2.43.5112 QUALIFIED DOMESTIC RELATIONS ORDERS – APPROVAL AND IMPLEMENTATION

(1) A participant or alternate payee must submit a certified copy of a DRO to MPERA for board approval. The board may delegate authority for approval to the executive director.

(2) MPERA will notify the participant and the alternate payee when it receives a certified copy of a DRO. The notice will explain the procedures for determining if the DRO is qualified.

(3) While reviewing the DRO, MPERA will work with the recordkeeper to:

(a) prevent distributions from the participant's account, but allow the participant to manage the investments; and

(b) segregate the amounts, and earnings thereon, that will be owed to the alternate payee if the DRO is qualified.

(4) The segregated amount, with any earnings thereon, will be distributed to the participant if the DRO is not qualified within 18 months of the date it was received by MPERA and the participant is entitled to and requests distribution of the account.

(5) The information and requirements identified in ARM 2.43.5111 are considered the minimum the board needs to administer a QDRO. Domestic relations orders that do not contain the minimum information or address the minimum requirements are not QDROs and will be rejected by the board as not qualified. Rejected orders will be returned to the appropriate party with information on how to have the DRO qualified.

(6) Once the DRO is qualified, the board will:

(a) notify the participant and the alternate payee that the DRO is being implemented as a QDRO; and

(b) apply the QDRO prospectively if approved more than 18 months after the date it was first received by MPERA.

(7) The alternate payee may receive their payment only as a direct payment, a rollover, or a transfer.

(a) If the alternate payee is a participant or is eligible to participate in the state's Deferred Compensation (457) Plan and establishes an account, the alternate payee's distribution may be made to the alternate payee's 457 plan account.

(b) If the alternate payee is not eligible to participate in the state's Deferred Compensation (457) Plan, a 457 plan account cannot be established for the alternate payee.

Authorizing statute(s): 19-50-102, MCA

Implementing statute(s): 19-50-102, MCA

History: NEW, 2002 MAR p. 2185, Eff. 8/16/02; AMD & TRANS, from ARM 2.43.1812, 2008 MAR p. 2467, Eff. 12/1/08.