

NEBRASKA SCHOOL EMPLOYEES RETIREMENT PLAN

When Can I Receive My QDRO Share? A General Guide to Receiving Funds for an Alternate Payee

1. If the plan member separates from service at any age:

- An Alternate Payee may receive a lump sum payment of cash or a rollover to another qualified plan of the contributions and interest awarded in the Qualified Domestic Relations Order (QDRO). This is regardless of the member's age and service.

OR

- The Alternate Payee might be eligible to receive a monthly lifetime retirement annuity depending upon the member's age and years of service. The member must meet the plan's requirements for "*Member Retirement Eligibility*" (see below). It is possible that the Alternate Payee may need to wait until the member is older and has more years of service to receive this type of benefit. Please note that if the Alternate Payee elects to receive his/her monthly benefit before the member, he/she will not share in any available early retirement subsidy. A subsidy no longer exists once the member reaches age 65. The Alternate Payee should contact the Retirement Office for a benefit eligibility review if the member separates from service.

2. If the member passes age 50, is still working but has not met the Plan's requirements for "Member Retirement Eligibility" (see below):

- An Alternate Payee may receive a lump sum payment of cash or a rollover to another qualified plan of the contributions and interest awarded in the QDRO. *BUT the Alternate Payee will NOT YET be eligible* to receive a monthly lifetime retirement annuity benefit because the member will not have met "*Member Retirement Eligibility*" (see below). Please note that if the Alternate Payee elects to receive his/her award in the form of a lump sum distribution, he/she will have no further claim upon the Member's School Retirement account.

3. If the member meets "Member Retirement Eligibility" (see below) and is still working:

- An Alternate Payee may receive a lump sum payment of cash or a rollover to another qualified plan of the contributions and interest awarded in the Qualified Domestic Relations Order.

OR

- The Alternate Payee will be eligible to receive a monthly lifetime retirement annuity benefit. Please note that if the Alternate Payee elects to receive his/her monthly benefit before the member, he/she will not share in any available early retirement subsidy. A subsidy no longer exists once the member reaches age 65.

4. If the member dies before the Alternate Payee has received any payment of his/her award:

- *IF THE MEMBER DIES BEFORE PERFORMING 5 YEARS OF CREDITABLE SERVICE:* the Alternate Payee will receive a lump sum payment (via direct payment or a rollover to another qualified plan) of the member contributions and interest awarded in the Qualified Domestic Relations Order.
- *IF THE MEMBER DIES AFTER PERFORMING 5 OR MORE YEARS OF CREDITABLE SERVICE BUT NOT YET 20 YEARS AND DIES PRIOR TO AGE 65:* the Alternate Payee may choose to receive a lump sum payment (via direct payment or a rollover to another qualified plan) of the member contributions and interest plus an amount equal to 101% of that total, or may choose to receive a *delayed* lifetime monthly annuity (reduced for early retirement and beginning when the member would have been age 60) that is based on the percentage share awarded by the Qualified Domestic Relations Order .
- *IF THE MEMBER DIES AFTER PERFORMING 20 OR MORE YEARS OF CREDITABLE SERVICE OR AT AGE 65 OR OLDER:* the Alternate Payee may elect a lump sum payment (via direct payment or a rollover to another qualified plan) of member contributions and interest or may elect to receive the percentage awarded in the Qualified Domestic Relations Order of the surviving spouse's monthly lifetime retirement annuity benefit.

DEFINITIONS OF "MEMBER RETIREMENT ELIGIBILITY"

UNREDUCED RETIREMENT

- Benefits begin at age 65 if member has at least 5 years of service or if the member terminates at age 65 with at least ½ year of service
- Benefits begin as early as age 55 if age and service total at least 85 (i.e. 'Rule of 85')

REDUCED EARLY RETIREMENT

- As early as age 60 with 5 years of service credit (benefit reduced by 3% for each year prior to age 65).
