



**LABORERS' AND RETIREMENT BOARD EMPLOYEES'  
ANNUITY AND BENEFIT FUND OF CHICAGO**

# **Qualified Illinois Domestic Relations Orders (QILDRO)**

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## **Information for QILDRO Law (Members in Divorce Proceedings)**

**Effective July 1, 2006  
Updated February 5, 2025**

QILDRO forms are also available from the Fund's website  
[www.labfchicago.org](http://www.labfchicago.org)

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**THIS PUBLICATION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT INTENDED TO CONSTITUTE AN OPINION OR PROFESSIONAL ADVICE.**

**This subject matter may be of considerable financial significance. It is strongly recommended that the member obtain competent legal and/or other expert assistance. This information is provided with the understanding that the Laborers' Annuity & Benefit Fund (LABF or the "Fund") is not rendering legal, financial, or other professional advice. The Fund does not assume responsibility for the specific consequences resulting from application of the information in this publication to a particular member or alternate payee.**

### **Foreword**

The following publication provides information about Qualified Illinois Domestic Relations Orders (QILDROs). Both this publication and the required forms are available from the Laborers' Annuity & Benefit Fund of Chicago at **150 N. Wacker Drive, Suite 800, Chicago IL 60606-1624**, or from our website at [LABFchicago.org](http://LABFchicago.org), or by calling the Fund at 312-236-2065.

In 2005, legislation was enacted that amended the law governing QILDROs, (40 ILCS 5/1-119). The amended law is effective July 1, 2006 and dramatically changes QILDROs. If you were familiar with QILDROs before July 1, 2006, it is important that you learn about the changes. For detailed information not covered in this text, please consult the Illinois Pension Code. If there is any conflict between this information and the Pension Code, the Code will prevail.

### **Disclaimer**

LABF has provided the enclosed materials based on the best information available at the time of publication. Similarly, our office will provide a Customized Benefit Statement based upon information which is available at the time of the request.

The Fund has no responsibility to recalculate information previously provided, nor to inform an alternate payee regarding any statutory changes that may affect the calculation of a member's benefit, unless the Fund is subsequently served with a subpoena for new QILDRO benefit information. Receipt of a modified QILDRO or QILDRO Calculation Court Order ("Calculation Order") could adversely affect an alternate payee's payment priority.

The Pension Code provides that the Fund, as a result of the existence of a QILDRO, will never be required to disburse to the member and to his/her alternate payee(s) any accumulated amounts greater than the amount that would have been otherwise disbursed to the member. It is the responsibility of the alternate payee and their counsel to be aware of, and in compliance with, the Illinois statutes governing QILDRO as they may be amended or reinterpreted over the life of the QILDRO.

## TIME LINE

Observe the following time line when considering LABF benefits in divorce proceedings:

<b>As you are considering divorce</b>	Become familiar with QILDRO forms and requirements (contact LABF) LABF 150 North Wacker Drive, Suite 800 Chicago, IL 60606-1624 You may also call the Fund office at (312) 236-2065 or visit the Fund's website at LABFchicago.org.
<b>At least 45 days before needed</b>	Request a Customized Benefit Statement for divorce purposes. Statements will be mailed to LABF members upon request. If you are not the member but you receive member authorization, a statement will be provided. Otherwise, a subpoena must be submitted to the Fund along with a \$25 subpoena fee payable to the LABF.
<b>Court date</b>	Illinois court may, in its discretion, enter a QILDRO. You must obtain a certified court ordered copy <sup>1</sup> of the QILDRO from the Clerk of the Court.
<b>After court issues QILDRO</b>	Send the certified QILDRO to LABF: 1. include the statutory \$50 fee to LABF 2. include the original Consent to Issuance of QILDRO form <sup>2</sup> signed by member if Fund participation was prior to July 1, 1999.
<b>Within 45 days after LABF receives QILDRO QILDRO Entry</b>	LABF sends notification <sup>3</sup> regarding validity of QILDRO. If the QILDRO is not accepted, you will be notified reason(s) for rejection.  1.) If the QILDRO is accepted and a fixed amount is allocated, the order will be placed on record until such time benefits become payable.  2.) If the QILDRO uses percentages, a Qualified Calculation Order (Calculation Order) is required. Generally, the Calculation Order would be submitted to our office upon the member's retirement, at which time the amount of the retirement and any applicable refunds becomes known.  a. <u>If already retired</u> , the Fund will provide a Customized Benefit Statement so that a Calculation Order can be obtained. b. <u>If not yet retired</u> , the Fund will retain the QILDRO on file. When benefits become payable, the Fund will notify the alternate payee by first class mail, the need for a Calculation Order.

