New Hampshire Retirement System
80 Commercial Street, Concord, NH 03301
Phone: (603) 410-3500 | Fax: (603) 410-3501
Website: www.nhrs.org | Email: info@nhrs.org

INSTRUCTIONS ONLY

DO NOT ATTEMPT TO COMPLETE OR SUBMIT THESE INSTRUCTIONS.

THESE ARE THE INSTRUCTIONS FOR THE TEMPLATE FORM OF A DOMESTIC RELATIONS ORDER (DRO) THAT WILL BE ACCEPTED BY NHRS FOR PARTICIPANTS WHO HAVE NOT RETIRED AS OF THE EFFECTIVE DATE OF THE DRO.

USE OF THIS FORM WILL ASSURE THAT THE BENEFIT CHOICES SELECTED ARE PERMISSIBLE BY NHRS.

MEMBERS AND RETIREES MAY SUBMIT CUSTOM DRAFTED FORMS OR MAY INCLUDE THE TERMS OF THE DRO IN THE DIVORCE DECREE AND/OR SETTLEMENT AGREEMENT. HOWEVER, NHRS RESERVES THE RIGHT TO REJECT ANY DRO THAT PROVIDES FOR A FORM OF BENEFIT NOT OTHERWISE AVAILABLE UNDER THE PLAN OR DOES NOT COMPLY WITH ADMINISTRATIVE PROCEDURES.

YOU MUST COMPLETE THIS TEMPLATE BY CHECKING THE BOXES AND/OR FILLING IN THE BLANKS. NHRS WILL NOT ACCEPT ANY MODIFICATIONS TO THE TEMPLATE. DO NOT ALTER THE WORDING OR DELETE ANY PROVISIONS. IF A PROVSION IS INAPPLICABLE, LEAVE IT BLANK.

FILLABLE FIELDS NOTED IN RED BELOW ARE ONLY AVAILABLE IN THE ACTUAL TEMPLATE.

THIS DRO MUST BE SIGNED OR STAMPED BY THE COURT AS BEING APPROVED, OR INCORPORATED BY REFERENCE IN THE DIVORCE DECREE OR SETTLEMENT AGREEMENT.

ENTER COURT NAME, CAPTION AND DOCKET INFORMATION HERE

DOMESTIC RELATIONS ORDER (DRO)
(PRE-RETIREMENT)

PREAMBLE

It is the intent of this Court that the provisions of this Domestic Relations Order (DRO) operate as an effective assignment to the Alternate Payee (AP) of a share of the Plan Participant's interest in the Plan in accordance with Sections 401(a)(13)(B) and 414(p)(1)(B) of the Internal Revenue Code (IRC). This DRO is issued pursuant to the provisions of NH RSA 458 that relate to the division of marital property or any similar laws of another state.

Nothing contained in this DRO shall be construed to require the Plan to either (1) make any payments to the Alternate Payee unless this DRO is determined by the Plan to be a Qualified Domestic Relations Order (QDRO) as provided in IRC Section 414(p)(1)(A); (2) provide to the Alternate Payee any type or form of benefit that is not otherwise available to the Participant under the Plan; or (3) pay any benefits to the Alternate Payee that are required to be paid to any person pursuant to another legally valid QDRO that takes precedence over this DRO.

1. Plan. The Plan Administrator is the New Hampshire Retirement System, 80 Commercial Street, Concord, NH 03301

2. Participant.

   Name: Fillable Field

   Address: Fillable Field

3. Alternate Payee.

   Name: Fillable Field

   Address: Fillable Field

4. Marital Period. Start Date: Fillable Field End Date: Fillable Field

The marital period begins on the date of the marriage and ends on the date agreed upon by the parties and approved by the Court, (e.g., date divorce proceedings initiated, date of final divorce, etc.).

5. Alternate Payee's Interest. The Alternate Payee is assigned a monthly annuity benefit in either of the two options below:

a. Percentage Interest.

i. Regular Annuity. A portion of the monthly annuity benefit otherwise payable to the Participant in an amount equal to the percentage designated below.

Alternate Payee's Percentage Interest: Fillable Field %

Enter 0% if the Alternate Payee is not entitled to any interest during the Participant's lifetime.

The following calculation formula shall apply in determining the Alternate Payee's benefit amount based on the percentage stated above (Check one):

☐ No Formula (a percentage determined regardless of marital period)

☐ NHRS Formula (a percentage determined based on the marital period excluding future benefit accruals)

☐ Hodgins Formula (a percentage determined based on the marital period including future benefit accruals)

A description of how these formulas differ is located at the end of these instructions.

ii. Additional Annuity. The Alternate Payee is also entitled to receive the following percentage of any Additional Annuity payable to the Participant: Fillable Field %

Additional Annuities are a separate benefit from the member's regular monthly pension annuity. They are not common. Prior to 2004, members could elect to pay Additional Contributions to fund an Additional Annuity up to certain limits [See former RSA 100-A:16, I(c)]. At retirement, a member may elect to receive the additional monthly annuity or a refund of contributions plus interest. In some cases, contributions in excess of the amount needed to fund the Additional Annuity are also refunded. Refunds of Accumulated Contributions are distributed in accordance with Section 8 below. Because additional annuities are calculated based on the amount of Additional Contributions made, and are not based on service credit earned, NHRS will only accept a flat percentage allocation and will not accept an award to the AP based on the marital period (i.e., the NHRS Formula or the Hodgins Formula noted above in Section 5.a.i.)

