



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB4096

by Rep. William B. Black

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/1-119  
40 ILCS 5/1-119.1 new

Amends the Illinois Pension Code. Provides that the provisions concerning Qualified Illinois Domestic Relations Orders (QILDROs) are repealed 2 years after the effective date. Creates the Qualified Illinois Domestic Relations Orders Task Force to study and make recommendations on proposed changes to the QILDRO system contained in the Code to increase the equitable treatment of all persons affected by the system. Requires the Task Force to submit their findings and recommendations to the General Assembly and the Governor within 18 months after the effective date. Effective immediately.

LRB095 12055 AMC 35778 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Section 1-119 and by adding Section 1-119.1 as follows:

6 (40 ILCS 5/1-119)

7 Sec. 1-119. Qualified Illinois Domestic Relations Orders.

8 (a) For the purposes of this Section:

9 (1) "Alternate payee" means the spouse, former spouse,  
10 child, or other dependent of a member, as designated in a  
11 QILDRO.

12 (2) "Death benefit" means any nonperiodic benefit  
13 payable upon the death of a member to a survivor of the  
14 member or to the member's estate or designated beneficiary,  
15 including any refund of contributions following the  
16 member's death, whether or not the benefit is so called  
17 under the applicable Article of this Code.

18 (3) "Disability benefit" means any periodic or  
19 nonperiodic benefit payable to a disabled member based on  
20 occupational or nonoccupational disability or disease,  
21 including any periodic or nonperiodic increases in the  
22 benefit, whether or not the benefit is so called under the  
23 applicable Article of this Code.

1           (4) "Member" means any person who participates in or  
2 has service credits in a retirement system, including a  
3 person who is receiving or is eligible to receive a  
4 retirement or disability benefit, without regard to  
5 whether the person has withdrawn from service.

6           (5) "Member's refund" means a return of all or a  
7 portion of a member's contributions that is elected by the  
8 member (or provided by operation of law) and is payable  
9 before the member's death.

10          (5.5) "Permissive service" means service credit  
11 purchased by the member, unused vacation, and unused sick  
12 leave that the retirement system includes by statute in a  
13 member's benefit calculations.

14          (6) "Qualified Illinois Domestic Relations Order" or  
15 "QILDRO" means an Illinois court order that creates or  
16 recognizes the existence of an alternate payee's right to  
17 receive all or a portion of a member's accrued benefits in  
18 a retirement system, is issued pursuant to this Section and  
19 Section 503(b)(2) of the Illinois Marriage and Dissolution  
20 of Marriage Act, and meets the requirements of this  
21 Section. A QILDRO is not the same as a qualified domestic  
22 relations order or QDRO issued pursuant to Section 414(p)  
23 of the Internal Revenue Code of 1986. The requirements of  
24 paragraphs (2) and (3) of that Section do not apply to  
25 orders issued under this Section and shall not be deemed a  
26 guide to the interpretation of this Section; a QILDRO is

1 intended to be a domestic relations order within the  
2 meaning of paragraph (11) of that Section.

3 (7) "Regular payee" means the person to whom a benefit  
4 would be payable in the absence of an effective QILDRO.

5 (7.5) "Regular service" means service credit earned by  
6 the member, including a repayment of a refund for regular  
7 service that the retirement system includes by statute in a  
8 member's benefit calculations. "Regular service" does not  
9 include service credit purchased by the member, unused  
10 vacation, or unused sick leave.

11 (8) "Retirement benefit" means any periodic or  
12 nonperiodic benefit payable to a retired member based on  
13 age or service, or on the amounts accumulated to the credit  
14 of the member for retirement purposes, including any  
15 periodic or nonperiodic increases in the benefit, whether  
16 or not the benefit is so called under the applicable  
17 Article of this Code.

18 (9) "Retirement system" or "system" means any  
19 retirement system, pension fund, or other public employee  
20 retirement benefit plan that is maintained or established  
21 under any of Articles 2 through 18 of this Code.

22 (10) "Surviving spouse" means the spouse of a member at  
23 the time of the member's death.

24 (11) "Survivor's benefit" means any periodic benefit  
25 payable to a surviving spouse, child, parent, or other  
26 survivor of a deceased member, including any periodic or

1 nonperiodic increases in the benefit or nonperiodic  
2 payment included with the benefit, whether or not the  
3 benefit is so called under the applicable Article of this  
4 Code.

5 (b) (1) An Illinois court of competent jurisdiction in a  
6 proceeding for declaration of invalidity of marriage, legal  
7 separation, or dissolution of marriage that provides for  
8 support or the distribution of property, or any proceeding to  
9 amend or enforce such support or property distribution, may  
10 order that all or any part of any (i) member's retirement  
11 benefit, (ii) member's refund payable to or on behalf of the  
12 member, or (iii) death benefit, or portion thereof, that would  
13 otherwise be payable to the member's death benefit  
14 beneficiaries or estate be instead paid by the retirement  
15 system to the alternate payee.

16 (2) An order issued under this Section provides only for  
17 the diversion to an alternate payee of certain benefits  
18 otherwise payable by the retirement system under the provisions  
19 of this Code. The existence of a QILDRO shall not cause the  
20 retirement system to pay any benefit, or any amount of benefit,  
21 to an alternate payee that would not have been payable by the  
22 system to a regular payee in the absence of the QILDRO.

23 (3) A QILDRO shall not affect the vesting, accrual, or  
24 amount of any benefit, nor the date or conditions upon which  
25 any benefit becomes payable, nor the right of the member or the  
26 member's survivors to make any election otherwise authorized

1 under this Code, except as provided in subsections (i) and (j).

2 (4) A QILDRO shall not apply to or affect the payment of  
3 any survivor's benefit, disability benefit, life insurance  
4 benefit, or health insurance benefit.

5 (c) (1) A QILDRO must contain the name, mailing address,  
6 and social security number of the member and of the alternate  
7 payee and must identify the retirement system to which it is  
8 directed and the court issuing the order.