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<sup>1</sup> Clerk of the Court's seal or stamp certifies a true and correct copy of original order. Plain or file-stamped copies are unacceptable.

<sup>2</sup> Consent form only required for members hired prior to July 1, 1999.

<sup>3</sup> Notification: If the QILDRO is being rejected, notice will be mailed to the submitting party and the notice will indicate the reasons for rejection. If the QILDRO is accepted, a copy of the QILDRO will be mailed to all parties involved and the QILDRO copy will serve as the official notice of the accepted QILDRO.

The Calculation Order must be submitted to LABF along with a \$50 processing fee. You will be notified within 45 days whether the Calculation Order is approved or rejected and if rejected, reasons for rejection.

**When LABF  
receives notice of  
member's death**

All alternate payee monthly retirement payments stop. If the QILDRO further provides death benefits to the alternate payee, the Fund will provide a Customized Benefit Statement detailing the death benefit information available. The alternate payee may again be required to obtain another Calculation Order. [*See Division of Benefits*]

## LABF Retirement Benefits and Divorce

### What is a Qualified Illinois Domestic Relations Order (QILDRO)?

A Qualified Illinois Domestic Relations Order (QILDRO) is a court order issued by an Illinois court that directs an Illinois public retirement system to pay an alternate payee, all or a portion of a member's retirement benefit, certain refunds, or death benefit. An alternate payee is typically a former spouse, but may be a current spouse, child, or other dependent.

The QILDRO law applies to Illinois public retirement systems governed by the Illinois Pension Code, 40 ILCS 5. Illinois public funds may only pay benefits to a former spouse according to a QILDRO. They cannot pay a former spouse based on a member's judgment for dissolution of marriage or marital settlement agreement. QILDROs are different from, and should not be confused with Qualified Domestic Relations Orders (QDROs). State law does not allow public retirement systems to honor QDROs.

The QILDRO form should be obtained from our office as explained in the *Required Forms* section of this publication. If you omit sections of the form, we may either reject your QILDRO or we may construe the blank as no benefit being sought by the alternate payee. **Note, no text changes or alterations to LABF adopted forms are permitted.**

### What is a QILDRO Calculation Court Order (Calculation Order)?

A QILDRO Calculation Court Order (Calculation Order) is a separate court order issued by an Illinois court. This order is used by the Court to convert an alternate payee percentage benefit to a fixed dollar amount when final benefits are established. The Calculation Order was enacted when percentages became available to QILDROs as of July 1, 2006.

A Calculation Order is **only** necessary if the QILDRO indicates that the alternate payee is to receive a percentage of the benefit. If you want to avoid the Calculation Order, you can express the amounts payable to the alternate payee as specific dollar amounts in the QILDRO.

For any percentage granted QILDRO, a Calculation Order must be sent to LABF before any payment can be made to the alternate payee. Generally, the initial QILDRO would be issued at the time of divorce. At the time of the member's retirement or termination of employment or upon the member's death (usually a later date) – when the benefit amounts become known, the parties would return to court to obtain the Calculation Order.

The Calculation Order form must be obtained from our office or through our website as explained in the *Required Forms* section of this publication. If you omit sections of the form, we may either reject your Calculation order or we may construe the blank as no benefit being sought by the alternate payee. **Note, no text changes or alterations to LABF adopted forms are permitted.**

We will implement valid court orders that are sent to LABF, but we cannot tell you whether the court orders are consistent with the terms of your divorce. Our office will provide benefit information, but shall have no obligation to review, verify equations or to assist in the calculations used to determine such amounts. We cannot determine whether the numbers in the Calculation Order are accurate or whether the calculations are in accordance with the marital settlement agreement, or judgment for dissolution of marriage. The Fund cannot reject a Calculation Order because the calculations are not

accurate or do not correspond to what was decided in your divorce. Our sole obligation with respect to the equations in the Calculation Order is to pay the amounts indicated as a result of the equations.

