% (term annuities only).
2. A contribution refund (lump-sum refund) paid upon the termination or resignation of a member. This is a full refund of all the member's contributions and forfeits the right of the member or spouse to receive any annuity or further benefit from the Fund.

If there is an amount filled in for a termination refund, the total amount the alternate payee will receive from the member's termination refund will not exceed the dollar amount specified. A termination refund terminates the membership in the Fund, and no future benefits can be paid. If there is an amount filled in for a partial refund, the total amount the alternate payee will receive from all partial refunds will not exceed the dollar amount specified.

***Death benefits payable to the member's beneficiaries or estate.*** An alternate payee may receive all or a portion of a member's death benefit. A death benefit means any non-periodic benefit payable upon the death of a member to a survivor of the member or to a member's estate or designated beneficiary(ies), including a refund of any remaining accumulated contributions following the member's death, whether or not the benefit is so called under the applicable Article of the Pension Code.

NOTE: The Fund pays a \$1,000 death benefit in addition to any refund of member contributions which haven't already been otherwise paid in benefits. This refund is generally paid to the beneficiary or estate of the member when there is no surviving spouse.

### **Benefits Not Affected by a QILDRO**

The QILDRO legislation does not apply to survivor benefits, disability benefits, or health insurance benefits. A QILDRO that says it applies to any of these benefits is invalid.

***Health insurance benefits.*** The QILDRO legislation does not apply to health insurance benefits. Eligibility to participate in the Fund's Health Insurance Program is not affected by the existence of a QILDRO. Acquiring the status of "alternate payee" under a QILDRO does not make the alternate payee eligible for insurance via the Fund.

### **Who May Be an Alternate Payee**

An alternate payee may be a current spouse, former spouse, child, civil union partner, or other dependent of a Fund member. Anyone who does not fit one of these categories **cannot** be designated as an alternate payee.

### **Providing Information About a Member's Retirement Benefits**

A divorcing member may be required by law to provide other parties and the court with information regarding the value of his or her retirement benefits. If benefit information is desired specifically for divorce purposes, the Fund will provide a statement regarding the value of a member's retirement benefits that is available from the Fund's records at the time of the request for information. The customized statement is based on the member's service credit with the Fund and earnings history. For active members, the information includes an accrued monthly retirement annuity estimate, assuming retirement at the minimum age at which the member would be eligible to receive a non-discounted benefit. Benefit information for divorce will be provided in response to a subpoena, (*a \$25 subpoena fee is required*) a member's written request, or the member's written authorization to release the information. To protect the member, no telephone requests will be honored. The Fund will provide benefit information for divorce within 45 days of receiving the request or subpoena.



The Fund does not provide actuarial opinions as to the present market values of a member's benefits or other interests. The information provided reflects the facts of the member's actual credited service and contribution history based on the data on file with the Fund at the time the information is requested. The Fund does not assume future events such as additional service credit or future salary increases. The Fund will provide accrued retirement benefits as of the date of the subpoena or member's authorization. If a member is not vested, retirement benefit information will not be provided. The Fund does not provide information isolated as to the marital period or specific years.

## **Use of Cook County Pension Fund Adopted Forms**

### **1. *QILDRO form***

The Fund, along with other Illinois Public Retirement Systems, has adopted a QILDRO form to be used when a QILDRO applies to a Fund member. The required QILDRO form and instructions for completing the form for use effective July 1, 2006 are contained in this packet. Only the Fund's form will be accepted.

### **2. *QILDRO Calculation Order form***

The Fund, along with other Illinois public retirement systems, has adopted a QILDRO Calculation Order form to be used when a QILDRO calls for a division of benefits on a percentage basis. The QILDRO Calculation Order form, used in conjunction with the QILDRO to divide benefits, is contained in this packet. Only the Fund's form will be accepted.