9 (2) A QILDRO must specify each benefit to which it applies,  
10 and it must specify the amount of the benefit to be paid to the  
11 alternate payee. In the case of a non-periodic benefit, this  
12 amount must be specified as a dollar amount or as a percentage  
13 as specifically provided in subsection (n). In the case of a  
14 periodic benefit, this amount must be specified as a dollar  
15 amount per month or as a percentage per month as specifically  
16 provided in subsection (n).

17 (3) With respect to each benefit to which it applies, a  
18 QILDRO must specify when the order will take effect. In the  
19 case of a lump sum benefit payable to an alternate payee of a  
20 participant in the self-managed plan authorized under Article  
21 15 of this Code, the benefit shall be paid upon the proper  
22 request of the alternate payee. In the case of a periodic  
23 benefit that is being paid at the time the order is received, a  
24 QILDRO shall take effect immediately or on a specified later  
25 date; if it takes effect immediately, it shall become effective  
26 on the first benefit payment date occurring at least 30 days

1 after the order is received by the retirement system. In the  
2 case of any other benefit, a QILDRO shall take effect when the  
3 benefit becomes payable, unless some later date is specified  
4 pursuant to subsection (n). However, in no event shall a QILDRO  
5 apply to any benefit paid by the retirement system before or  
6 within 30 days after the order is received. A retirement system  
7 may adopt rules to prorate the amount of the first and final  
8 periodic payments to an alternate payee.

9 (4) A QILDRO must also contain any provisions required  
10 under subsection (n) or (p).

11 (5) If a QILDRO indicates that the alternate payee is to  
12 receive a percentage of any retirement system benefit, the  
13 calculations required shall be performed by the member, the  
14 alternate payee, their designated representatives or their  
15 designated experts. The results of said calculations shall be  
16 provided to the retirement system via a QILDRO Calculation  
17 Court Order issued by an Illinois court of competent  
18 jurisdiction in a proceeding for declaration of invalidity of  
19 marriage, legal separation, or dissolution of marriage. The  
20 QILDRO Calculation Court Order shall follow the form provided  
21 in subsection (n-5). The retirement system shall have no duty  
22 or obligation to assist in such calculations or in completion  
23 of the QILDRO Calculation Court Order, other than to provide  
24 the information required to be provided pursuant to subsection  
25 (h).

26 (6) Within 45 days after the receipt of a QILDRO

1 Calculation Court Order, the retirement system shall notify the  
2 member and the alternate payee (or one designated  
3 representative of each) of the receipt of the Order. If a valid  
4 QILDRO underlying the QILDRO Calculation Court Order has not  
5 been filed with the retirement system, or if the QILDRO  
6 Calculation Court Order does not clearly indicate the amount  
7 the retirement system is to pay to the alternate payee, then  
8 the retirement system shall at the same time notify the member  
9 and the alternate payee (or one designated representative of  
10 each) of the situation. Unless a valid QILDRO has not been  
11 filed with the retirement system, or the QILDRO Calculation  
12 Court Order does not clearly indicate the amount the retirement  
13 system is to pay the alternate payee, the retirement system  
14 shall implement the QILDRO based on the QILDRO Calculation  
15 Court Order as soon as administratively possible once benefits  
16 are payable. The retirement system shall have no obligation to  
17 make any determination as to whether the calculations in the  
18 QILDRO Calculation Court Order are accurate or whether the  
19 calculations are in accordance with the parties' QILDRO,  
20 agreement, or judgment. The retirement system shall not reject  
21 a QILDRO Calculation Court Order because the calculations are  
22 not accurate or not in accordance with the parties' QILDRO,  
23 agreement, or judgment. The retirement system shall have no  
24 responsibility for the consequences of its implementation of a  
25 QILDRO Calculation Court Order that is inaccurate or not in  
26 accordance with the parties' QILDRO, agreement, or judgment.



1           (d) (1) An order issued under this Section shall not be  
2 implemented unless a certified copy of the order has been filed  
3 with the retirement system. The system shall promptly notify  
4 the member and the alternate payee by first class mail of its  
5 receipt of the order.

6           (2) Neither the retirement system, nor its board, nor any  
7 of its employees shall be liable to the member, the regular  
8 payee, or any other person for any amount of a benefit that is  
9 paid in good faith to an alternate payee in accordance with a  
10 QILDRO.

11           (3) Each new or modified QILDRO or QILDRO Calculation Court  
12 Order that is submitted to the retirement system shall be  
13 accompanied by a nonrefundable \$50 processing fee payable to  
14 the retirement system, to be used by the system to defer any  
15 administrative costs arising out of the implementation of the  
16 order.

17           (e) (1) Each alternate payee is responsible for maintaining  
18 a current mailing address on file with the retirement system.  
19 The retirement system shall have no duty to attempt to locate  
20 any alternate payee by any means other than sending written  
21 notice to the last known address of the alternate payee on file  
22 with the system.

23           (2) In the event that the system cannot locate an alternate  
24 payee when a benefit becomes payable, the system shall hold the  
25 amount of the benefit payable to the alternate payee and make  
26 payment to the alternate payee if he or she is located within

1 the following 180 days. If the alternate payee has not been  
2 located within 180 days from the date the benefit becomes  
3 payable, the system shall pay the benefit and the amounts held  
4 to the regular payee. If the alternate payee is subsequently  
5 located, the system shall thereupon implement the QILDRO, but  
6 the interest of the alternate payee in any amounts already paid  
7 to the regular payee shall be extinguished. Amounts held under  
8 this subsection shall not bear interest.

9 (f) (1) If the amount of a benefit that is specified in a  
10 QILDRO or QILDRO Calculation Court Order for payment to an  
11 alternate payee exceeds the actual amount of that benefit  
12 payable by the retirement system, the excess shall be  
13 disregarded. The retirement system shall have no liability to  
14 any alternate payee or any other person for the disregarded  
15 amounts.