b. Fixed Amount. A monthly amount equal to: $ Fillable Field

The Fixed Amount shall be paid for the following period of time (Check one):

☐ Participant's Lifetime

☐ Fixed Term

a. Length of Fixed Term: Fillable Field Months

b. Maximum Cumulative Fixed Amount: $ Fillable Field

The Maximum Cumulative Fixed Amount is the monthly amount times the number of months in the Fixed Term. See Section 7 below.

6. Timing of Payments. Any monthly benefits payable to the Alternate Payee shall be made commencing with the Plan Participant's retirement. If the Participant elects a lump sum distribution of the Accumulated Contributions (as defined in RSA 100-A:1, XIX), in lieu of an annuity benefit, the provisions of Section 7 below shall apply.

For Sections 7-10, Participants and Retirees are encouraged to review and revise any beneficiary designation forms on file with NHRS to assure compliance with these QDRO provisions. In the case of any conflict, NHRS will follow the terms of this QDRO.

7. Distribution of Accumulated Contributions. If the Participant elects to receive a lump sum distribution of Accumulated Contributions pursuant to RSA 100-A:11, prior to or in lieu of a retirement annuity, the Alternate Payee is entitled to a portion of such lump sum distribution as follows:

☐ A percentage of interest based on the percentage designated in Section 5.a.i. above taking into account the formula selected.

☐ A fixed amount equal to the lesser of such remaining Accumulated Contributions or an amount equal to the Maximum Fixed Amount Payable minus the cumulative fixed amounts paid, each as provided in Section 5.b. above.

8. Refund of Additional Contributions. If the Participant is entitled to receive a distribution of Additional Contributions, the Alternate Payee is entitled to receive a percentage of such distribution as follows: Fillable Field %

9. Death Benefits. Should the Participant die prior to retirement, the Alternate Payee is entitled to the following percentage of any pre-retirement lump sum death benefits payable pursuant to RSA 100-A:8 (Ordinary Death), or A:9 (Accidental Death), with the understanding that, in the event of an Accidental Death, no such lump sum benefit will be payable to the Alternate Payee if any of the beneficiaries that are statutorily designated (i.e., spouse at time of death, minor children, or dependent parents) survive the Participant. (Check one)

☐ A percentage of interest based on the percentage designated in Section 5.a. above taking into account the formula selected.

☐ _____%

RSA 100-A:8 provides that if a Participant dies in service due to a work-related injury or illness, and is survived by a spouse, minor children, or dependent parents, such persons are entitled to receive an annuity form of benefit and no lump sum benefit is payable to any other beneficiary including the Alternate Payee. This is statutorily required and cannot be altered by the terms of this QDRO.

RSA 100-A:9 provides that if a Participant dies in service due to an illness or injury that is not work-related, certain death benefits may be payable to his or her surviving spouse if the Participant has not designated another beneficiary. If this QDRO awards all or a portion of the lump sum death benefits under RSA 100-A:9 to the Alternate Payee and there is a conflict between this QDRO and any beneficiary designation form completed by the Participant, the terms of this QDRO will control. The Alternate Payee will receive the amounts due hereunder and any remaining amounts will be distributed in accordance with the Participant's beneficiary designation.

10. Survivor Option Benefits. Upon retirement, the Participant is required to select one of the following survivor options pursuant to RSA 100-A:13, III and designate the Alternate Payee as the beneficiary of such survivor option. (Choose one)

A. ☐ Maximum Benefit, No Option. The Plan Participant is prohibited from electing any survivor benefit option.

By selecting this box, the Parties are agreeing that the Participant must select the Maximum Benefit Payable with no optional survivor annuity benefit; and such benefit, as payable during his/her lifetime, will be shared with the AP in accordance with Section 5.

B. ☐ Option 1, with a designation of the Alternate Payee as beneficiary for the percentage or amount designated in Section 7 (and 8, if applicable) with respect to the return of Accumulated Contributions (and Additional Contributions, if applicable) and interest thereon.

C. ☐ Option 2, with the Alternate Payee designated as the 100% beneficiary of the 100% survivor option benefit.

D. ☐ Option 3, with the Alternate Payee designated as the 100% beneficiary of the 50% survivor option benefit.

E. ☐ Option 4(A), with the Alternate Payee designated as the 100% with a pop up if the Alternate Payee predeceases the Plan Participant.

F. ☐ Option 4(B), with the Alternate Payee designated as the 50% beneficiary with a pop up if the Alternate Payee predeceases the Plan Participant.

G. ☐ Option 4(C), with the Alternate Payee designated as the 100% beneficiary of the other survivor option percentage benefit as determined thereunder. _____%

Select this box and specify a percentage option benefit that is other than 100% or 50% (i.e., C. – F. above). This may be desirable when the parties want to limit the AP's survivor option to the percentage calculated based on the formula selected in Section 5 above.