### **What is the Consent to Issuance of QILDRO (Consent Form)?**

If LABF membership started before July 1, 1999, the effective date of the original law, a QILDRO will only be valid if the member signs a Consent to Issuance of QILDRO (“Consent”) in writing. You must use the specific Consent form obtained from our office or website as explained in the *Required Forms* section of this publication and it must accompany the QILDRO. **Note, no text changes or alterations to LABF adopted forms are permitted.**

The Consent form must be signed by the member only. The law does not provide for the court or anyone else to sign the Consent form if the member is absent or refuses to sign.

Any LABF member who first begins LABF employment after July 1, 1999 accepts the principles of the QILDRO law as a condition of employment.

### **How have QILDROs changed?**

In 2005 the Illinois General Assembly changed legislation revising the QILDRO law, and now provides for the following:

- The amount payable to the alternate payee may be expressed as either a percentage or as a specific dollar amount.
- The law introduced the Calculation Order when percentages are provided in the QILDRO. The Calculation Order provides the court with metrics to determine the dollar value an alternate payee is entitled to receive. (Note: The Calculation Order is not required if dollar amounts are used in the QILDRO and the Calculation Order is usually not submitted until the time of the member’s retirement or termination of employment, when the benefit amounts become known.)
- The alternate payee may receive a share of any lump-sum balance of contributions that would become payable upon the member’s death (referred to as death benefits).
- When periodic retirement benefits become payable, the QILDRO allows for a specified number of payments to be made to an alternate payee.

The member should consult a personal attorney about what assets are included in the couple’s marital property and about the proper division of those assets.

## **What about past or out-of-state divorces?**

If your divorce occurred in another state, it may be possible to request an Illinois court to enter a QILDRO. Courts in other states do not have statutory authority or jurisdiction to issue Illinois QILDROs. Please seek advice from your personal attorney if you were divorced in a state other than Illinois and you wish to obtain a QILDRO.

## **Division of Benefits**

LABF benefits may be a marital asset. Your personal attorney should advise you whether a former spouse is entitled to any of your benefits. We cannot provide legal advice.

We may only pay benefits to a former spouse according to a QILDRO. LABF cannot pay a former spouse based on a QDRO, judgment for dissolution of marriage, or marital settlement agreement. Even if our office has a valid QILDRO on file, payment cannot be accelerated to pay a former spouse before the member is being paid. An alternate payee will only receive payment if and when the member receives payment, and a QILDRO will never provide more or different benefits than the member is eligible to receive.

An alternate payee may only receive certain benefits that the LABF member is entitled to receive. The QILDRO may allocate portions of only one, several, or all of the following benefits:

- Member's retirement benefit
- Termination or Lump-Sum refund that the member may be eligible to receive
- Partial refunds that the member may be eligible to receive
- Death benefits should an account become 'closed' due to death, and there is no surviving spouse provided there are remaining contributions still held in the Fund

You and your attorney should carefully review the QILDRO law and the required LABF forms. Our office will provide a Customized Benefit Statement to help [you] determine the alternate payee's share. We will also provide general information about benefits, procedures, and form requirements as explained in this publication. However, it is up to the divorcing couple and their attorneys to decide how to complete the QILDRO and if applicable the Calculation Order. Every situation is unique; the Fund cannot help you make these decisions or perform any calculations for you.

## **What is a member's retirement benefit?**

*(Refers to section (III) of the QILDRO)*

The QILDRO allows an alternate payee to receive all or a portion of a member's retirement benefit. This is the monthly periodic payment being paid to the member (his or her monthly pension amount).