16 (2) In the event of multiple QILDROs against a member, the  
17 retirement system shall honor all of the QILDROs to the extent  
18 possible. However, if the total amount of a benefit to be paid  
19 to alternate payees under all QILDROs in effect against the  
20 member exceeds the actual amount of that benefit payable by the  
21 system, the QILDROs shall be satisfied in the order of their  
22 receipt by the system until the amount of the benefit is  
23 exhausted, and shall not be adjusted pro rata. Any amounts that  
24 cannot be paid due to exhaustion of the benefit shall remain  
25 unpaid, and the retirement system shall have no liability to  
26 any alternate payee or any other person for such amounts.

1           (3) A modification of a QILDRO shall be filed with the  
2 retirement system in the same manner as a new QILDRO. A  
3 modification that does not increase the amount of any benefit  
4 payable to the alternate payee, as that amount was designated  
5 in the QILDRO, and does not expand the QILDRO to affect any  
6 benefit not affected by the unmodified QILDRO, does not affect  
7 the priority of payment under subdivision (f) (2); the priority  
8 of payment of a QILDRO that has been modified to increase the  
9 amount of any benefit payable to the alternate payee, or to  
10 expand the QILDRO to affect a benefit not affected by the  
11 unmodified QILDRO, shall be based on the date on which the  
12 system receives the modification of the QILDRO.

13           (4) A modification of a QILDRO Calculation Court Order  
14 shall be filed with the retirement system in the same manner as  
15 a new QILDRO Calculation Court Order.

16           (g) (1) Upon the death of the alternate payee under a  
17 QILDRO, the QILDRO shall expire and cease to be effective, and  
18 in the absence of another QILDRO, the right to receive any  
19 affected benefit shall revert to the regular payee.

20           (2) All QILDROs relating to a member's participation in a  
21 particular retirement system shall expire and cease to be  
22 effective upon the issuance of a member's refund that  
23 terminates the member's participation in that retirement  
24 system, without regard to whether the refund was paid to the  
25 member or to an alternate payee under a QILDRO. An expired  
26 QILDRO shall not be automatically revived by any subsequent

1 return by the member to service under that retirement system.

2 (h) (1) Within 45 days after receiving a subpoena from any  
3 party to a proceeding for declaration of invalidity of  
4 marriage, legal separation, or dissolution of marriage in which  
5 a QILDRO may be issued, or after receiving a request from the  
6 member, a retirement system shall provide in response a  
7 statement of a member's accumulated contributions, accrued  
8 benefits, and other interests in the plan administered by the  
9 retirement system based on the data on file with the system on  
10 the date the subpoena is received. If so requested in the  
11 subpoena, the retirement system shall also provide in response  
12 general retirement plan information available to a member and  
13 any relevant procedures, rules, or modifications to the model  
14 QILDRO form that have been adopted by the retirement system.

15 (1.5) If a QILDRO provides for the alternate payee to  
16 receive a percentage of a retirement benefit (as opposed to  
17 providing for the alternate payee to receive specified dollar  
18 amounts of a retirement benefit), then the retirement system  
19 shall provide the applicable information to the member and to  
20 the alternate payee, or to one designated representative of  
21 each (e.g., the member's attorney and the alternate payee's  
22 attorney) as indicated below:

23 (A) If the member is a participant in the self-managed  
24 plan authorized under Article 15 of this Code and the  
25 QILDRO provides that the only benefit the alternate payee  
26 is to receive is a percentage of a lump sum benefit as of a

1 specific date that has already past, then, within 45 days  
2 after the retirement system receives the QILDRO, the  
3 retirement system shall provide the lump sum amount to  
4 which the QILDRO percentage is to be applied.

5 (B) For all situations except that situation described  
6 in item (A), if the retirement system receives the QILDRO  
7 before the member's effective date of retirement, then,  
8 within 45 days after the retirement system receives the  
9 QILDRO, the retirement system shall provide all of the  
10 following information:

11 (i) The date of the member's initial membership in  
12 the retirement system, expressed as month, day, and  
13 year, if available, or the most exact date that is  
14 available to the retirement system.

15 (ii) The amount of permissive and regular service  
16 the member accumulated in the retirement system from  
17 the time of initial membership through the most recent  
18 date available prior to the retirement system  
19 receiving the QILDRO (the dates used by the retirement  
20 system shall also be provided). Service amounts shall  
21 be expressed using the most exact time increments  
22 available to the retirement system (e.g., months or  
23 fractions of years).

24 (iii) The gross amount of the member's non-reduced  
25 monthly annuity benefit earned, calculated as of the  
26 most recent date available prior to the retirement

1 system receiving the QILDRO, the date used by the  
2 retirement system, and the earliest date the member may  
3 be eligible to commence the benefit. This amount shall  
4 include any permissive service and upgrades purchased  
5 by the member, and those amounts shall be noted  
6 separately.

7 (iv) The gross amount of the member's refund or  
8 partial refund, including any interest payable on  
9 those amounts, calculated as of the most recent date  
10 available prior to the retirement system receiving the  
11 QILDRO (the date used by the retirement system shall  
12 also be provided).

13 (v) The gross amount of the death benefits that  
14 would be payable to the member's death benefit  
15 beneficiaries or estate, assuming the member died on  
16 the date or a date as close as possible to the date the  
17 QILDRO was received by the retirement system,  
18 including any interest payable on the amounts,  
19 calculated as of the most recent date available prior  
20 to the retirement system receiving the QILDRO (the date  
21 used by the retirement system shall also be provided).

22 (vi) Whether the member has notified the  
23 retirement system of the date the member intends to  
24 retire, and if so, that date.

25 (vii) If the member has provided a date that he or  
26 she intends to retire, the date, if available, that the

1 retirement system reasonably believes will be the  
2 member's effective date of retirement.

3 (C) For all situations except that situation described  
4 in item (A), if the retirement system receives the QILDRO  
5 after the effective date of retirement, then, within 45  
6 days after the retirement system receives the QILDRO, or,  
7 if the retirement system receives the QILDRO before the  
8 member's effective date of retirement, then as soon as  
9 administratively possible before or after the member's  
10 effective date of retirement (but not later than 45 days  
11 after the member's effective date of retirement), the  
12 retirement system shall provide all of the following  
13 information:

14 (i) The member's effective date of retirement.

