How Divorce Can Affect Your WRS Benefits
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Top Reasons Qualified Domestic Relations Order (QDRO) Forms Are Rejected

The QDRO...

• doesn’t have an original judge’s signature or court stamp. Don’t fax a QDRO or submit a copy.
• contains incorrect information. ETF must reject a QDRO if it contains incorrect information. We recommend you double-check the accuracy of birth dates, Social Security numbers (SSN), date of divorce, etc.
• is incomplete. Information for both the participant and the alternate payee must be complete. The Social Security number (with name) may be provided on a separate piece of paper.
• incorrectly splits the account.
  • The alternate payee may receive a maximum of 50%
  • You may use no more than two decimal places (e.g., 28.25%)
  • The QDRO must list a percentage, not a dollar amount.
  • The QDRO must list a percentage, not a decimal equivalent. For example, do not list 0.5 instead of 50%.
  • Don’t request to divide the account for the period between marriage and divorce dates.
• alters the QDRO - Order to Divide WRS Benefits (ET-4926) or QDRO - Foreign Jurisdiction Order to Divide WRS Benefits (ET-4935) forms.
  • Don’t cross off text.
  • Don't change the document to file it electronically.
  • Altered forms may be rejected.
• is a draft. Don’t submit a draft. It will be rejected without an original signature/stamp.

The QDRO is a legal document that must exactly follow Wisconsin law. To ensure that your QDRO will be accepted, use one of the following ETF forms. Other forms may not meet requirements under Wisconsin law.

• QDRO – Order to Divide WRS Benefits (ET-4926) etf.wi.gov/publications/et4926.pdf
• QDRO – Foreign Jurisdiction Order to Divide WRS Benefits (ET-4935) etf.wi.gov/publications/et4935.pdf

General Information

For marriages legally terminated after 1981 by divorce, annulment or legal separation, the Department of Employee Trust Funds (ETF) can divide a participant's Wisconsin Retirement System (WRS) account or annuity between the participant and an alternate payee (former spouse) upon receipt of a QDRO. ETF must receive an original or certified copy of the QDRO; we cannot accept an uncertified photocopy. To assure that the QDRO meets all of the requirements under WRS law and to avoid rejection, use one of ETF's QDRO forms: Order to Divide Wisconsin Retirement System Benefits (ET-4926) for Wisconsin courts or the Foreign Jurisdiction Order to Divide Wisconsin Retirement System Benefits (ET-4935) for courts outside Wisconsin jurisdiction. Both forms are available on our Internet site at etf.wi.gov.

For information regarding the termination of a registered domestic partnership, please see ETF’s brochure, Domestic Partner Benefits (ET-2166), available on ETF’s internet site.

A QDRO must divide the account or annuity by awarding a percentage to the alternate payee, not a specific dollar amount. The portion of the account or annuity awarded to the alternate payee cannot exceed 50% of the total value of the account or annuity as of the "decree date." The decree date is defined by WRS statute as the first day of the month in which the marriage is legally terminated.
As a public retirement plan, the WRS is not subject to the Employee Retirement Income Security Act (ERISA) or the Retirement Equity Act. Those federal laws do not apply to the WRS. The effects of a QDRO on a participant's WRS account and the WRS benefits payable to an alternate payee differ based on whether the participant has an:

- **Active Account**—Currently employed in a position covered under the WRS;
- **Inactive Account**—Terminated from covered WRS employment, but has not yet taken a benefit, and/or
- **Annuity**—Receiving monthly retirement or state statute § 40.63 disability/retirement payments. The § (state statute) 40.65 duty disability annuities are the exception. Those annuities will not be divided by QDRO.

A QDRO applies only to the participant's account based on the service, earnings and contributions from his/her own WRS employment. If the participant is entitled to benefits as a beneficiary or alternate payee of another WRS participant's account, the QDRO does not apply to that account or annuity.

If the participant is enrolled in the Variable Fund on the decree date, a portion of the alternate payee's account and/or annuity will automatically be included in the Variable Fund. By completing and returning a *Canceling Variable Participation* form (ET-2313), the alternate payee may cancel variable participation for his/her account. If the participant is not enrolled in the Variable Trust Fund as of the decree date, both accounts and/or annuities will be in the Core* Trust Fund.