## **What is a termination or lump-sum refund?**

*(Refers to section (V) of the QILDRO)*

The QILDRO allows the alternate payee to receive all or a portion of any termination or lump-sum refund. Following LABF-covered employment, this is a total refund of all contributions in the Fund. When a lump-sum refund is issued, the member and any other parties associated to the member, forfeits all rights to any further benefits. Should a member return to service and reinstate service through repayment of the refund, the repayment will not reinstate the former QILDRO.

## **What is a partial refund?**

*(Refers to section (VI) of the QILDRO)*

The QILDRO allows the alternate payee to receive all or a portion of a partial refund that the member may receive at retirement. This includes any refundable spouse contributions payable to a member at retirement, should the member not have an eligible spouse at the time of retirement. A partial refund may also include any other refund amounts deemed refundable by the Fund at time of retirement.

## **What is a death benefit?**

*(Refers to section (VII) of the QILDRO)*

The LABF Pension Code does not provide a death benefit *per se*. The QILDRO law allows an alternate payee to receive all or a portion of any death benefit. A death benefit means any non-periodic benefit payment payable upon the death of a member to a member's estate or designated beneficiary(ies), including any refund of contributions following the member's death, whether or not the benefit is so called under the applicable article of the Pension Code.

*Note: Pursuant to 40 ILCS 5/11-166, death benefits are paid according to the most recent beneficiary designation on file with our office at the time of death. When you divorce, you should review your designation on file, making sure that death benefits will be paid to your intended beneficiary(ies). To make changes, you must complete and file a new Beneficiary Designation form with the LABF. This designation form can be obtained by calling our office or downloading from our website.*

## **What benefits are not payable through a QILDRO?**

Monthly survivor benefits, disability benefits, and health insurance cannot be obtained through a QILDRO. A QILDRO does not provide any insurance coverage or make a former spouse eligible to participate in a member's health care program.

## **Customized Benefit Statement Provided by LABF**

LABF will provide a Customized Benefit Statement within 45 days of the request. The customized benefit statement will provide all necessary member information pertinent to complete a QILDRO. Additional information outside of this statement is not provided by the Fund. In preparing such benefit information, the Fund does not speculate as to potential future events such as early retirements, reciprocal service, additional service credit, future salary changes, ability to purchase refunded or unpaid service, or any other anticipated statutory changes that may occur. We do not provide hypothetical estimates for any members assuming facts that may be different from the member's actual records. Also LABF does not provide actuarial opinions as to the present market value of a member's benefits or other interests.

Due to our policy on confidentiality, information may only be provided through a direct request from our member or through a subpoena requested by any current or former spouse, or any legal representative. *Please note that there is a \$25 processing fee that must accompany any subpoena request.* Please plan ahead and request the statement at least four to six weeks before it is needed.

The latest Summary Plan Description booklet can be obtained from the Fund's website at [LABFchicago.org](http://LABFchicago.org).

## Notice of Member's Death

When our office receives a death notification the following occur:

- Any QILDRO currently in payment will cease
- Notification of the termination of the QILDRO will be sent to the alternate payee
- If death benefits are provided for in the QILDRO, an updated Customized Benefit Statement will be sent to the alternate payee. This may require a Calculation Order if QILDRO benefits are based upon a percentage.

## Completing the QILDRO

The QILDRO form is detailed therefore it is critical that you and your legal representative carefully review and complete the QILDRO form. Certain sections contain multiple options from which you must select only one. If you fill in more than one where the form indicates that you are to select only one option, we will reject the QILDRO.

Be sure to keep a copy of your QILDRO if you intend to submit a Calculation Order at a later date. You will need the underlying QILDRO to prepare the Calculation Order. **Remember, no text changes or alterations to LABF adopted forms are permitted.**

## Completing the Calculation Order

The Calculation Order must be court ordered. It provides the amounts that our office needs to implement the QILDRO, and must be based on an underlying QILDRO between the same LABF member and alternate payee. If we receive a Calculation Order without an underlying QILDRO, the order will be meaningless and our office will send notification to the parties. If the Calculation Order does not clearly indicate the amounts payable to the alternate payee, we will also send notification to the parties. The Calculation Order is **only** required if the underlying QILDRO uses a percentage method of allocating benefits to the alternate payee.