15 (ii) The date the member commenced benefits or, if  
16 not yet commenced, the date the retirement system has  
17 scheduled the member's benefits to commence.

18 (iii) The amount of permissive and regular service  
19 the member accumulated in the retirement system from  
20 the time of initial membership through the member's  
21 effective date of retirement. Service amounts shall be  
22 expressed using the most exact time increments  
23 available to the retirement system (e.g., months or  
24 fractions of years).

25 (iv) The gross amount of the member's monthly  
26 retirement benefit, calculated as of the member's

1 effective date of retirement. This amount shall  
2 include any permissive service and upgrades purchased  
3 by the member, and those amounts shall be noted  
4 separately.

5 (v) The gross amount of the member's refund or  
6 partial refund, including any interest payable on  
7 those amounts, calculated as of the member's effective  
8 date of retirement.

9 (vi) The gross amount of death benefits that would  
10 be payable to the member's death benefit beneficiaries  
11 or estate, assuming the member died on the member's  
12 effective date of retirement, including any interest  
13 payable on those amounts.

14 (D) If, and only if, the alternate payee is entitled to  
15 benefits under Section VII of the QILDRO, then, within 45  
16 days after the retirement system receives notice of the  
17 member's death, the retirement system shall provide the  
18 gross amount of death benefits payable, including any  
19 interest payable on those amounts, calculated as of the  
20 member's date of death.

21 (2) In no event shall the retirement system be required to  
22 furnish to any person an actuarial opinion as to the present  
23 value of the member's benefits or other interests.

24 (3) The papers, entries, and records, or parts thereof, of  
25 any retirement system may be proved by a copy thereof,  
26 certified under the signature of the secretary of the system or



1 other duly appointed keeper of the records of the system and  
2 the corporate seal, if any.

3 (i) In a retirement system in which a member or beneficiary  
4 is required to apply to the system for payment of a benefit,  
5 the required application may be made by an alternate payee who  
6 is entitled to all of a termination refund or retirement  
7 benefit or part of a death benefit that is payable under a  
8 QILDRO, provided that all other qualifications and  
9 requirements have been met. However, the alternate payee may  
10 not make the required application for death benefits while the  
11 member is alive or for a member's refund or a retirement  
12 benefit if the member is in active service or below the minimum  
13 age for receiving an undiscounted retirement annuity in the  
14 retirement system that has received the QILDRO or in any other  
15 retirement system in which the member has regular or permissive  
16 service and in which the member's rights under the Retirement  
17 Systems Reciprocal Act would be affected as a result of the  
18 alternate payee's application for a member's refund or  
19 retirement benefit.

20 (j) (1) So long as there is in effect a QILDRO relating to  
21 a member's retirement benefit, the affected member may not  
22 elect a form of payment that has the effect of diminishing the  
23 amount of the payment to which any alternate payee is entitled,  
24 unless the alternate payee has consented to the election in a  
25 writing that includes the alternate payee's notarized  
26 signature, and this written and notarized consent has been

1 filed with the retirement system.

2 (2) If a member attempts to make an election prohibited  
3 under subdivision (j)(1), the retirement system shall reject  
4 the election and advise the member of the need to obtain the  
5 alternate payee's consent.

6 (3) If a retirement system discovers that it has mistakenly  
7 allowed an election prohibited under subdivision (j)(1), it  
8 shall thereupon disallow that election and recalculate any  
9 benefits affected thereby. If the system determines that an  
10 amount paid to a regular payee should have been paid to an  
11 alternate payee, the system shall, if possible, recoup the  
12 amounts as provided in subsection (k) of this Section.

13 (k) In the event that a regular payee or an alternate payee  
14 is overpaid, the retirement system shall have the authority to  
15 and shall recoup the amounts by deducting the overpayment from  
16 future payments and making payment to the other payee. The  
17 system may make deductions for recoupment over a period of time  
18 in the same manner as is provided by law or rule for the  
19 recoupment of other amounts incorrectly disbursed by the system  
20 in instances not involving a QILDRO. The retirement system  
21 shall incur no liability to either the alternate payee or the  
22 regular payee as a result of any payment made in good faith,  
23 regardless of whether the system is able to accomplish  
24 recoupment.

25 (1) (1) A retirement system that has, before the effective  
26 date of this Section, received and implemented a domestic

1 relations order that directs payment of a benefit to a person  
2 other than the regular payee may continue to implement that  
3 order, and shall not be liable to the regular payee for any  
4 amounts paid in good faith to that other person in accordance  
5 with the order.

6 (2) A domestic relations order directing payment of a  
7 benefit to a person other than the regular payee that was  
8 issued by a court but not implemented by a retirement system  
9 prior to the effective date of this Section shall be void.  
10 However, a person who is the beneficiary or alternate payee of  
11 a domestic relations order that is rendered void under this  
12 subsection may petition the court that issued the order for an  
13 amended order that complies with this Section.

14 (3) A retirement system that received a valid QILDRO before  
15 the effective date of this amendatory Act of the 94th General  
16 Assembly shall continue to implement the QILDRO and shall not  
17 be liable to any party for amounts paid in good faith pursuant  
18 to the QILDRO.

19 (m) (1) In accordance with Article XIII, Section 5 of the  
20 Illinois Constitution, which prohibits the impairment or  
21 diminishment of benefits granted under this Code, a QILDRO  
22 issued against a member of a retirement system established  
23 under an Article of this Code that exempts the payment of  
24 benefits or refunds from attachment, garnishment, judgment or  
25 other legal process shall not be effective without the written  
26 consent of the member if the member began participating in the

1 retirement system on or before the effective date of this  
 2 Section. That consent must specify the retirement system, the  
 3 court case number, and the names and social security numbers of  
 4 the member and the alternate payee. The consent must accompany  
 5 the QILDRO when it is filed with the retirement system, and  
 6 must be in substantially the following form:

7 CONSENT TO ISSUANCE OF QILDRO

8 Case Caption: .....

9 Court Case Number: .....

10 Member's Name: .....

11 Member's Social Security Number: .....

12 Alternate payee's Name: .....

13 Alternate payee's Social Security Number: .....

14 I, (name), a member of the (retirement system), hereby  
 15 irrevocably consent to the issuance of a Qualified Illinois  
 16 Domestic Relations Order. I understand that under the Order,  
 17 certain benefits that would otherwise be payable to me, or to  
 18 my death benefit beneficiaries or estate, will instead be  
 19 payable to (name of alternate payee). I also understand that my  
 20 right to elect certain forms of payment of my retirement  
 21 benefit or member's refund may be limited as a result of the  
 22 Order.