**Note:** For alternate payee benefit and application information, see page 5.

**Language Required In a Valid QDRO**

- The participant's correct name, birthdate, Social Security number and current address.
- The alternate payee's correct name, birthdate, Social Security number and current address.
- The WRS must be specifically named.
- The QDRO must specify the decree date as the date to be used for valuing and dividing the account or annuity. For the WRS, the decree date is the first day of the month in which the marriage is legally terminated.
- The QDRO must award the alternate payee a percentage, not to exceed 50%, of all parts of the participant's account as of the decree date. The percentage of the account may be specified up to two decimal places; for example, 33%, 33.3% or 33.33% are all acceptable. If a QDRO specifies a percentage more than two decimal places, ETF will round the percentage to two decimals.
- The QDRO must require the participant to certify all active military service or provide an affidavit of no military service on a form supplied by ETF.
- The QDRO must require the participant's employer to provide ETF with all service, earnings and contributions through the day prior to the decree date.

**What Happens When ETF Receives a QDRO**

ETF reviews the QDRO to verify that it meets all of the statutory requirements for a valid QDRO. If the QDRO contains provisions that are prohibited by WRS law, does not meet all of the statutory requirements or is invalid for any other reason, it will be stamped "REJECTED" and returned to the court and/or party who submitted it. Information about the necessary corrections will also be provided. A corrected QDRO can then be submitted to ETF.

**Participants receiving an annuity on decree date:**

ETF will divide the annuity into two separate life annuities: one life annuity payable to the participant and one payable to the alternate payee. The alternate payee does not need to apply for his/her share of the annuity. Payments are made automatically to the alternate payee retroactive to the effective date of the annuity division (unless the marriage was terminated on or after January 1, 1982 and before April 28, 1990). Each person receives a notice of the amount of his/her annuity after the division. A retroactive annuity paid to the alternate payee will create an **overpayment** for the participant. The overpayment must be paid back to the WRS.
Participant with active or inactive account:

- ETF will send a Military Service Certification and Affidavit — QDRO (ET-4322) form to the participant. The participant must certify whether he/she has any active military service and if it will or will not be used for credit in any regular federal retirement benefit. The certification form must be notarized and returned to ETF. If ETF has not already received a copy, the participant must also submit a copy of any applicable military discharge papers showing all dates of active duty.
- If the participant is actively employed in a covered WRS position, ETF will also send a form to his/her employer for certification of any unreported service, earnings and contributions through the day before the decree date.
- The participant's account is split after ETF receives the ET-4322 military service certification form, any applicable military discharge papers and the employer's certification.

The participant's money balances and creditable service are divided, and a separate account is created for the alternate payee. After the account is split, each party receives a Statement of Account After Division (ET-4924) showing the respective account balances, total creditable service, etc. After division and until the benefit is taken, each party will receive an annual Statement of Benefits (ET-7365) showing the service and contribution balances in his/her own account.

Effects On Purchased Service

If you purchase qualifying, forfeited or outside government service as an active employee and your WRS account is later divided due to a QDRO, we also divide the purchased service. For the alternate payee, purchased service is divided by the same percentage as your WRS creditable service. If you purchase service after a QDRO, we do not divide the purchased service and the total remains in your account.

Once your account has been reduced by the portion transferred into the alternate payee's account, any actions taken by the alternate payee (e.g. a benefit withdrawal) have no effect on your account.

There are no provisions in WRS law that permit you to repay the contributions awarded to the alternate payee, nor can you purchase the years of creditable service lost through the QDRO division. The contributions and years of service awarded to the alternate payee are permanently transferred.

Beneficiary Designations

If a QDRO divides an account or an annuity with guaranteed payments remaining, separate beneficiary designations apply to each individual's account or annuity.

**Note:** Survivor benefits are always paid based on the most recent valid beneficiary designation received by ETF prior to an individual's death. Your designation of beneficiary does not change automatically when significant life events occur, such as a divorce or remarriage. For example, if you named a spouse as primary beneficiary and that marriage ends, the former spouse remains the named beneficiary unless ETF receives a new valid designation prior to your death. The designation must be on the form approved by ETF.

If an individual has never filed a beneficiary designation form with ETF, survivor benefits are paid from that individual's account based on statutory standard sequence.

Unless otherwise specified on the beneficiary designation form, a designation applies to all benefit plans and accounts administered by ETF. Please note on the form if you have both your own and an alternate payee account.

