

Matthew Lundy Law

QDRO Law

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Process and Timeline for Completion of QDROs

Generally, there is no guarantee as to how long the process of dividing a retirement account will take. This is because we cannot guarantee how quickly the other parties involved in this process will respond. The process begins when we receive all requested paperwork and payment. Once received, we generally prepare any documents (draft orders, letters, forms, etc.) within three (3) business days. At that point, we forward the draft order to our client(s) and to the plan administrator for review (if the plan is willing to review an order before it is signed by the court, which is not always the case). If the Plan has a pre-approval process, it will *generally* take between three (3) and eight (8) weeks for the order to be reviewed (but it can always take longer).

When the plan responds, they will advise as to whether the order is approved, or if changes should be made to accommodate the plan administrator's guidelines. If the plan requires changes, those changes are made within one business day of receipt of that letter. The order is then submitted to the court to obtain the judge's signature. Judges can take anywhere from two (2) to twelve (12) weeks to sign an order, depending on how busy their docket may be.

Once the court signs the order, we obtain a certified copy by U.S. mail. This can take anywhere from two (2) to six (6) weeks, depending on how busy the clerk may be. It can also take longer if the U.S. postal service or the clerk is running behind. You are always free to go to the courthouse to obtain the certified copy and mail or hand deliver it to us yourself. You are not obligated to do this, but in the event you wish to expedite the process, this may save several weeks.

The certified copy of the order is then submitted to the plan for final administration. At the end of final administration, the parties are generally notified in writing of the plan's final decision, including how the recipient spouse can claim their benefits under the retirement plan. At this point, our work is concluded. The final administration process varies in length depending on who the plan administrator is, and their process for handling the orders. If the plan administrator is a private sector employer, we estimate three (3) to eight (8) weeks for administration. If the plan administrator is the military or the thrift savings plan, or a state or county government, we estimate eight (8) to sixteen (16) weeks. If the plan administrator is the office of personnel management or another branch of the federal government, we estimate six (6) to forty-eight (48) *months*. Again, it can and sometimes does take longer. If you

are concerned about the length of time the process is taking, you should contact the plan directly, although you are by no means obligated to do so.

Frequently Asked Questions

Why does it take so long to finish a QDRO?

The speed of the judge, the clerk and the plan will dictate how quickly a QDRO can be completed. Although we work expeditiously, our office has very little control of those three parties. Judges often have several hundreds or even thousands of cases on their dockets, so executing a court order can take weeks. Clerks have tens of thousands of cases to handle. Thus, they too have little ability to quickly take action to certify a court order.

QDRO administration is only a small part of what a plan administrator does. A plan administrator is responsible for an almost infinite number of tasks relating to their plan(s). A plan administrator is therefore very frequently busy to the point that they cannot even get to the review of a QDRO for several weeks or even months. Further, many plans do not always have sufficient staff and/or procedures in place to competently review and administer QDROs in a timely manner. Unfortunately, this is out of our control as well, although we do follow-up with the plan administered regularly, and we copy you and/or your attorney on these correspondences.

Additionally, most judges, clerks and plan administrators still utilize U.S. mail exclusively to correspond with us, and the U.S. Postal Service alone can slow the process by several weeks.

We do everything that we can to follow-up with these parties to keep the process moving forward.

I received a letter from the Plan. What does it mean?

If you receive a letter from the plan, you should review it carefully. Correspondences generally say one of only a few things: i) they confirm receipt of an order; ii) they approve an order and give you instructions on what, if anything, you need to do to complete the process; and/or iii) they require adjustment to the order that they received.

Whenever you receive any correspondence as to which you have a question, you should scan/email it to us. If we need to discuss it with you, we will contact you.

The order has been approved. Now what?

When an order is approved, the plan administrator will generally do one of two things: i) provide a 30-120 day appeals period for either party to raise an appeal of their decision as to the propriety of the QDRO submitted; or ii) if there is no appeals period,

they will provide transfer/cash-out paperwork to the alternate payee, to direct the payout of the assigned benefit. As to the former situation, the appeals period can generally be waived if both parties signed a waiver. As to the latter, at this point the alternate payee needs to act quickly to advise the plan of what they would like to plan to do with the benefit assigned to them.