



QILDROs and Buyouts

General Description of Buyouts

SURS is offering two different buyout options beginning in June 2019 until June 30, 2024. Please refer to the Vested Inactive Buyout (VIB) and Tier I Automatic Annual Increase (Tier I AAI) Buyout Fact Sheets for more detailed information about the eligibility requirements, application steps and payment methods for the buyouts. The buyouts generally provide a lump-sum payment in exchange for certain SURS benefits. When paid, the buyouts must be directly rolled over to an eligible retirement plan (*e.g.*, Roth or non-Roth IRA, 401(k) plan, 403(b) plan or 457(b) plan) to the extent permissible under federal law.

Buyouts and QILDROs

In cases where the rights of an alternate payee under a Qualified Illinois Domestic Relations Order (QILDRO) might be affected by a buyout, the QILDRO parties must obtain a stipulated court order that specifies how the buyout is to be divided, if at all. There are two scenarios in which a QILDRO could apply to benefits that will be affected by a buyout:

1. **Vested Inactive Buyout** – If you have a valid QILDRO on file that will divide any SURS refund, retirement benefit, or death benefit, then SURS will not process your election to receive a VIB *unless* you obtain a stipulated court order that specifies how the buyout will be divided between you and the alternate payee.
2. **Tier I AAI Buyout** – If you have a valid QILDRO on file that will divide any SURS retirement benefit, then SURS will not process your election to receive a Tier I AAI Buyout *unless* you obtain a stipulated court order that specifies how the buyout will be divided between you and the alternate payee.

In both cases, the stipulated court order must be attached to the buyout election form that is signed by the member (with the notarized consent of any permanent survivor, if required). When you apply for a VIB or a Tier I AAI Buyout under one of the above scenarios, SURS will notify the alternate payee of the buyout application.

Stipulated Court Order for Buyouts

The stipulated court order must satisfy the following requirements:

1. The stipulated court order must be issued by the Illinois circuit court having jurisdiction over the QILDRO.
2. The stipulated court order must be based on the finalized buyout offer amount that will be provided to you in the buyout offer letter.
3. The stipulated court order must specify the amount of the buyout that will be payable to you and to the alternate payee in absolute dollar amounts (not percentages or fractions).
4. The stipulated court order must be entered with the agreement and consent of both parties. It must not be an order that was issued after a contested hearing.
5. The stipulated court order must also comply with SURS rules regarding modified QILDROs, as follows:
 - a. The stipulated order must be accompanied by a \$50 processing fee.
 - b. The stipulated order must be a certified copy (raised or colored seal) of the clerk of the court from which it was issued.
 - c. The stipulated order must identify you and alternate payee.
 - d. The stipulated order must identify SURS as the retirement system to which it is directed.
 - e. The stipulated order must identify the court that issued it.

SURS encourages parties to email draft stipulated court orders to QILDRO@surs.org for pre-approval before filing them in court.

Submission Deadlines

The deadline to submit the election to receive a buyout is 120 days from the date the finalized buyout offer letter is issued to you. Therefore, any required stipulated court order must be obtained and submitted with the buyout election form within this 120-day time period.

QILDRO Calculation Court Orders

If you apply for a Tier I AAI Buyout and the QILDRO on file divides retirement benefits under Section III by a percentage of the gross benefit or a percentage of the marital portion of the benefit, then a QILDRO Calculation Court Order that converts the percentages into dollar values must be obtained and attached to the buyout election form *in addition to* the stipulated court order for the buyout. The figures in the QILDRO Calculation Court Order should match the post-buyout retirement benefit amounts that were quoted in the buyout offer letter. Please note that SURS is under no legal obligation to verify the accuracy of any calculations made by the parties in the QILDRO Calculation Court Order.

Multiple QILDROs

If you have multiple QILDROs on file for different alternate payees, then you must obtain stipulated orders for each of those QILDROs. SURS will satisfy each stipulated order according to order of priority based on the date on which the underlying QILDRO was received by SURS.

Questions and Further Information

Please email us at QILDRO@surs.org or call 1-800-275-7877 to ask any QILDRO and buyout-related questions. Please note that SURS cannot provide legal advice regarding your divorce case. Please be ready to provide your SURS Member ID number upon request. Attorneys who contact SURS on behalf of a SURS member or alternate payee must submit an informational release or power of attorney signed by the member or alternate payee before discussing the case with SURS. Other informational items concerning QILDROs and the buyouts may be found online at <http://www.surs.org>.

Related Publications

<https://surs.org/divorce-and-qildros>

- QILDRO Brochure
- QILDRO Court Order
- QILDRO Calculation Court Order

<https://surs.org/optional-buyout-programs>

- Vested Inactive Buyout Fact Sheet
- Tier I AAI Buyout Fact Sheet