Forms are available by contacting ETF or accessing the Internet site at etf.wi.gov.
Effects On Active/Inactive Accounts

How the Participant's Account is Affected

A QDRO awards the alternate payee a percentage of the participant's WRS account balances as of the decree date. The alternate payee receives a percentage of the money balances and creditable service (including purchased service) accrued as of that date. The appropriate monies and years of service are transferred from the participant's account into a new separate account created for the alternate payee.

Exception: If the marriage was terminated on or after January 1, 1982 and before April 28, 1990 and the participant was not receiving an annuity as of the decree date but is an annuitant on the date ETF receives the QDRO, a separate annuity is created for the alternate payee based on the share of the account (as of the decree date) awarded to the alternate payee. In this situation, the remainder of this section does not apply. (See the "Effects on Monthly Payments" section (page 7) for information about annuity divisions.)

Money Balances—The specified percentage of the dollar amounts in the participant's account on the decree date transfers to a separate account established for the alternate payee. The percentage applies to employee and employer contributions and to voluntary additional contributions.

Creditable Service—The specified percentage of the participant's creditable service on the decree date transfers to the alternate payee's account and is used to calculate formula retirement benefits for the alternate payee.

The participant's total creditable service is reduced by the years of service granted to the alternate payee, including any purchased service. The participant's remaining creditable service, plus any additional service earned by the participant after the decree date, is used to calculate the participant's formula retirement (or § 40.63 disability, if eligible) benefits.

After accumulating a specific number of years of service, participants may establish eligibility for certain benefit rights in the future. These future benefit rights are not affected by a QDRO. Details and an example are shown below:

A participant has 30 years of WRS service on the decree date and a QDRO awards 50% of his/her WRS account to the alternate payee. The alternate payee receives 15 years of service and the participant retains 15 years of service.

- Formula retirement benefit calculation: The years of service actually credited to the participant's and alternate payee's accounts are used to calculate their formula benefits. However, the total creditable service earned by the participant (the original 30 years plus any additional service accrued after the decree date) as of the dates that the respective annuities begin, is used to calculate any age reduction factor in the respective formula benefits.

- Continuation of health and/or life insurance benefits: The total years of service (as if the account had never been split) will be used to meet service eligibility requirements for continuation of the participant's insurance benefits.

Military Service Credit—The "General Information" section explains the process and requirements. If the participant already has credit for eligible active military service, the same percentage specified in the QDRO is deducted from his/her account and transferred to the alternate payee's account.

In most cases, a participant cannot receive credit for eligible active military service until retirement. However, at the time of a QDRO, part of the participant's years of active military service may be granted to the alternate payee based on the participant's creditable service on the decree date and if the participant's signed affidavit states the military service will not be used toward certain federal benefits. The participant may receive credit at retirement for the remaining years of military service and a second affidavit will then be required.

Additional information about eligibility for credit for active military service is provided in the brochure Military Service Credit (ET-4122) available from ETF.
**Final Average Earnings (FAE)**—The participant's FAE is not affected by a QDRO. His/her formula retirement benefits are based on the actual FAE when the participant's benefit begins. The alternate payee's formula retirement benefits also are based on the participant's actual FAE, but it is the FAE as of the alternate payee's retirement benefit begin date.

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**Alternate payees should carefully review this section for important benefit information.**

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**When To Apply: Benefits and Options Available to the Alternate Payee**

An alternate payee can apply for a benefit at **any time**, regardless of their own age or employment. Even if the participant is still employed under the WRS, benefits are still payable to the alternate payee. **Note:** If we receive your application more than 90 days after the member turns 55 (or age 50 with some protective employment), you will lose benefits since your annuity cannot be backdated more than 90 days.

To receive a benefit, the alternate payee must request the appropriate application from ETF. **No** application is required if the participant's annuity is divided, but one is required if a WRS account is divided. A completed application must be received and processed before payment(s) can be made to the alternate payee.

When a portion of a WRS participant's account is transferred to a separate account for an alternate payee, the benefit rights available to the alternate payee are the same as they would be for a participant who terminated WRS employment on the decree date. Changes in the law effective after the decree date have no effect on the alternate payee's account; the account is considered an **inactive** account for benefit purposes.

If the alternate payee also has a WRS account based on his/her own WRS employment, the alternate payee account will be separate. The two accounts are **not** combined; benefits are calculated separately and require separate applications. An alternate payee who is also actively employed in a covered WRS position can apply for a benefit from his/her alternate payee account at any time, regardless of whether the participant has terminated WRS employment. A participant who is also an alternate payee cannot apply for a benefit from his/her own WRS account before terminating all covered employment.