Certain sections in the Calculation Order contain multiple options from which you must select the one that corresponds with the QILDRO. If you fill in more than one, only the one that corresponds to the QILDRO will be acknowledged. If the Fund is uncertain of the Calculation Order selection, we may reject the Calculation Order. **Remember, no text changes or alterations to LABF adopted forms are permitted.**

## QILDRO and Calculation Order Comparison Chart

This comparison chart will assist you in determining which sections of the Calculation Order you need to complete so that it will correspond with the QILDRO.

If you completed QILDRO Section	Must complete marital portion benefit calculation formula QILDRO Section IX	Must complete corresponding Section in Calculation Order
<b>Member's Retirement Benefit</b>		
III.A.1	No	No
III.A.2	Yes	3(a)
III.A.3	No	4(A)
<b>Termination or Lump-Sum Refund</b>		
V.A.1	No	No
V.A.2	Yes	3(b)
V.A.3	No	4(B)
<b>Partial Refunds</b>		
VI.A.1	No	No
VI.A.2	Yes	3(c)
VI.A.3	No	4(C)
<b>Death Benefits</b>		
VII.A.1	No	No
VII.A.2	Yes	3(d)
VII.A.3	No	4(D)

The following summarizes the QILDRO sections and methods for allocating payment to the alternate payee.

## Requirements for a Valid QILDRO and Calculation Order

LABF, along with other Illinois public retirement systems, has adopted a QILDRO form and a Calculation Order form to be used when submitting a QILDRO. **Remember, no text changes or alterations to LABF adopted forms are permitted.** In order to ensure that the correct forms have been used, please visit our website at [www.LABFchicago.org](http://www.LABFchicago.org) or use the forms recently provided with this packet. Any alterations made to the LABF form will invalidate the order and may be rejected.

For a QILDRO or Calculation Order to be valid, **all** of the following criteria must be satisfied:

- (1) If the order applies to a person who became a LABF member before July 1, 1999, it must be accompanied by the original Consent Form signed by the member (photocopies of the consent form will be rejected). This form is irrevocable and will be valid for any current or for any subsequent orders relating to the member and alternate payee.
- (2) Each order must:
  - Be accompanied by a \$50 processing fee, payable to LABF.
  - Be a certified<sup>4</sup> copy of the original QILDRO entered in court.
  - Have been issued by an Illinois court of competent jurisdiction in a proceeding for declaration of invalidity of marriage, legal separation, or dissolution of marriage that provides for the distribution of property, or any proceeding to amend or enforce such a property distribution.
  - Contain the name, mailing address, and social security number of the member (*for confidentiality, the social security number may be an addendum to the actual order*).
  - Contain the name, mailing address, and social security number of the alternate payee (*for confidentiality, the social security number may be an addendum to the actual order*).
  - Identify the Laborers' Annuity & Benefit Fund of Chicago as the retirement system to which it is directed.
  - Identify the court that issued it.
  - Specify the dollar amount of the benefit and/or refund payable to the alternate payee, or percentages or formulas as stipulated on the QILDRO form.
  - If the alternate payee is to receive a portion of the member's retirement benefit, specify whether the alternate payee will or will not receive a proportional share of any applicable cost of living adjustments received by the member.
  - Be in the form adopted by LABF. Any alterations to the LABF adopted form will invalidate the order.

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<sup>4</sup> Clerk of court's seal or stamp certifies true and correct copy of original order. Plain or file-stamped copies are not accepted.

- (3) The order must apply only to benefits that are statutorily subject to QILDROs. (See *Division of Benefits*)
- (4) The Calculation Order must not be completed in a manner that changes the intent of the QILDRO to which it relates.

**Please note, if the QILDRO provides a percentage formula, a Calculation Order must be provided prior to any benefits being paid.**

## **Filing Procedure**

### **Where to send**

QILDROs and Calculation Orders should be sent to:

Laborers' Annuity and Benefit Fund of Chicago  
150 N Wacker Drive, Suite 800  
Chicago, IL 60606-1624

### **Processing fees**

For **each** QILDRO or Calculation Order that is submitted, a \$50 non-refundable processing fee, by check or money order payable to **LABF**, is required.