23 DATED:.....

24 SIGNED:.....

1           (2) A member's consent to the issuance of a QILDRO shall be  
 2           irrevocable, and shall apply to any QILDRO that pertains to the  
 3           alternate payee and retirement system named in the consent.

4           (n) A QILDRO issued under this Section shall be in  
 5           substantially the following form (omitting any provisions that  
 6           are not applicable to benefits that are or may be ultimately  
 7           payable to the member):

8                           QUALIFIED ILLINOIS DOMESTIC RELATIONS ORDER

9           .....

10          (Enter Case Caption Here)

11          .....

12          (Enter Retirement System Name Here)

13           THIS CAUSE coming before the Court for the purpose of the  
 14           entry of a Qualified Illinois Domestic Relations Order under  
 15           the provisions of Section 1-119 of the Illinois Pension Code  
 16           (40 ILCS 5/1-119), the Court having jurisdiction over the  
 17           parties and the subject matter hereof; the Court finding that  
 18           one of the parties to this proceeding is a member of a  
 19           retirement system subject to Section 1-119 of the Illinois  
 20           Pension Code (40 ILCS 5/1-119), this Order is entered to  
 21           implement a division of that party's interest in the retirement  
 22           system; and the Court being fully advised;

1 IT IS HEREBY ORDERED AS FOLLOWS:

2 I. The definitions and other provisions of Section 1-119 of  
3 the Illinois Pension Code (40 ILCS 5/1-119) are adopted by  
4 reference and made a part of this Order.

5 II. Identification of Retirement System and parties:

6 Retirement System: .....  
7 (Name)

8  
9 .....  
10 (Address)

11 Member: .....  
12 (Name)

13  
14 .....  
15 (Mailing Address)

16  
17 .....  
18 (Social Security Number)

19 Alternate payee: .....  
20 (Name)

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.....

(Mailing Address)

.....

(Social Security Number)

The alternate payee is the member's .... current or former spouse/ .... child or other dependent [ check one] .

III. The Retirement System shall pay the indicated amounts of the member's retirement benefits to the alternate payee under the following terms and conditions:

(A) The Retirement System shall pay the alternate payee pursuant to one of the following methods [ complete the ONE option that applies] :

(1) \$..... per month [ enter amount] ; or

(2) .....% [ enter percentage] per month of the marital portion of said benefit with the marital portion defined using the formula in Section IX; or

(3) .....% [ enter percentage] per month of the gross amount of said benefit calculated as of the date the .... member's/ .... alternate payee's [ check one] benefit commences [ check alternate payee only if the alternate payee will commence benefits after the

1 member commences benefits, e.g. if the member is  
2 receiving retirement benefits at the time this Order is  
3 entered] .

4 (B) If the member's retirement benefit has already  
5 commenced, payments to the alternate payee shall commence  
6 either [ check/complete the ONE option that applies] :

7 (1) .... as soon as administratively possible upon  
8 this order being received and accepted by the  
9 Retirement System; or

10 (2) .... on the date of ..... [ enter any benefit  
11 payment date that will occur at least 30 days after the  
12 date the retirement system receives a valid QILDRO, but  
13 ONLY if payment to the alternate payee is to be delayed  
14 to some future date; otherwise, check item (1) above] .

15 (C) If the member's retirement benefit has not yet  
16 commenced, payments to the alternate payee shall commence  
17 as of the date the member's retirement benefit commences.

18 (D) Payments to the alternate payee under this Section  
19 III shall terminate [ check/complete the ONE option that  
20 applies] :

21 (1) .... upon the death of the member or the death  
22 of the alternate payee, whichever is the first to  
23 occur; or

24 (2) .... after ..... payments are made to the  
25 alternate payee [ enter any set number] or upon the  
26 death of the member or the death of the alternate



1           payee, whichever is the first to occur.

2           IV. If the member's retirement benefits are subject to  
3 annual post-retirement increases, the alternate payee's share  
4 of said benefits .... shall/ .... shall not [check one] be  
5 recalculated or increased annually to include a proportionate  
6 share of the applicable annual increases.

7           V. The Retirement System shall pay to the alternate payee  
8 the indicated amounts of any refund upon termination or any  
9 lump sum retirement benefit that becomes payable to the member,  
10 under the following terms and conditions:

11           (A) The Retirement System shall pay the alternate payee  
12 pursuant to one of the following methods [complete the ONE  
13 option that applies] :

14                   (1) \$..... [enter amount] ; or

15                   (2) .....% [enter percentage] of the marital  
16 portion of the refund or lump sum retirement benefit,  
17 with the marital portion defined using the formula in  
18 Section IX; or

19                   (3) .....% [enter percentage] of the gross amount  
20 of the refund or lump sum retirement benefit,  
21 calculated when the member's refund or lump sum  
22 retirement benefit is paid.

23           (B) The amount payable to an alternate payee under  
24 Section V(A)(2) or V(A)(3) shall include any applicable  
25 interest that would otherwise be payable to the member  
26 under the rules of the Retirement System.

1           (C) The alternate payee's share of the refund or lump  
2           sum retirement benefit under this Section V shall be paid  
3           when the member's refund or lump sum retirement benefit is  
4           paid.

5           VI. The Retirement System shall pay to the alternate payee  
6           the indicated amounts of any partial refund that becomes  
7           payable to the member under the following terms and conditions:

8           (A) The Retirement System shall pay the alternate payee  
9           pursuant to one of the following methods [complete the ONE  
10          option that applies] :

11           (1) \$..... [enter amount]; or

12           (2) .....% [enter percentage] of the marital  
13          portion of said benefit, with the marital portion  
14          defined using the formula in Section IX; or

15           (3) .....% [enter percentage] of the gross amount  
16          of the benefit calculated when the member's refund is  
17          paid.