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**Participant Younger Than Age 55 (Or Age 50 With Some Protective Employment)**

The alternate payee can apply for a separation benefit at any time until the participant reaches age 55 (50 if protective). A separation benefit includes employee and additional contributions (if any) plus accrued interest. **Employer contributions and all associated service are forfeited.**

*The alternate payee should carefully consider the consequences of taking a separation benefit. The alternate payee would forfeit all rights to a future retirement benefit when the participant is eligible for a retirement benefit. (See the "Vesting Requirements" section.)*

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**Participant Age 55 and Older (Or Age 50 With Some Protective Employment)**

The alternate payee can apply for a retirement benefit as long as the participant is vested. Retirement benefits include employee, employer and additional (if any) contributions along with accrued interest.

WRS retirement benefits are calculated under both the formula and the money purchase methods. The alternate payee automatically receives the higher benefit amount. The alternate payee is **not** eligible to select a joint and survivor annuity payment option.

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**Vesting—Some participants must meet one of two following vesting laws based on when they first began WRS employment.**

1. Participants who first began WRS employment after 1989 and terminated employment before April 24, 1998 must have some WRS creditable service in five calendar years.
2. Participants who first began WRS employment on or after July 1, 2011, must have five years of WRS creditable service.

If neither vesting law applies, participants were vested when they first began WRS employment.
An alternate payee can apply for a benefit even if the participant is still employed under the WRS. Once the participant reaches age 55 (50 for protectives), you are eligible for a retirement benefit based on both the employee and employer contributions if the participant is vested. As an alternate payee, your vesting status depends on whether or not the participant is vested. If the participant was not vested when the QDRO was issued, but later becomes vested, you also become vested.

**Additional Contributions**—Annuities from voluntary additional contributions are always calculated under the money purchase method. More detailed information about the payment options for additional contributions is in the brochure *Additional Contributions* (ET-2123).

**Formula Benefits**—The formula benefit *for the alternate payee* is calculated using the following guidelines:
1. The participant's FAE on the alternate payee's retirement benefit begin date.
2. The formula multiplier(s) based on the employment category(ies) of the creditable service granted to the alternate payee.
3. The years of creditable service granted to the alternate payee in the QDRO, including military service and purchased service.
4. An age reduction factor based on the alternate payee's age, if the alternate payee has not reached the normal retirement age for the participant's employment category(ies).

   The age reduction factor is calculated based on the alternate payee's benefit begin date and uses the participant's total years of service as if no QDRO division had occurred.

**Money Purchase Benefits**—The money purchase benefit is calculated based on the alternate payee's age when his/her annuity begins and the dollar amount(s) in the account.

For more information about these two calculations, see the brochure *Calculating Your Retirement Benefits* (ET-4107).

**Application Procedures**

Upon request, ETF will provide a benefit application for the alternate payee. We work to pay benefits in a timely manner, but payment can take 90 days or more after an application is received.

If the alternate payee is eligible for a benefit paid as a monthly annuity, ETF provides an application with estimated amounts for all eligible annuity options. We recommend that you request annuity estimates several months before the anticipated annuity begin date. Specific instructions for applying are included in the application packet.

**Special Caution To Alternate Payees Who Are Eligible For Accelerated Payment Options**—An alternate payee younger than age 62 who applies for WRS retirement may be eligible to select an Accelerated Payment option. Accelerated Payment options provide a higher benefit through a temporary annuity until age 62. At age 62, that temporary annuity ends. The intent of Accelerated Payment options is that the age-62 Social Security benefit will replace some or most of the temporary annuity that ends at age 62. The after-age-62 Life Only option must meet the annual minimum amount in order for an accelerated option to be available.

As an alternate payee, the amount of the Social Security benefit used to estimate your Accelerated Payment options uses the participant's FAE. We use tables which assume full career employment covered under Social Security. **The assumed Social Security benefit amount from these tables could be substantially higher than the Social Security benefit you will actually receive.** This, plus annual adjustments on the accelerated portion, could result in a substantial decrease in your total income at age 62.

To limit the reduction in your total income at age 62, contact the Social Security Administration (SSA) (www.ssa.gov) for a projection of your Social Security benefits at age 62. Ask SSA for an estimate of your benefits at age 62 based on the age your benefit begins or when you stop working, whichever is earlier.