The processing fee is a requirement in the Pension Code and is intended to help defray administrative costs associated with the QILDRO and with the Calculation Order processing.

### **Certified copy required**

You must send us a **court issued certified copy** of the order. A certified copy bears the Clerk of Court's seal or stamp certifying the document as a true and correct copy of the original document. A plain or file-stamped copy will be rejected.

### **Notification from LABF**

Within 45 days following the receipt of a QILDRO or Calculation Order, the Fund will inform the alternate payee, the member, and the attorney (if applicable) that it was received and accepted. When accepted, the order will be date-stamped upon receipt and deemed received on that date.

If the QILDRO or Calculation Order is not accepted, only the submitting party will be notified that it has been rejected and reason(s) for rejection. It is anticipated that the submitting party will resolve all deficiencies and resubmit. All deficiencies must be corrected before we may honor any QILDRO or Calculation Order. In many cases, deficiencies are easily corrected and can be returned to the Fund in a timely manner. Minor deficiencies may include, but are not limited to, failure to include the \$50 QILDRO fee, failure to list an address, or any other deficiency the Fund determines as a minor omission. If the order is defective and not determined to be of minor omission, it may be necessary to obtain a new order from the court.

When any court order is accepted, the Fund will stamp the order as accepted and a copy will be mailed to all parties. This stamped copy from the Fund shall serve as official notice as to the order submitted and accepted.

An invalid QILDRO has no effect on the member's benefits. **No QILDRO is valid until all deficiencies have been corrected.**

## **Current Address of Alternate Payee**

Each alternate payee is responsible for maintaining a current mailing address on file with LABF. The law states that the retirement system shall have no duty to attempt to locate any alternate payee by any means other than sending written notice to the last known address of the alternate payee. **To update an alternate payee address, changes must be made in writing and should be mailed directly to the LABF.**

## **Implementing the QILDRO**

The QILDRO will be placed in the member's file and will remain dormant until the member begins receiving any retirement benefit, any termination or lump sum refund, any partial refund, or any death benefit subject to a QILDRO. When one of these events occurs, we will send notification to the alternate payee at the last known address reported to us. The notice shall inform the alternate payee of any next steps that are necessary to implement the QILDRO. This includes any applications to start benefits and may include the need for a Calculation Order.

### **What if LABF requests but does not receive an application or an applicable Calculation Order?**

Two steps must be considered to pay an alternate payee.

- For a QILDRO benefit to begin, an alternate payee must apply. This means, complete a Fund application for the benefit and supply any required documentation requested by the LABF to properly administer the benefit.
- In cases where a percentage was provided in the QILDRO, a Calculation Order will be required.

When an alternate payee fails to comply with any QILDRO requirement (application or Calculation Order), following 180 days from the date of Fund notice, the alternate payee may forfeit benefits that may have otherwise been payable through a QILDRO.

#### Monthly retirement benefit

If a percentage QILDRO on file with LABF becomes payable, and the alternate payee is required to obtain a Calculation Order, if possible, we will determine an anticipated amount to withhold from the member payment and reserve it for the alternate payee. An alternate payee will have 180 days from the date of our notice to provide the Fund with an Illinois court issued Calculation Order. If an approved court order is received within 180 days, the reserved amounts withheld from the member will be adjusted according to the court's Calculation Order and the alternate payee will be made whole. Being made whole may require payment adjustments to both the member and the alternate payee. The Fund reserves the right to adjust any current and any future payments to recoup any underpayments or overpayments that may have been made.

If it is not possible to determine an anticipated alternate payee amount, then neither the member nor the alternate payee will be paid until the court's Calculation Order is received. Again, the alternate payee has 180 days from the date of our notice to provide the Fund with a Calculation Order and a properly completed and accepted application.