18          (B) The amount payable to an alternate payee under  
19          Section VI(A)(2) or VI(A)(3) shall include any applicable  
20          interest that would otherwise be payable to the member  
21          under the rules of the Retirement System.

22          (C) The alternate payee's share of the refund under  
23          this Section VI shall be paid when the member's refund is  
24          paid.

25          VII. The Retirement System shall pay to the alternate payee  
26          the indicated amounts of any death benefits that become payable

1 to the member's death benefit beneficiaries or estate under the  
2 following terms and conditions:

3 (A) To the extent and only to the extent required to  
4 effectuate this Section VII, the alternate payee shall be  
5 designated as and considered to be a beneficiary of the  
6 member at the time of the member's death and shall receive  
7 [ complete ONE of the following options] :

8 (1) \$..... [enter amount]; or

9 (2) .....% [enter percentage] of the marital  
10 portion of death benefits, with the marital portion  
11 defined using the formula in Section IX; or

12 (3) .....% [enter percentage] of the gross amount  
13 of death benefits calculated when said benefits become  
14 payable.

15 (B) The amount payable to an alternate payee under  
16 Section VII(A) (2) or VII(A) (3) shall include any  
17 applicable interest payable to the death benefit  
18 beneficiaries under the rules of the Retirement System.

19 (C) The alternate payee's share of death benefits under  
20 this Section VII shall be paid as soon as administratively  
21 possible after the member's death.

22 VIII. If this Order indicates that the alternate payee is  
23 to receive a percentage of any retirement benefit or refund,  
24 upon receipt of the information required to be provided by the  
25 Retirement System under Section 1-119 of the Illinois Pension  
26 Code (40 ILCS 5/1-119), the calculations required shall be

1 performed by the member, by the alternate payee, or by their  
 2 designated representatives or designated experts. The results  
 3 of the calculations shall be provided to the Retirement System  
 4 via a QILDRO Calculation Court Order in accordance with Section  
 5 1-119 of the Illinois Pension Code.

6 IX. Marital Portion Benefit Calculation Formula (Option to  
 7 calculate benefit in items III(A)(2), V(A)(2), VI(A)(2), and  
 8 VII(A)(2) above). If in this Section "other" is circled in the  
 9 definition of A, B, or C, then a supplemental order must be  
 10 entered simultaneously with this QILDRO clarifying the intent  
 11 of the parties or the Court as to that item. The supplemental  
 12 order cannot require the Retirement System to take any action  
 13 not permitted under Illinois law or the Retirement System's  
 14 administrative rules. To the extent that the supplemental order  
 15 does not conform to Illinois law or administrative rule, it  
 16 shall not be binding upon the Retirement System.

17 (1) The amount of the alternate payee's benefit shall  
 18 be the result of  $(A/B) \times C \times D$  where:

19 "A" equals the number of months of .... regular/  
 20 .... regular plus permissive/ .... other [check only  
 21 one] service that the member accumulated in the  
 22 Retirement System from the date of marriage  
 23 ..... [enter date MM/DD/YYYY] to the  
 24 date of divorce ..... [enter date  
 25 MM/DD/YYYY]. This number of months of service shall be  
 26 calculated as whole months after receipt of

1 information required from the Retirement System  
2 pursuant to Section 1-119 of the Illinois Pension Code  
3 (40 ILCS 5/1-119).

4 "B" equals the number of months of .... regular/  
5 .... regular plus permissive/ .... other [check only  
6 one] service that the member accumulated in the  
7 Retirement System from the time of initial membership  
8 in the Retirement System through the member's  
9 effective date of retirement. The number of months of  
10 service shall be calculated as whole months after  
11 receipt of information required from the Retirement  
12 System pursuant to Section 1-119 of the Illinois  
13 Pension Code (40 ILCS 5/1-119).

14 "C" equals the gross amount of:

15 (i) the member's monthly retirement benefit  
16 (Section III(A)) calculated as of the member's  
17 effective date of retirement, .... including/ ....  
18 not including/ .... other [check only one]  
19 permissive service, upgrades purchased, and other  
20 benefit formula enhancements;

21 (ii) the member's refund payable upon  
22 termination or lump sum retirement benefit that  
23 becomes payable, including any payable interest  
24 (Section V(A)) calculated as of the time said  
25 refund becomes payable to the member;

26 (iii) the member's partial refund, including

1 any payable interest (Section VI(A)) calculated as  
2 of the time said partial refund becomes payable to  
3 the member; or

4 (iv) the death benefit payable to the member's  
5 death benefit beneficiaries or estate, including  
6 any payable interest (Section VII(A)) calculated  
7 as of the time said benefit becomes payable to the  
8 member's beneficiary;

9 whichever are applicable pursuant to Section III, V,  
10 VI, or VII of this Order. These gross amounts shall be  
11 provided by the Retirement System pursuant to Section  
12 1-119 of the Illinois Pension Code (40 ILCS 5/1-119).

13 "D" equals the percentage noted in Section  
14 III(A)(2), V(A)(2), VI(A)(2), or VII(A)(2), whichever  
15 are applicable.

16 (2) The alternate payee's benefit under this Section IX  
17 shall be paid in accordance with all Sections of this Order  
18 that apply.

19 X. In accordance with subsection (j) of Section 1-119 of  
20 the Illinois Pension Code (40 ILCS 5/1-119), so long as this  
21 QILDRO is in effect, the member may not elect a form of payment  
22 of the retirement benefit that has the effect of diminishing  
23 the amount of the payment to which the alternate payee is  
24 entitled, unless the alternate payee has consented to the  
25 election in writing, the consent has been notarized, and the  
26 consent has been filed with the Retirement System.

1           XI. If the member began participating in the Retirement  
2 System before July 1, 1999, this Order shall not take effect  
3 unless accompanied by the written consent of the member as  
4 required under subsection (m) of Section 1-119 of the Illinois  
5 Pension Code (40 ILCS 5/1-119).