A July 1, 2008 law change removed the requirement that the accelerated annuity payment stop if the annuitant’s or alternate payee’s death occurs before they turn 62. The law change does not apply to accelerated payments that began **prior to July 1, 2008**.

If you are an alternate payee who selects an accelerated payment option, your temporary annuity is payable until you reach age 62. Under the new law, if you die before reaching age 62, the temporary annuity will be
paid to your beneficiary(ies) through the month you would have reached age 62. This is true regardless of the annuity option originally selected.

**Effects On Monthly Payments**

**For Marriages Legally Terminated After April 27, 1990:** Upon receipt of a valid QDRO, a percentage of a participant's total WRS annuity (as of the decree date) will be paid directly to the alternate payee. The participant's annuity is divided into two separate life annuities, with a new annuity record established for the alternate payee paid retroactively to the decree date. Because this creates an overpayment of the participant, the WRS must be reimbursed. A separate notice is sent to explain the options for repayment.

**For Marriages Legally Terminated On or After January 1, 1982 and Before April 27, 1990:** If a valid QDRO is received and the participant was not an annuitant on the decree date but is receiving an annuity when the ETF receives the QDRO, ETF will divide the annuity prospectively and create a separate annuity for the alternate payee. The alternate payee's share of the annuity is calculated based on the percentage of the participant's account value as of the decree date. Benefits earned after the decree date are not divided.

If the participant was an **annuitant** on the decree date, the annuity is divided based on the present value of the annuity as of the first of the month after the QDRO is received by ETF. Separate annuity payments will be issued to the participant and the alternate payee on the next annuity payment date after the QDRO is received.

In all cases under this time frame (between January 1, 1982 and April 27, 1990), the alternate payee’s payments begin based on the QDRO receipt date. Retroactive payments are not due based on the decree date.

**For all QDROs applied to annuities**—Once the annuity is divided, the participant and the alternate payee will each receive a notice explaining his/her annuity amount, the option in effect, etc. The type of annuity and amount for each party will be based on his/her age and the participant's original option selection. The alternate payee does not need to file an application for benefits. When the annuity is divided, payments will automatically be made to the alternate payee.

Annual Core and Variable adjustments are applied to both parties' annuities. Separate 1099-R tax reports are mailed to each annuitant yearly.

While the combined actuarial value of the two annuities remains the same as the actuarial value of the participant's original annuity, the sum of the two separate gross annuities will usually be different than the participant's gross monthly annuity before the division. This is due to the actuarial conversion of the annuity into two separate life annuities based on the respective life expectancies of the participant and alternate payee.

**Annuity Options and Associated Survivor Benefits**

The survivor benefits from the participant's and alternate payee's annuities are based on the original option selected by the participant.

The participant and the alternate payee can each name his/her own beneficiary(ies) to receive the potential survivor benefit from his/her annuity. Each can change beneficiary(ies) at any time. Once the guaranteed number of payments has been made, there is no survivor benefit from either annuity.

**Life With 60-Payments and 180-Payments Guaranteed Options**—The annuity is divided into two separate annuities, one paid to the participant for life and one to the alternate payee for life. If the guarantee period has not expired as of the effective date of the annuity division, each annuity provides the remainder of the original guarantee period as a potential survivor benefit. Whether a survivor benefit is payable from an annuity depends on whether the guarantee period has expired at the time he or she dies. However, if the guarantee period had expired as of the effective date of the annuity division, there is no survivor benefit payable from either annuity.
Joint and Survivor Options With Alternate Payee As Named Survivor

- **Joint and Survivor Annuity with No Monthly Payments Guaranteed:** The annuity is divided into two annuities payable for the respective lifetimes of the participant and the alternate payee. There is no survivor benefit payable upon either death.

- **Joint and Survivor Annuity with 180 Payments Guaranteed:** The annuity is divided into two annuities payable for the respective lifetimes of the participant and the alternate payee. If fewer than 180 payments have been made since the participant's annuity began, the remaining guaranteed payments are available as a survivor benefit from each annuity.

If a QDRO awards zero percent (0%) to the alternate payee, the participant’s annuity is not divided. The alternate payee will not receive a WRS annuity.

In addition, the participant's annuity will be recalculated as a life annuity payable to the participant. There will be no change in the remaining guarantee period if a guarantee is applicable. The joint survivor is also removed from the participant’s annuity, if the alternate payee was the named joint survivor.