H. ☐ The Alternate Payee is not entitled to any survivor option benefit and the Plan Participant may select the Option of his or her own choosing.

By selecting this box, the Parties are agreeing that the Participant may select any available survivor option and may select the beneficiary(ies) of his or her choice; and, that the AP will <u>not</u> receive any survivor annuity benefit upon the Participant's death after retirement.

If the parties wish to designate a different option choice for any additional annuity benefit, enter the different option choice here: Fillable Field

The Alternate Payee shall pay _____ % of the cost of any option selected.

The optional allowance ☐ **may** or ☐ **may not** be terminated upon the remarriage of the Alternate Payee.

The "cost" of a survivor option is expressed as a reduction in the amount of the maximum monthly benefit that would otherwise be payable to the Participant during the Participant's lifetime if there had been no survivor option selected. The Participant and Alternate Payee will share in the cost of such option in accordance with the percentage designated above and the relative amount payable to each of the Participant and the Alternate Payee will be adjusted accordingly. IMPORTANT: If, upon retirement, it is determined that the AP's share of the cost of the option exceeds the benefit payable to the Alternate Payee, then this will offset the AP's benefit during the Participant's lifetime and any cost in excess of the AP's benefit shall be borne by the Participant.

11. Cost of Living Adjustment (COLA). The Alternate Payee ☐ **shall** or ☐ **shall not** be entitled to receive a pro rata share in any COLA payable by the Plan to the Participant based on the Alternate Payee's percentage benefit as specified herein in Section 5.a., it being understood that, if a Fixed Amount is specified pursuant to Section 5.b., then no amount of any COLA will be payable to the Alternate Payee.

12. Acknowledgement. The parties acknowledge that any monthly annuity benefit to which the Alternate Payee is entitled that is expressed as a percentage of the benefit the Participant is otherwise entitled to, or any survivor benefit with respect thereto, shall be determined based upon the benefit calculations as provided under RSA 100-A, *et. seq.,* taking into account any reductions thereto, including but not limited to, (a) early retirement benefits under RSA 100-A:5; (b) restoration of service under RSA 100-A:7, I; (c) offsets relating to limits on working after retirement under RSA 100-A:7, II; (d) offsets relating to the gainful occupation provisions under RSA 100-A:6, III(b)(1); (e) offsets relating to worker's compensation benefits under RSA 100-A:6; or, (f) any application of the split-benefits rules under RSA 100-A:19. In the case of any Fixed Amount payable under Section 5.b. above, in no event shall the Alternate Payee be entitled to an amount in excess of the Maximum Benefit Payable taking into account any reductions described in the previous sentence.

Dated this _____ day of _____ , 20 ____.

_____ Participant's Signature

_____ Alternate Payee's Signature

Write "No Attorney," if applicable.

_____ Attorney for Participant, if applicable

_____ Attorney for Alternate Payee, if applicable

_____ Attorney's Address

_____ Attorney's Address

IMPORTANT: This QDRO must be approved by the Court in the manner consistent with the Court's general practice such as by signature, stamp, or incorporation by specific reference in the divorce decree or settlement agreement (i.e., "as provided in the QDRO executed by the parties hereto dated XX/XX/XXXX").

PLEASE ADD ADDITONAL SIGNATURE LINES HERE AS APPROPRIATE.

No Formula

If no formula is selected, the AP will receive a percentage of the monthly annuity as specified in Section 5.A.i. without taking into account the marital period.

Example: Group II Member with 20 years of service and $80,000 AFC at retirement

Benefit: 20 years X 2.5% X $80,000 AFC = $40,000 annually; $3,333,33 monthly

Alternate Payee's Percentage per QDRO = 50%
Alternate Payees monthly benefit = $3,333.33 X 50% = $1,666.67

NHRS Formula

Under the NHRS formula, the Alternate Payee's benefit amount is determined at the time of the divorce based on the benefit that accrued during the marital period only and does not account for any future increase in compensation or additional service credit earned after the marital period. The amount payable to the Alternate Payee is fixed at the end of the marital period and cannot increase for any reason.

Example: Group II member, 10 year marital period, $40,000 AFC in marital period

Benefit Accrued in Marital Period: 10 X $40,000 X 2.5% = $10,000 annual benefit and $833.34 monthly benefit.

Alternate Payee's Percentage per QDRO = 50%
Alternate Payees monthly benefit = $416.67

Hodgins Formula

Under the Hodgins formula, the Alternate Payee's benefit amount is determined at the time of retirement and takes into account compensation paid and service credit earned after the end of the marital period.

Example: Group II member, 10-year marital period, 20 years of total service credit, $80,000 AFC at retirement

Benefit: 20 X $80,000 X 2.5% = $40,000 annual benefit and $3,333.34 monthly benefit

Alternate Payee's Percentage per QDRO = 50%
Alternate Payees Monthly Benefit

$$\$3{,}333.34 \times \frac{\text{10 yrs of service in marital period}}{\text{20 yrs of total service}} \times 50\% = \$833.34$$