6           XII. The Court retains jurisdiction over this matter for  
7 all of the following purposes:

8                 (1) To establish or maintain this Order as a Qualified  
9 Illinois Domestic Relations Order.

10                (2) To enter amended QILDROs and QILDRO Calculation  
11 Court Orders to conform to the parties' Marital Settlement  
12 Agreement or Agreement for Legal Separation ("Agreement"),  
13 to the parties' Judgment for Dissolution of Marriage or  
14 Judgment for Legal Separation ("Judgment"), to any  
15 modifications of the parties' Agreement or Judgment, or to  
16 any supplemental orders entered to clarify the parties'  
17 Agreement or Judgment.

18                (3) To enter supplemental orders to clarify the intent  
19 of the parties or the Court regarding the benefits  
20 allocated herein in accordance with the parties' Agreement  
21 or Judgment, with any modifications of the parties'  
22 Agreement or Judgment, or with any supplemental orders  
23 entered to clarify the parties' Agreement or Judgment. A  
24 supplemental order may not require the Retirement System to  
25 take any action not permitted under Illinois law or the  
26 Retirement System's administrative rules. To the extent

1 that the supplemental order does not conform to Illinois  
2 law or administrative rule, it shall not be binding upon  
3 the Retirement System.

4 DATED: .....

5 SIGNED: .....

6 [ Judge's Signature]

7 (n-5) A QILDRO Calculation Court Order issued under this  
8 Section shall be in substantially the following form:

9 QILDRO Calculation Court Order

10 .....

11 [ Enter case caption here]

12 .....

13 [ Enter Retirement System name here]

14 THIS CAUSE coming before the Court for the purpose of the  
15 entry of a QILDRO Calculation Court Order under the provisions  
16 of Section 1-119 of the Illinois Pension Code (40 ILCS  
17 5/1-119), the Court having jurisdiction over the parties and  
18 the subject matter hereof; the Court finding that a QILDRO has  
19 previously been entered in this matter, that the QILDRO has  
20 been received and accepted by the Retirement System, and that



1 the QILDRO requires percentage calculations to allocate the  
 2 alternate payee's share of the member's benefit or refund, the  
 3 Court not having found that the QILDRO has become void or  
 4 invalid, and the Court being fully advised;

5 IT IS HEREBY ORDERED AS FOLLOWS:

6 (1) The definitions and other provisions of Section 1-119  
 7 of the Illinois Pension Code [ 40 ILCS 5/1-119] are adopted by  
 8 reference and made a part of this Order.

9 (2) Identification of Retirement System and parties:

10 Retirement System: .....

11 (Name)

12  
 13 .....

14 (Address)

15 Member: .....

16 (Name)

17  
 18 .....

19 (Mailing Address)

20  
 21 .....

22 (Social Security Number)

1     Alternate payee:   .....  
 2   (Name)  
 3  
 4   .....  
 5   (Mailing Address)  
 6  
 7   .....  
 8   (Social Security Number)

9     The Alternate payee is the member's .... current or former  
 10  spouse/ .... child or other dependent [ check one] .

11             (3) The following shall apply if and only if the QILDRO  
 12  allocated benefits to the alternate payee in the specific  
 13  Section noted. The Retirement System shall pay the amounts as  
 14  directed below, but only if and when the benefits are payable  
 15  pursuant to the QILDRO and Section 1-119 of the Illinois  
 16  Pension Code (40 ILCS 5/1-119). Parties shall see QILDRO  
 17  Section IX for the definitions of A, B, C and D as used below.

18             (a) The alternate payee's benefit pursuant to QILDRO  
 19  Section III(A)(2) shall be calculated pursuant to Section  
 20  IX of the QILDRO and paid as follows:

21     (...../.....) X ..... X ..... = .....

1 [ Enter A] [ Enter B] [ Enter C] [ Enter D] [ Monthly Amount]

2 (b) The alternate payee's benefit pursuant to QILDRO  
3 Section V(A) (2) shall be calculated pursuant to Section IX  
4 of the QILDRO and paid as follows:

5 (...../.....) X ..... X ..... = .....  
6 [ Enter A] [ Enter B] [ Enter C] [ Enter D] [ Amount]

7 (c) The alternate payee's benefit pursuant to QILDRO  
8 Section VI(A) (2) shall be calculated pursuant to Section IX  
9 of the QILDRO and paid as follows:

10 (...../.....) X ..... X ..... = .....  
11 [ Enter A] [ Enter B] [ Enter C] [ Enter D] [ Amount]

12 (d) The alternate payee's benefit pursuant to QILDRO  
13 Section VII(A) (2) shall be calculated pursuant to Section  
14 IX of the QILDRO and paid as follows:

15 (...../.....) X ..... X ..... = .....  
16 [ Enter A] [ Enter B] [ Enter C] [ Enter D] [ Amount]

17 The Retirement System's sole obligation with respect to the  
18 equations in this paragraph (3) is to pay the amounts indicated  
19 as the result of the equations. The Retirement System shall

1 have no obligation to review or verify the equations or to  
2 assist in the calculations used to determine such amounts.

3 (4) The following shall apply only if the QILDRO allocated  
4 benefits to the alternate payee in the specific Section noted.  
5 The Retirement System shall pay the amounts as directed below,  
6 but only if and when the benefits are payable pursuant to the  
7 QILDRO and Section 1-119 of the Illinois Pension Code (40 ILCS  
8 5/1-119).

9 (A) The alternate payee's benefit pursuant to QILDRO  
10 Section III(A) (3) shall be calculated and paid as follows:

11 ..... X ..... = .....  
12 [Gross benefit amount] [Percentage] [Monthly Amount]

13 (B) The alternate payee's benefit pursuant to QILDRO  
14 Section V(A) (3) shall be calculated and paid as follows:

15 ..... X ..... = .....  
16 [Gross benefit amount] [Percentage] [Amount]

17 (C) The alternate payee's benefit pursuant to QILDRO  
18 Section VI(A) (3) shall be calculated and paid as follows:

19 ..... X ..... = .....  
20 [Gross benefit amount] [Percentage] [Amount]

1           (D) The alternate payee's benefit pursuant to QILDRO  
 2           Section VII(A) (3) shall be calculated and paid as follows:

3           ..... X ..... = .....