Joint and Survivor Options with Someone Other Than Alternate Payee as Named Survivor

- **Joint and Survivor Annuity With No Monthly Payments Guaranteed:** The annuity is divided into two annuities payable for the respective lifetimes of the participant and the alternate payee. The participant's annuity continues (although reduced) with the survivor originally named. The alternate payee receives a life annuity that ends upon the alternate payee's death.

- **Joint and Survivor Annuity Combined with 180 Payments Guaranteed:** The annuity is divided into two annuities payable for the respective lifetimes of the participant and the alternate payee. The participant's annuity (reduced by QDRO) continues with the original named survivor. If both the participant and the named survivor die before 180 payments have been made, the remaining guaranteed payments are payable to the beneficiary(ies). The alternate payee also receives a life annuity. Guaranteed payments made to beneficiaries of the alternate payee work much like those of the participant. For beneficiaries to be paid, the alternate payee must pass away before 180 total payments have been made. For alternate payees, the 180 payments are calculated based on the participant’s annuity begin date.

Accelerated Payment Options

Accelerated payment options are available with all of the monthly payment options detailed above. If the participant was younger than age 62 on his/her retirement benefit begin date, he/she may have selected an accelerated payment.

Although paid as one monthly amount, all accelerated annuities consist of two parts: A temporary annuity paid until age 62 and a life annuity payable for the life of the participant. Accelerated options provide a higher payment until age 62 by including a temporary annuity.

When an accelerated payment option annuity is divided by a QDRO, the participant and alternate payee each receive a lifetime annuity calculated as described above, plus a temporary annuity. It is payable to each person until that person reaches age 62. At age 62, each annuity decreases to that person's lifetime annuity amount.

A July 1, 2008 law change allows the temporary annuity to be paid as a survivor benefit if either annuitant’s death occurs before age 62. If applicable, survivor benefits are paid through the month the annuitant would have reached age 62 regardless of the annuity option selected.

If an annuity is divided, the change only applies if the participant's annuity began on or after July 1, 2008. The change in potential survivor benefits does not apply to temporary annuities that began prior to July 1, 2008.

If either annuitant dies before age 62:

- The temporary annuity ends if the annuity began before July 1, 2008.

- Regardless of the annuity option originally selected, and if the annuity began on or after July 1, 2008, the temporary annuity is paid as a survivor benefit through the month the annuitant would have reached age 62.
The participant and alternate payee can each submit a projection of his/her estimated age-62 Social Security benefits. If this SSA projection is done using a "stop working age" that is within one year of his/her WRS benefit effective date, it will be used to recalculate the before-and-after-age-62 annuity amounts for that person. Otherwise, ETF uses actuarial tables for the temporary portion of the annuity. The after-age-62 amount must meet the annual minimum for the temporary annuity to be available.

**Annuity Certain Options (Available from employee additional contributions only):**

An annuity certain is divided into two separate annuities paid to the participant and alternate payee for the duration of the number of payments originally selected by the participant. Each person can name beneficiaries to receive any remaining payments available upon his/her death. Each can change beneficiaries at any time.

If the participant is a WRS annuitant on the first of the month of the decree date and also has an inactive account (additional contributions), the inactive account is divided as described in the section on active/inactive accounts.

If you need additional descriptions of the various annuity options available to WRS participants, review ETF’s brochure, *Choosing an Annuity Option* (ET-4117).

**Federal Tax Withholding on Benefits Paid to Alternate Payees**

Unless you select a direct rollover to another qualified plan or a Roth or Traditional IRA, federal law requires that ETF withhold 20% of the taxable portion of any lump sum benefit. The 20% withholding also applies to any payments from an annuity certain of less than 10 years. Exception: Lump sum benefits of less than $200 cannot be rolled over and the 20% mandatory withholding does not apply.

If a direct rollover is not requested, any benefit will be made payable to you. Your payment will be taxable in the year it was issued unless you roll it over to an eligible plan or IRA within 60 days. If a rollover is completed based on the 60-day rule, ETF is unable to refund taxes initially deducted for the cash payment. For the full taxable amount to be rolled over, funds equivalent to the tax deduction must come from another source.

The federal early distribution tax that applies to separation benefits does not apply to benefits paid to alternate payees. There is no early withdrawal penalty for a direct payment retirement lump sum for an alternate payee.

Always include your name, Social Security number or Member ID and birth date on correspondence to ETF.