#### Refund or lump sum death benefit

If a percentage QILDRO on file with LABF becomes payable, and the alternate payee is required to obtain a Calculation Order, the alternate payee will have 180 days from the date of our notice to provide the Fund with an Illinois court issued Calculation Order. If an approved court order is received within 180 days, payments will be distributed according to the approved Calculation Order and the alternate payee will be made whole. The Fund reserves the right to adjust any current and any future payments to recoup any underpayments or overpayments that may have been made.

**If the alternate payee cannot be located refer to the next section titled: "What if the alternate payee is missing?"**

#### **What if the alternate payee is missing?**

An alternate payee must keep LABF informed of any name or address changes to receive payment. The law does not require us to search for a missing alternate payee other than sending notification to the last known address reported to the LABF office.

The law states if the system cannot locate an alternate payee, then we must hold the alternate payee amount for 180 days before issuing withheld benefits to the member. When notification is mailed to the alternate payee's last known address, and mail is returned as undeliverable<sup>5</sup>, LABF will hold the payment for 180 days from the date the notification was mailed or the date the benefit becomes payable, whichever is later. This amount will not accumulate interest. If our office is notified of the alternate payee's current address within 180 days, and the alternate payee fulfills all requirements to implement a QILDRO (i.e. obtains a Calculation Order if required and completes the Funds' application for QILDRO) the amount held will be paid to the alternate payee.

If our office does not learn of the alternate payee's current address within 180 days, payment will be made as though there was no QILDRO. If our office later becomes aware of the alternate payee's current address, the QILDRO will be implemented with the Fund's next available payment cycle provided that any required court orders are received and a properly executed application is received. The alternate payee will have no rights to any amounts previously paid to the member.

### **Effective Date of QILDRO**

The QILDRO takes effect with the first available payment that occurs at least 30 days after LABF receives and accepts a valid QILDRO.

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<sup>5</sup> Undelivered is defined as being returned to the Fund office by the United States' Postal Service with a notice that the mail is undeliverable, unknown, do not forward, or any other postal marking that leads the Fund to believe the mail cannot be delivered to the intended party.

Periodic annuity payments are disbursed on the first of each month for the current month. Generally, you should expect about a three-month processing period from the date that our office has received a valid QILDRO before the alternate payee begins receiving periodic payments from the Fund; this is provided that all requirements to effectuate the QILDRO have been completed. If payment is required during the processing period, the affected parties will need to make arrangements between themselves.

## **Expiration of QILDRO**

For monthly retirement benefits, the QILDRO must specify when payments to the alternate payee will terminate. This will be one of the following:

- Upon the death of the member or alternate payee, whichever occurs first
- After a specified number of payments are made to the alternate payee
- If a modified QILDRO is submitted, the first QILDRO will terminate. **(An alternate payee may only have one QILDRO in effect at any one given time.)**

To terminate a QILDRO permanently, the Fund will accept another QILDRO that provides no benefits within the order, or a valid court order that expressly vacates the order.

## **Required Forms**

The QILDRO, the Calculation Order, and the Consent forms are detailed and do not lend themselves to re-typing. Forms are included with Fund correspondence or may be downloaded from the Fund's website. The easiest way to ensure that you are using the correct forms and have not inadvertently added, modified, or omitted language is to use the hard copy or PDF forms available from LABF. **Remember no text changes or alterations to any LABF adopted forms are permitted.**

## **Income Tax Reporting**

Payments made to an alternate payee are taxable to the alternate payee. Therefore, both the member and the alternate payee will be mailed a 1099-R tax form by February 1<sup>st</sup> of each year for the previous calendar year. This form will provide the taxable and nontaxable portions of the benefit payments.

## Information about LABF

The benefit program administered by the Fund is a governmental plan as defined in section 414(d) of the Internal Revenue Code of 1986, as amended, and section 3(32) of the Employee Retirement Income Security Act of 1974, as amended. The retirement program is administered as a qualified plan pursuant to section 401(a) of the Internal Revenue Code of 1986, as amended. LABF benefit programs are subject to Articles 1, 11, and 20 of the Illinois Pension Code [40 ILCS 5]. In addition, as a board created by the Illinois General Assembly, LABF is subject to numerous other laws of the State. Article 1 and Article 11 of the Illinois Pension Code [40 ILCS 5/1-101 et seq. and 5/11-101 et seq.] explains our benefits and the methods for calculating those benefits.

