

## Overview of issues to address in a DRO

When drafting a DRO, you must account for the amount payable as well as various contingencies. Below is a chart of the issues you need to address in your document depending on the member's status at the time of divorce.

Issue	MEMBER'S STATUS AT TIME OF DIVORCE	
	Active Member	Retiree
Retirement Allowance	The amount of the member's pension is calculated according to the type of retirement option the member chooses at the time of retirement. Specify which retirement option the member agrees to choose (A,B or C) or specify that the member may choose any option.	The amount of the retiree's benefit is already known, the retiree cannot change his/her option selection after he/she already retired.
How the Member's retirement allowance will be divided.	Most people use percentages to specify allocations to be paid to the alternate payee and member because the amount of pension to be received in the future is unknown until actual retirement. If percentages are used, specify clearly the dates to be used to determine the marital portion or alternate payee's allocation and specify how percentage is to be calculated (i.e. for the purposes of determining the alternate payee's allocation or marital portion, the member's creditable service will be from the date of the parties marriage to the date of divorce).  Specify if and how COLA adjustments are to be allocated between member and alternate payee.	Using percentages, clearly specify the allocations to be paid to the alternate payee and member.  Or Specify specific dollar amount to be paid to alternate payee with the member receiving the balance.  Specify if and how COLA adjustments are to be allocated between member and alternate payee.
In the event of the member's death	Clearly specify who must be designated as the member's beneficiary and the allocation for that beneficiary and that the member must execute the proper HRB form in designating his/her beneficiary. Additionally, specify the type (lump-sum or member-survivor beneficiary) of beneficiary. Acknowledge that a former spouse who has remarried is not eligible to be named as a member-survivor beneficiary. Also acknowledge that a member's current spouse has superior rights to claim as member-survivor beneficiary and member's designation of former spouse may be voided as a matter of law.	The member's option selection has already been determined and cannot be changed. If the member has retired under Option: A) There is no beneficiary B ) Specify who the member must designate as the lump-sum beneficiary and the percent allocation to be paid to that beneficiary to receive the remaining balance, if any, remaining in the member's annuity savings account. C ) The original member-survivor beneficiary cannot be changed.
In the event the member receives a <u>disability</u> or <u>termination</u> allowance or <u>refund</u> .	Specify the amount or percentage and how such percentage is to be calculated for each event.	These issues do not apply after the a member has retired.