### **3. *Consent to Issuance of QILDRO***

If Fund membership began before July 1, 1999, the member must sign and submit a Consent to Issuance of QILDRO form before the Fund can honor a QILDRO entered against that member. Article XIII, Section 5 of the Illinois Constitution prevents the Fund from honoring a QILDRO against a pre-July 1, 1999 member unless accompanied by the **original** of the required Consent to Issuance form. The consent form is required even if the court entered a QILDRO against that member. Once signed and submitted to the Fund, the consent form is irrevocable. Only the Fund's form will be accepted.

The Fund, along with other Illinois Public Retirement Systems, has adopted a Consent to Issuance of QILDRO form to be used when a QILDRO applies to a pre-July 1, 1999 member. The Consent to Issuance of QILDRO form and instructions for completing the form are contained in this packet. Only the Fund's form will be accepted.

## **Procedure for Filing a QILDRO/QILDRO Calculation Order with the Fund:**

*When the Fund will begin accepting new QILDROs/QILDRO Calculation Order forms.* The Fund will accept QILDROs and QILDRO Calculation Orders contained in this document pursuant to the revised QILDRO Act effective July 1, 2006 on or after July 1, 2006. A QILDRO received prior to July 1, 2006 will be returned to the sender and may be resubmitted after July 1, 2006.

*Where to send QILDROs/QILDRO Calculation Orders.*

**Cook County Pension Fund  
70 W Madison St, Suite 1925  
Chicago, IL 60602**

The order will be deemed received on the date the Fund office receives it.



***\$50 processing fee.*** Each QILDRO/QILDRO Calculation Order must be accompanied by a \$50 processing fee payable to the Cook County Pension Fund (checks only, please.) A separate \$50 payment is required each time a new or modified QILDRO or QILDRO Calculation Court Order is submitted to the Fund. When specified on the QILDRO, an increase in the amount payable to the alternate payee due to a cost-of-living adjustment to the member's retirement benefit does not constitute a modification of a QILDRO.

***Notice of confidential information within court filing.*** Supreme Court Rule 15 was enacted in October 2011 to protect the confidentiality of a member's and alternate payee's Social Security numbers in public court documents. Though the Social Security number may not be part of a public record, the Fund is required to obtain the Social Security number for a QILDRO/QILDRO Calculation order. Since Social Security numbers are required by the Fund, you must submit an addendum providing the complete Social Security numbers of the member and alternate payee as provided under the Court Rule.

***Notice.*** Within 45 days after the Fund office receives the court order, the Fund will notify the member and each alternate payee by first class mail that it has received the order and whether it is a valid QILDRO/QILDRO Calculation Order. If the Fund determines that the order is not valid, the notice will specify the reason or reasons.

### **Requirements for a Valid QILDRO**

For an Illinois court order to be a valid QILDRO, it must satisfy all of the following criteria:

- (1) The order must be accompanied by a \$50 processing fee, payable to the Cook County Pension Fund.
- (2) If the order applies to a person who became a Fund member before July 1, 1999, it must be accompanied by the Fund's adopted Consent to Issuance of QILDRO form signed by the member. This form is irrevocable and will be valid for all subsequent orders relating to the member and alternate payee.
- (3) The QILDRO order must be a certified copy of the Fund's **original form** without any modifications. Any reproductions or modifications of this form will be deemed invalid.
- (4) The order must 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.
- (5) The order must contain the name, mailing address, and Social Security number of the Fund member. Phone number is optional. An addendum may be attached providing this information.
- (6) The order must contain the name, mailing address, and Social Security number of the Alternate Payee. Phone number is optional. An addendum may be attached providing this information.
- (7) The order must identify the Fund as the retirement system to which it is directed.
- (8) The order must identify the Court that issued it.
- (9) The order must 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.
- (10) The order must specify whether the alternate payee will or will not receive a proportional share of any applicable cost-of-living adjustments received by the member.

- (11) The order must apply only to benefits that are statutorily subject to QILDROs. (See *Benefits Affected by a QILDRO*, on page 6.)
- (12) The order must be in the form adopted by the Fund (only the Fund's form will be accepted). Any alterations or modifications of the form will invalidate the order.
- (13) The effective date of the order must be on or after July 1, 2006.