## GLOSSARY

<b>Alternate payee</b>	The spouse, former spouse, child, or other dependent of a member, as designated in a QILDRO/ Calculation Order. [40 ILCS 5/1-119(a)(1)]
<b>Customized Benefit Statement</b>	This statement provides data elements necessary to complete a QILDRO. It is a current statement of unreduced benefits that are likely to change as a member's service and salary changes. Because most members are not yet retired when a QILDRO is being entered, certain data elements may not be accurately described. However, when a member is actively in the retirement process or is already in receipt of retirement benefits, the Customized Benefit Statement will be a factual statement of benefits being provided.
<b>Death Benefit</b>	Any non-periodic benefit payable upon the death of a member to a survivor of the member, to the member's estate or designated beneficiary, including any refund of contributions following the member's death, whether or not the benefit is so called under the applicable Article of the Illinois Pension Code. [40 ILCS 5/1-119(a)(2)]
<b>Disability Benefit</b>	Any periodic or non-periodic benefit payable to a disabled member based on occupational or non-occupational disability or disease, including any periodic or non-periodic increases in the benefit, whether or not the benefit is so called under the applicable Article of the Illinois Pension Code. [40 ILCS 5/1-119(a)(3)]
<b>Member</b>	Any person who participates in or has service credit in LABF, including a person who is receiving or is eligible to receive a retirement or disability benefit, without regard to whether the person has withdrawn from service. [40 ILCS 5/1-119(a)(4)]
<b>Member's Refund</b>	A return of all (lump-sum) or a portion (partial) of a member's contributions that is elected by the member (or provided by operation of law) and is payable before the member's death. [40 ILCS 5/1-119(a)(5)]
<b>Permissive Service</b>	Service credit not served as a LABF member, however purchased by the member that the Fund includes by statute in the member's benefit calculation. [40 ILCS 5/1-119(a)(5.5)]

<b>Qualified Illinois Domestic Relations Order or “QILDRO”</b>	An Illinois court order that creates or recognizes the existence of an alternate payee’s right to receive all or a portion of the member’s accrued LABF benefits, is issued pursuant to Section 1-119 of the Illinois Pension Code and Section 503(b)(2) of the Illinois Marriage and Dissolution of Marriage Act, and meets the requirements of Section 1-119 of the Illinois Pension Code. A QILDRO is not the same as a QDRO issued pursuant to Section 414(p) of the Internal Revenue Code of 1986. [40 ILCS 5/1-119(a)(6)]
<b>QILDRO Calculation Court Order</b>	An Illinois court order that provides the amount of the retirement benefit, lump-sum refund, partial refund and death benefit that is subject to a QILDRO allocation of benefits on a percentage basis. [40 ILCS 5/1-119(c)(5)]
<b>Regular Payee</b>	The person to whom a benefit would be payable in the absence of an effective QILDRO. [40 ILCS 5/1-119(a)(7)]
<b>Regular Service</b>	Service credit earned as a LABF member, including a repayment of refund for regular service that the Fund includes by statute in a member’s benefit calculation. [40 ILCS 5/1-119(a)(7.5)]
<b>Retirement Benefit</b>	Any periodic or non-periodic benefit payable to a retired member based on age, service or on the amounts accumulated to the credit of the member for retirement purposes, including any periodic or non-periodic increases in the benefit, whether or not the benefit is so called under Article 11 of the Illinois Pension Code. [40 ILCS 5/1-119(a)(8)]
<b>Surviving Spouse</b>	The legal spouse of a member at the time of the member’s death. [40 ILCS 5/1-119(a)(10)]
<b>Survivor’s Benefit</b>	Any periodic or non-periodic benefit payable to a surviving spouse, child, parent, or other survivor of a deceased member, including any periodic or non-periodic increases in the benefit, whether or not the benefit is so called under Article 11 of the Illinois Pension Code. [40 ILCS 5/1-119(a)(11)]