4           [ Gross benefit amount]    [ Percentage]            [ Amount]

5           The Retirement System's sole obligation with respect to the  
 6           equations in this paragraph (4) is to pay the amounts indicated  
 7           as the result of the equations. The Retirement System shall  
 8           have no obligation to review or verify the equations or to  
 9           assist in the calculations used to determine such amounts.

10           (5) The Court retains jurisdiction over this matter for the  
 11           following purposes:

12           (A) to establish or maintain this Order as a QILDRO  
 13           Calculation Court Order;

14           (B) to enter amended QILDROs and QILDRO Calculation  
 15           Court Orders to conform to the parties' QILDRO, Marital  
 16           Settlement Agreement or Agreement for Legal Separation  
 17           ("Agreement"), to the parties' Judgment for Dissolution of  
 18           Marriage or Judgment for Legal Separation ("Judgment"), to  
 19           any modifications of the parties' QILDRO, Agreement, or  
 20           Judgment, or to any supplemental orders entered to clarify  
 21           the parties' QILDRO, Agreement, or Judgment; and

22           (C) To enter supplemental orders to clarify the intent

1 of the parties or the Court regarding the benefits  
 2 allocated herein in accordance with the parties' Agreement  
 3 or Judgment, with any modifications of the parties'  
 4 Agreement or Judgment, or with any supplemental orders  
 5 entered to clarify the parties' Agreement or Judgment. A  
 6 supplemental order may not require the Retirement System to  
 7 take any action not permitted under Illinois law or the  
 8 Retirement System's administrative rules. To the extent  
 9 the supplemental order does not conform to Illinois law or  
 10 administrative rule, it shall not be binding upon the  
 11 Retirement System.

12 DATED: .....

13 SIGNED: .....

14 [ Judge's Signature]

15 (o) (1) A court in Illinois that has issued a QILDRO shall  
 16 retain jurisdiction of all issues relating to the modification  
 17 of the QILDRO as indicated in Section XII of the QILDRO and in  
 18 accordance with Illinois law. A court in Illinois that has  
 19 issued a QILDRO Calculation Court Order shall retain

1 jurisdiction of all issues relating to the modification of the  
2 QILDRO Calculation Court Order as indicated in Section 5 of the  
3 QILDRO Calculation Court Order and in accordance with Illinois  
4 law.

5 (2) The Administrative Review Law and the rules adopted  
6 pursuant thereto shall govern and apply to all proceedings for  
7 judicial review of final administrative decisions of the board  
8 of trustees of the retirement system arising under this  
9 Section.

10 The term "administrative decision" is defined as in  
11 Section 3-101 of the Code of Civil Procedure. The venue for  
12 review under the Administrative Review Law shall be the same as  
13 is provided by law for judicial review of other administrative  
14 decisions of the retirement system.

15 (p) (1) Each retirement system may adopt any procedures or  
16 rules that it deems necessary or useful for the implementation  
17 of this Section.

18 (2) Each retirement system may by rule modify the model  
19 QILDRO form provided in subsection (n), except that no  
20 retirement system may change that form in a way that limits the  
21 choices provided to the alternate payee in subsections (n) or  
22 (n-5). Each retirement system may by rule require that  
23 additional information be included in QILDROs presented to the  
24 system, as may be necessary to meet the needs of the retirement  
25 system.

26 (3) Each retirement system shall define its blank model

1 QILDRO form and blank model QILDRO Calculation Court Order form  
2 as an original of the forms or a paper copy of the forms. Each  
3 retirement system shall, whenever possible, make the forms  
4 available on the internet in non-modifiable computer format  
5 (for example, Adobe Portable Document Format files) for  
6 printing purposes.

7 (4) If a retirement system in good faith implements an  
8 order under this Section that follows substantially the same  
9 form as the model order and the retirement system later  
10 discovers that the implemented order was not absolutely  
11 identical to the retirement system's model order, the  
12 retirement system's implementation shall not be a violation of  
13 this Section and the retirement system shall have no  
14 responsibility to compensate the member or the alternate payee  
15 for moneys that would have been paid or not paid had the order  
16 been identical to the model order.

17 (p) This Section is repealed 2 years after the effective  
18 date of this amendatory Act of the 95th General Assembly.

19 (Source: P.A. 93-347, eff. 7-24-03; 94-657, eff. 7-1-06.)

20 (40 ILCS 5/1-119.1 new)

21 Sec. 1-119.1. Qualified Illinois Domestic Relations Orders  
22 Task Force.

23 (a) There is created the Qualified Illinois Domestic  
24 Relations Orders Task Force consisting of the following  
25 members: one member appointed by the Speaker of the House, one



1 member appointed by the House Minority Leader, one member  
2 appointed by the President of the Senate, one member appointed  
3 by the Senate Minority Leader, and the executive directors of  
4 the State Employees Retirement System, the State Universities  
5 Retirement System, and the Teachers Retirement System.

6 (b) The Task Force shall study and make recommendations on  
7 proposed changes to the QILDRO system contained in Section  
8 1-119 of this Code to increase the equitable treatment of all  
9 persons affected by the system. These recommendations must  
10 include guidance for the General Assembly on issues relating to  
11 QILDRO equity when both members of a former domestic  
12 partnership have accumulated defined-benefit service credits,  
13 but one former partner has accumulated significantly more  
14 credits than the other former partner.

15 (c) The Task Force shall appoint a chairperson from its  
16 membership. The chairperson may request that the State  
17 Employees Retirement System, the State Universities Retirement  
18 System, and the Teachers Retirement System provide staff  
19 support to the Task Force.

20 (d) The Task Force must submit their findings and  
21 recommendations to the General Assembly and the Governor within  
22 18 months after the effective date of this Section. The Task  
23 Force shall be dissolved 30 days after the submission of the  
24 report.

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.