ETF has made every effort to ensure that this brochure is current and accurate. However, changes in the law or processes since the last revision to this brochure may mean that some details are not current. Please contact ETF if you have any questions about a particular topic in this brochure.

ETF does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech, hearing or visually impaired and need assistance, call toll free 1-877-533-5020 or 608-266-3285 (local Madison). We will try to find another way to get the information to you in a usable form.
Frequently Asked Questions Regarding QDROS

Can my WRS account be split?
Yes, your WRS can be split. For specific conditions, see General Information on page 1.

What is a QDRO (Qualified Domestic Relation Order)?
For WRS purposes, a QDRO is a court order that awards a percentage of a participant's WRS account or annuity to an “alternate payee” (the participant’s former spouse) when a marriage has been terminated through divorce, annulment or a *legal separation.

What language is required in a valid QDRO?
• The participant’s legal name, birthdate, Social Security number and current address.
• The alternate payee's legal name, birthdate, Social Security number and current address.
• The WRS must be specifically named in the court order.
• The QDRO must specify the decree date as the date to be used for valuing and dividing the account or annuity. *(The decree date is the first day of the month in which the marriage is legally terminated).*
• The QDRO must award the alternate payee a percentage that does not exceed 50% of the participant’s account as of the decree date.
  • the percentage of the account may be specified up to two decimal places.
  • If more than two decimal places, ETF will round the percentage up to two places.
• The QDRO must require the participant to certify all active military service or provide an affidavit of no military service. The *Military Service Certification Affidavit* (ET-4322) is located on the ETF website at [etf.wi.gov](http://etf.wi.gov).
• The QDRO must require the participant's employer to provide ETF with all service, earning and contributions through the day prior to the decree date.

How do I submit a valid QDRO?
To assure that the QDRO meets all of the requirements under WRS law and to avoid rejection, use one of ETF's QDRO forms: the *Order to Divide Wisconsin Retirement System Benefits* (ET-4926) for Wisconsin courts or the *Foreign Jurisdiction Order to Divide Wisconsin Retirement System Benefits* (ET-4935) for courts outside Wisconsin jurisdiction. Both are available on our Internet site at [etf.wi.gov](http://etf.wi.gov).

What happens when ETF receives a QDRO?
See page 2 for a full explanation under the heading *What Happens When ETF Receives a QDRO.*

What is an alternate payee?
An alternate payee is the former spouse or domestic partner of the participant.

I am an alternate payee. When and how can I apply?
See page 5; *When to Apply: Benefits And Options Available To The Alternate Payee*

Can service awarded to the alternate payee be bought back?
No, there are no provisions in WRS law which permit you to purchase service that was awarded to the alternate payee.

What does it mean if a court issues a zero% QDRO
If a QDRO awards zero percent (0%) to the alternate payee, the participant's annuity is not divided. The alternate payee will not receive a WRS annuity. If the annuity option is a joint or survivor option see page 8 for a complete description of the effects of a 0% QDRO
Contact the Department of Employee Trust Funds

Internet Site
Find Wisconsin Retirement System and related benefit program information, as well as several ways to contact ETF by e-mail. Look for the red envelope at etf.wi.gov to sign up for free ETF E-mail Updates.

Self-Service Lines
1-877-383-1888 (toll free)
608-266-2323 (local Madison)
Request forms or brochures through the ETF self-service lines, available 24 hours a day, seven days a week. Annuitants may also call to change address information or tax withholding elections.

Main Telephone Lines
1-877-533-5020 (toll free)
608-266-3285 (local Madison)
Employees and employers can speak on the telephone with an ETF benefit specialist from 7 a.m. to 5 p.m. Monday through Friday (except holidays).
Wisconsin Relay Service (for hearing and speech impaired) 7-1-1 or 1-800-947-3529 (English) 1-800-833-7813 (Spanish)

Current Topics of Interest
1-800-991-5540 (toll free)
608-266-3285 (local Madison)
Listen to important topics of interest on a variety of WRS related subjects, 24/7. During business hours, you may elect to speak with a representative at any time.

Mailing Address
P. O. Box 7931
Madison, WI 53707-7931

Street Address
801 West Badger Road
Madison, WI 53713

Appointments
To register for a group appointment in your area, visit etf.wi.gov/members/presentation_map.html.
To schedule an individual appointment in Madison, call 1-877-533-5020 (toll free) or 608-266-3285 (local Madison)