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

### **Correcting Minor Deficiencies in a QILDRO or QILDRO Calculation Order (QCO)**

Certain minor deficiencies in the court order may be corrected during the 60-day period following the date the Fund sends notice of the deficiency or deficiencies. This 60-day period is called the "cure period." Only the following deficiencies may be corrected during the cure period:

- The order is not accompanied by a \$50 processing fee payable to the Cook County Pension Fund. If the check does not clear, it will invalidate the QILDRO/QCO.
- The order is not a certified copy of the original (you must submit the Fund's adopted form).
- The order omits the mailing address or Social Security number of the member or the alternate payee.
- The order contains an inaccurate Social Security number of the member or alternate payee.
- The order contains a misspelled name of the member or alternate payee.
- Any other deficiency deemed by the Fund to be of a minor nature.

If the member is receiving monthly benefits or has a refund application pending, or a death benefit is pending when the court order is received, the Fund will hold the portion of the benefit payable to the alternate payee during the cure period until: (i) the order is resubmitted during the cure period and the Fund determines that all deficiencies have been corrected; or (ii) the cure period expires.

If the order is resubmitted during the cure period and the Fund determines that all deficiencies have been corrected, the QILDRO/QCO will be deemed received as of the first date the order was received in the Fund Office, and the QILDRO/QCO will be deemed accepted.

If the cure period expires and the order has not been resubmitted or if all deficiencies have not been corrected, the QILDRO/QCO will be deemed rejected as of the date the order was first received in the Fund office. Once the QILDRO/QCO is rejected, any amounts held during the cure period will be paid to the member.

### **Other Deficiencies**

All other deficiencies will invalidate the order and cannot be cured during the cure period. An order that has one or more of the following deficiencies is invalid:

- The order applies to a person who became a Fund member before July 1, 1999, and is not accompanied by a valid Consent to Issuance of QILDRO signed by the member.

- The order is not issued by an Illinois court of competent jurisdiction.
- The order identifies a different retirement system.
- The order does not identify the court that issued it.
- The QILDRO order does not specify the dollar amount or percentage of each benefit to be paid to the alternate payee, or it contains a formula. The QILDRO Calculation Order contains an incomplete formula.
- The QILDRO does not specify whether the alternate payee will or will not receive a proportional share of any applicable cost of living adjustments received by the member.
- The order does not specify when payments to the alternate payee shall terminate.
- The order applies to a benefit that is not statutorily subject to QILDROs.
- The order is not in the form adopted by the Fund. (You must use the Fund's adopted form.)
- The effective date of the order contained in this document pursuant to the revised QILDRO Act effective July 1, 2006 is prior to July 1, 2006.

In these cases, it will probably be necessary for the parties to obtain a new order from the appropriate court. The new order must be accompanied by a new \$50 processing fee. The Fund will review the new order once it has been submitted to determine whether it meets all requirements.

## Effect of a Valid QILDRO

Once the Fund has determined that a QILDRO is valid, one of the following scenarios will occur.

	When the QILDRO provides for allocation on a dollar amount basis	When the QILDRO provides for allocation on a percentage basis
Member is Not Retired	The QILDRO will be placed in the member's file and the QILDRO will be implemented when the first affected benefit payment commences.	Within 45 days of the Fund receiving all information necessary to determine a retirement benefit for a member who is applying for retirement, the Fund will provide the following information to the alternate payee: effective date of retirement, benefit commencement date, permissive and regular service, gross amount of annuity identified by permissive and regular credit and value, gross amount of contribution refund, partial contribution refund, and death benefit. The Fund will advise of the need for a QILDRO Calculation Order (QCO), which must be received within 60 days of this notification, unless the alternate payee cannot be located. (Refer to 'Current Address of Alternate Payee'.)
Member is Retired	Payment to the alternate payee will begin with the first payment that occurs at least 30 days after the Fund office receives the QILDRO <u>and</u> the alternate payee's application for QILDRO benefits.	The Fund will provide retirement effective date, benefit commencement date, permissive and regular service credit, gross amount of current annuity (identifying amount based upon regular and permissive service credit), and gross amount of death benefit. The Fund will advise of the need for a QCO and that payment to the Alternate Payee will begin with the payment occurring at least 30 days after the Fund's receipt of the QCO and the alternate payee's application for QILDRO benefits.

