

LOCAL POLICE and FIRE RETIREMENT SYSTEM

LOPFI BOARD RULE #6

APPROVED: September 14, 2005

AMENDED: June 4, 2009

AMENDED: September 1, 2011

AMENDED: March 3, 2022

AMENDED: September 1, 2022

ADMINISTRATION OF A QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)

1. An Arkansas circuit court may order the division of a Member's (Participant's) vested benefit to be paid to a former spouse (alternate payee) through the use of a LOPFI-approved Qualified Domestic Relations Order (QDRO). Such QDRO shall not provide for any form of benefit or payment not otherwise available under LOPFI, nor require payments to an alternate payee which are required to be paid to another alternate payee as a result of a previous QDRO. Because LOPFI is not subject to the QDRO rules set out in Internal Revenue Code 414(p), it is necessary to establish controls that ensure the prudent use of system resources in the administration of a QDRO. LOPFI will only administer a QDRO that fully conforms with this Board Rule and the model QDRO adopted by the LOPFI Board of Trustees (the Board) and is accompanied with legible copies of the driver's license and social security card for the alternate payee.
2. When a QDRO is entered awarding some portion of a Participant's retirement benefit to an alternate payee (for example 1%, 3%, 5%, etc.), the alternate payee's monthly payment will start when the Participant's monthly benefit payment starts. All payments will be processed in accordance with LOPFI's retiree payroll requirements.
3. In the event the payment amount to an alternate payee is less than one-hundred dollars (\$100.00), the Participant shall be paid the total monthly payment and shall be responsible for paying the alternate payee the amount due. An alternate payee is not eligible for a lump-sum payment (except when the Participant receives all or a portion of a DROP account), disability or death benefits, refund, cost of living adjustment, or any benefit enhancement. An alternate payee shall not be considered a retiree, survivor, or beneficiary under LOPFI.
4. LOPFI's legal counsel will review QDROs to ensure strict compliance with this Board Rule and the model QDRO adopted by the Board. "Strict compliance" means no modification(s) or redaction(s) to the model QDRO. A QDRO that deviates in any manner from the model QDRO will not be deemed to comply with this Board Rule and, therefore, shall not be administered by the Plan.

LOPFI Board Rule 6 concluded.

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The language in the provided Model QDRO is governed by LOPFI Board Rule 6. It is a requirement that any QDRO submitted to LOPFI must follow the **EXACT** language provided with no alteration or qualifications whatsoever. Failure to strictly comply with the Model QDRO and this notice will result in a QDRO that LOPFI will reject.

A legible driver's license and social security card copy for the Alternate Payee are required to be submitted along with the QDRO. The copies will be used to validate the personal details used to create the required individual accounts per the QDRO.

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MODEL QDRO

IN THE CIRCUIT COURT OF _____ COUNTY, ARKANSAS

PLAINTIFF

VS. NO.

DEFENDANT

QUALIFIED DOMESTIC RELATIONS ORDER

The Court finds that _____ (hereinafter referred to as the “Participant”) has been a member of the Arkansas Local Police and Fire Retirement System (“the Plan”) and has certain account(s) in the Plan. Such account(s) existed during the time that the Participant was married to _____ (hereinafter referred to as the “Alternate Payee”). The Court further finds that a portion of the Participant’s benefits under the Plan should be partitioned and distributed in accordance with the terms of this Order. This Order is intended to meet the requirements of a “Qualified Domestic Relations Order” of the Plan.

THEREFORE, IT IS HEREBY ORDERED, AND DECREED AS FOLLOWS:

1. The Participant’s name is _____. The last known mailing address of the Participant is _____. The last four digits of the Participant’s Social Security Number are _____. The Participant’s year of birth is _____.

2. The Alternate Payee’s name is _____. The last known mailing address of the Alternate Payee is _____. The last four digits of the Alternate Payee’s Social Security Number are _____. The Alternate Payee’s year of birth is _____.

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3. The Participant and the Alternate Payee were married on _____, and their divorce decree was entered on _____.
4. The Plan shall pay the Alternate Payee _____% of the Participant's monthly benefit.
5. Monthly payments to the Alternate Payee will begin when the Participant terminates covered employment and begins receipt of a monthly retirement benefit. In the event the Alternate Payee's monthly payment is less than one-hundred dollars (\$100.00), the Participant shall be paid the total monthly payment and shall be responsible for paying the Alternate Payee the amount due.
6. Monthly payments to the Alternate Payee shall cease upon the Participant's death. Should the Alternate Payee receive any payment(s) after the Participant's death, the Alternate Payee is ordered to refund such payment(s) to the Plan within five (5) calendar days after Alternate Payee receives such payment(s).
7. Upon the Alternate Payee's death, the monthly payment previously assigned to the Alternate Payee shall revert to the Participant.
8. If the Participant is a contributory member and terminates employment and withdraws the balance in the member deposit account, the Alternate Payee shall receive _____% of the member's deposit account balance.
9. The rights, limitations, and requirements of the Participant and the Alternate Payee are strictly controlled by Board Rule #6 of the Plan. The same is incorporated herein by reference and the rights of the parties hereto shall be consistent with the aforementioned Board Rule as it relates to the administration of the Plan.
10. To the extent the Plan erroneously pays to the Participant any amounts that are

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payable to the Alternate Payee under this Order, the Participant shall be deemed to be a trustee holding the amount of such monies in a constructive trust for the Alternate Payee. The Participant is ordered to pay such amount to the Alternate Payee within five (5) calendar days after the Participant receives such amount.

11. To the extent the Plan erroneously pays to the Alternate Payee any amounts that are payable to the Participant under this Order, the Alternate Payee shall be deemed to be a trustee holding the amount of such monies in a constructive trust for the Participant. The Alternate Payee is ordered to pay such amount to the Participant within five (5) calendar days after the Alternate Payee receives such amount.

12. This Order shall not require the Plan to provide any type or form of benefit or payment not otherwise provided under the Plan; nor shall it require the payment of any amounts to the Alternate Payee which are required to be paid to another alternate payee of another order previously determined by the Plan to be a Qualified Domestic Relations Order; nor shall it require the Plan to provide increased payments to the Alternate Payee. Any provision of this Order that appears to be otherwise shall be null and void and have no effect whatsoever.

13. The parties shall promptly submit this Order to the Plan for determination of its status as a Qualified Domestic Relations Order. Once the Plan has determined that this Order conforms entirely with its requirements, this Order shall take effect immediately and remain in effect until further orders of this Court.

IT IS SO ORDERED.

CIRCUIT JUDGE

DATE: _____