If a member has applied for a refund or the beneficiary on file has applied for a death benefit which has not yet been issued when the Fund receives a QILDRO/QCO that applies to the refund or death benefit, the Fund will hold the refund or death benefit until the court clarifies whether the QILDRO/QCO applies to the pending refund or death benefit payment. It is the member's or beneficiary's responsibility to obtain clarification from the court. If a member has applied for a refund or the beneficiary on file has applied for a death benefit which has been issued, a QILDRO or QILDRO Calculation Order will be rejected since all contributions have been disbursed.

## **Current Address of Alternate Payee**

Each alternate payee is responsible to keep the Fund informed of his or her current mailing address. The Fund must have the alternate payee's current address in order for the alternate payee to receive an application for payment of any benefits. The law does not require the Fund to search for a missing alternate payee, other than sending notice to the last known address.

***For allocation of benefits on a dollar amount basis:*** When a member becomes eligible and applies to receive a retirement benefit or refund, or a death benefit is payable due to the member's death, the Fund will send notice by mail to the alternate payee's last known address. If the notice is returned undelivered, the Fund will hold the amount payable to the alternate payee for 180 days from the date the Fund sent the notice or the date the benefit becomes payable, whichever is later. The amount held will not bear interest. If the Fund is notified of the alternate payee's current address within 180 days, the Fund will pay the amount held to the alternate payee. If the Fund does not learn of the alternate payee's current address within 180 days, the Fund will pay the amount held to the member or to the beneficiary or estate if the member is deceased. If the Fund later becomes aware of the alternate payee's current address, the Fund will implement the QILDRO, beginning with the first payment occurring at least 30 days after the current address becomes known, but the alternate payee will have no right to any amounts already paid to the member.

***For allocation of benefits on a percentage basis:*** The Fund will follow all same provisions as described for "For allocation of benefits on a dollar amount basis" and will additionally provide all information required according to the timeline and scenario described on table "Effect of a Valid QILDRO" on the previous page. When the alternate payee cannot be located, the 180-day hold provision will apply as described in the paragraph above.

## **Amount Payable to Alternate Payee**

An alternate payee's rights are no greater than the member's rights. An alternate payee is only eligible to receive payment if and when the member becomes eligible and applies to receive the benefit or refund, or when any death benefit becomes payable upon the death of the member. A QILDRO cannot order payment to an alternate payee that would not otherwise have been payable to the member or beneficiary.

A QILDRO must specify the dollar amount payable to the alternate payee, or the actual percentage of the annuity benefit that is to be paid. If the QILDRO states a percentage or a formula rather than a dollar amount, the QILDRO must be accompanied by a QILDRO Calculation Order prior to any benefit being paid. Only if the QILDRO instructs, the amount payable to the alternate payee will increase proportionately when the member's retirement benefit increases due to post-retirement cost-of-living adjustments.

If the amount payable to an alternate payee exceeds the actual amount of the benefit payable to the member, the excess must be disregarded. If there are multiple QILDROs against a member, the Fund will honor all of the QILDROs to the extent possible. If the total amount payable to all alternate payees exceeds the actual amount of the benefit, the QILDROs will be satisfied in the order that the Fund received them. Amounts payable to multiple alternate payees will not be adjusted pro rata. Amounts that cannot be paid because the benefit is not large enough to cover all amounts payable must be disregarded. The Fund is not responsible to an alternate payee or any other person for amounts that remain unpaid because the benefit is not large enough.

If the member received an overpayment or owes the Fund any other amount, the amount owed will be deducted from the benefit before the alternate payee is paid. In some instances, a benefit may be subject to a preexisting tax lien or withholding order. If the benefit is not large enough to pay the amount due an alternate payee under the QILDRO plus the amount due under the tax lien or withholding order, the Fund will notify the member and the alternate payee. The Fund will continue to deduct the amount due under the tax lien or withholding order ahead

of the amount due the alternate payee, until the Fund receives different instructions from the court that issued the QILDRO. It is the member's or alternate payee's responsibility to obtain clarification from the court if the QILDRO should take priority ahead of an existing tax lien or withholding order.

If a benefit subject to a QILDRO subsequently becomes subject to a tax lien or withholding order, the amount due will be deducted from the portion of the benefit payable to the person subject to the tax lien or withholding order. The remainder of the benefit will be payable to the recipient unaffected by the tax lien or withholding order. The Fund is not required to make up any amounts not paid due to recoupment of an overpayment, tax lien, or withholding order.

### **Application for Benefit by Alternate Payee**

An alternate payee who is entitled under a QILDRO to all (not just a portion) of a member's benefit may apply for the benefit, but only if all other qualifications and requirements for payment of the benefit have been met. The alternate payee may not apply for a member's benefit under the following circumstances:

- (i) The alternate payee is only entitled to part of the member's entire benefit;
- (ii) The member is earning service credit (including service credit granted to members receiving disability benefits) in any retirement system covered by the Retirement Systems Reciprocal Act [40 ILCS 5/20]; or
- (iii) The member is below the minimum age for receiving an undiscounted retirement annuity from the Fund or any system under the Retirement Systems Reciprocal Act.

### **Member's Election of Form of Payment**

A member whose benefit is subject to a QILDRO may not elect a form of payment that would diminish the amount payable to the alternate payee, unless the alternate payee has consented to the election in writing. If a member wants to make an election that would diminish the amount payable to the alternate payee, the Fund is statutorily required to reject the election and advise the member of the need to obtain the alternate payee's written consent. The Fund will send the member a consent form that must be completed, signed, notarized, and returned to the Fund.

### **Modified QILDROs or QILDRO Calculation Orders**

A modified QILDRO/QILDRO Calculation Order (QCO) should be sent to the Fund office in the same manner as a new QILDRO/QCO. A separate \$50 processing fee payable to the Cook County Pension Fund must be paid each time a modified QILDRO or QCO is submitted to the Fund. If a modified QILDRO/QCO applies to a person who was a Fund member before July 1, 1999, the Consent to Issuance of QILDRO form that accompanied the original QILDRO will satisfy the consent requirement.

A modified QILDRO/QCO will hold the same priority of payment that the original QILDRO/QCO held, as long as the modified QILDRO/QCO does not: (i) increase the amount of any benefit payable to the alternate payee; or (ii) affect a different benefit. If a modified QILDRO/QCO does increase the amount or affect different benefits, the modified QILDRO/QCO will lose the priority held by the original QILDRO/QCO. Priority of payment will then be based on the date the Fund office received the modified QILDRO/QCO. If the benefit is subject to multiple QILDROs/QCOs, losing the original QILDRO/QCO's priority could actually result in a reduced payment to the alternate payee. If the benefit is not large enough to pay the total due under all QILDROs/QCOs, only the amount remaining after all other QILDROs/QCOs have been paid will be available.

An increase in the amount payable to the alternate payee due to a cost-of-living adjustment or automatic annual increase to the member's retirement benefit does not constitute a modification of a QILDRO. The QILDRO form adopted by the reciprocal systems allows the parties to elect whether the alternate payee will or will not receive a proportionate share of any post-retirement cost of living adjustments or automatic annual increases to the member's retirement benefit. This election is made when the QILDRO is drafted and therefore does not constitute a modification.

### **Expiration of a QILDRO**

- A QILDRO/QCO expires upon the death of the alternate payee. The right to receive the affected benefit will then revert to the member.
- A QILDRO/QCO expires upon the death of the member. No further monthly benefits are paid after the date of death. In the case of a death benefit made payable to the alternate payee by a QILDRO/QCO, the Order expires upon payment of the death benefit.
- A QILDRO/QCO expires when the member takes a refund that terminates the member's participation in the Fund. This is true even if the member's refund is paid to an alternate payee. A QILDRO/QCO that expires because the member takes a refund is not automatically renewed by the member's subsequent return to Fund membership.

### **Income Tax Reporting**

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

### **Information about the Cook County Pension Fund**

The benefit program administered by the Fund is a governmental plan organized under Articles 9 (County Employees' and Officers' Annuity and Benefit Fund of Cook County) and 10 (Forest Preserve District Employees' Annuity and Benefit Fund of Cook County) of the Illinois Pension Code [40 ILCS 5] and also subject to Articles 1 and 20 of the Code.

***Mailing Information:*** Cook County Pension Fund  
70 W Madison St, Suite 1925  
Chicago, IL 60602

***Phone:*** (312) 603-1200



## GLOSSARY

<b><i>Alternate Payee</i></b>	The spouse, former spouse, child, or other dependent of a member, as designated in a QILDRO/QILDRO Calculation Order. [40 ILCS 5/1-119(a)(1).]
<b><i>Death Benefit</i></b>	Any non-periodic benefit payable upon the death of a member to a survivor of the member or 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).]
<b><i>Disability Benefit</i></b>	Any periodic or non-periodic benefit payable to a disabled member based on occupational or non-occupational disability or disease, including any periodic or non-periodic 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).] Disability Benefit includes a disability retirement annuity under Section 13-301(b) of the Illinois Pension Code.
<b><i>Member</i></b>	Any person who participates in or has service credit in the Cook County Pension Fund, 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).]
<b><i>Member's Refund</i></b>	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).]
<b><i>Cook County Pension Fund or the Fund</i></b>	The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County, collectively known as "the Fund" or "the Cook County Pension Fund," provide defined benefit annuities to their eligible retired members. Chapter 40, Articles 9 and 10 of the Illinois Pension Code, govern the two funds, which are administered together.
<b><i>Permissive Service</i></b>	Service credit purchased by the member including: Optional credit purchased under Section 9-179.3 of the Illinois Pension Code, unused vacation, and unused sick leave that the retirement system may include by statute in a member's benefit calculations.
<b><i>Qualified Illinois Domestic Relations Order (QILDRO)</i></b>	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 benefits in the Fund, 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 Qualified Domestic Relations Order (or QDRO) issued pursuant to Section 414(p) of the Internal Revenue Code of 1986. [40 ILCS 5/1-119(a)(6).]
<b><i>Regular Payee</i></b>	The person to whom a benefit would be payable in the absence of an effective QILDRO. [40 ILCS 5/1-119(a)(7).]
<b><i>Regular Service</i></b>	Service credit earned by the member, including a repayment of a refund for regular service that the retirement system includes by statute in a member's benefit calculations. "Regular service" does not include service credit purchased by the member, unused vacation, or unused sick leave.

- Retirement Benefit*** Any periodic or non-periodic benefit payable to a retired member based on age or service, or on the amounts accumulated to the credit of the member for retirement purposes, including any periodic or non-periodic increases in the benefit, whether or not the benefit is so called under Article 9 or 10 of the Illinois Pension Code. [40 ILCS 5/1-119(a)(8).]
- Surviving Spouse*** The spouse of a member at the time of the member's death. [40 ILCS 5/1-119(a)(10).]
- Survivor's Benefit*** Any periodic benefit payable to a surviving spouse, child, parent, or other survivor of a deceased member, including any periodic or non-periodic increases in the benefit, whether or not the benefit is so called under the applicable Article of this Code. [40 ILCS 5/1-119(a)(11).]