

SAN LUIS OBISPO COUNTY PENSION TRUST

COMMUNITY PROPERTY and the PENSION TRUST

I. INTRODUCTION and LEGAL DISCLAIMER

This brochure will provide information to Members, Reserve Participants and Retired Participants of the Pension Trust, and to their spouses. It discusses some of the effects that a dissolution of marriage or a legal separation may have on rights under the Retirement Plan. This document is not a comprehensive discussion of the law, and the parties involved in such proceedings should always consult with legal counsel and appropriate financial advisors.

References in this brochure to “Member” will mean an active employee who is making contributions to the Pension Trust and the discussion about Members will also generally apply to Reserve Participants. The term “Alternate Payee” is meant to refer to the spouse of a Member, the spouse of a Reserve Participant or the spouse of a Retired Participant.

II. THE PENSION TRUST

The Pension Trust was formed under the provisions of California Government Code Section 53215, et seq. The Pension Trust is administered by the Pension trust Board of Trustees and operates under the provisions of Chapter 2.56 of the San Luis Obispo County Code and under the Pension Trust By-Laws and Retirement Plan. If there is any conflict between the information in this brochure and the laws, ordinances and trust documents governing the Pension Trust, then the conflict will be resolved by reference to those laws, ordinances and trust documents.

III. THE RETIREMENT PLAN

Under the provisions of the Retirement Plan, every permanent employee is required to become a Member of the Pension Trust and is required to contribute a percentage of his or her salary to the Pension Trust. A Member’s mandatory contributions are maintained in an individual “Normal Contributions” account under the Member’s name. If the Member ceases to be an employee of the County, then the Member’s Normal Contributions may be refunded on application by the former Member. If the Member has accrued five years of Pension Trust Service Credit the member may leave his or her contributions on deposit with the Pension Trust and become a Reserve Member.

A Member may also make voluntary, additional contributions to the Pension Trust and these voluntary contributions would be kept in an “Additional Contributions” account in the Member’s name. These Additional Contributions would be payable to the Member when the Member terminates employment or retires.

Under the Retirement Plan, the employer is also required to contribute a percentage of each Member’s salary to the Pension Trust. These contributions are known as appropriations. The employer’s appropriations to the Pension Trust are not separated into individual Member accounts and are not subject to withdrawal upon the termination of the Member’s employment. The employer’s appropriations to the Pension Trust are paid out of the Pension Trust only when the Member retires and begins receiving a monthly retirement allowance.

When a Member retires, the Member may choose among several options to receive his or her retirement allowance:

(A) “Unmodified” Retirement Allowance . The “unmodified” retirement allowance under Article 6 (or, Article 10, in the case of a disability) of the Retirement Plan; or

(B) “Optional Settlement” Retirement Allowance . One of the three “Optional Settlement” methods set forth in Article 13 of the Retirement Plan.

Each of the above methods results in a different retirement allowance for the Member and each method has an impact on the disposition of community property. And, importantly, in the event that the Member predeceases the Alternate Payee, each method will result in a different payment to the Alternate Payee. (See Appendix No.2 for Article 6 and Article 13 of the Retirement Plan.)

The parties should also bear in mind that if a Member terminates his or her employment, the Member may lose all of his or her rights under the Retirement Plan. As noted previously, if the Member has more than five years Pension Trust Service Credit, the Member may elect to leave his or her Normal Contributions on deposit with the Pension Trust and become a Reserve Participant - this would preserve many of the former Member’s rights under the Retirement Plan. However, if at the time of the Member’s termination of employment, the Member has fewer than five years Pension Trust Service Credit, or if the Member elects to take a refund of his or her Normal Contributions, the Member ceases to be a participant in the Pension Trust and ceases to be eligible for the receipt of any retirement allowance or of any benefit from the Pension Trust. The refund of the former Member’s Normal Contributions would be subject to a community property claim but, under such a circumstance, there would obviously be no opportunity for the court to fashion an order for the division of the former Member’s allowances and benefits under the Retirement Plan.

IV. THE CALIFORNIA FAMILY CODE

California Family Code Section 2610 requires the court in dissolution of marriage or legal separation cases to make whatever orders are necessary or appropriate to ensure that each party to the proceedings receives the party’s full community property share in any retirement plan. Section 2610 also requires the court, upon the agreement of the non-employee spouse, to order the division of accumulated community property contributions and service credit as provided in “enactments” similar to the Public Employee’s Retirements System laws and the County Employee’s Retirement Act of 1937. Because the Retirement Plan is adopted and amended by the County’s Board of Supervisors under the authority granted by Government Code Section 53215 et seq., the court may make similar orders with respect to the San Luis Obispo County Employee’s Retirement Plan.

Consequently, in a Family Code proceeding the court order may include, but is not limited to, any of the following:

(A) An order for the division of any retirement benefits payable upon or after the death of either party in a manner consistent with Section 2550 of the Family Code.

(B) An order that a party elect a survivor benefit annuity or other similar election for the benefit of the other party, as specified by the court, in any case where the Retirement Plan provides for such an election (and provided that the court does not attempt to make an order which will result in an increase in the amount of benefits provided by the Retirement Plan).

(C) An order for the division of accumulated community property Contributions and Pension Trust Service Credit as provided by the Retirement Plan.

The Pension Trust will only apply the community property interest to the allowances and benefits specifically set forth in the court order. If the court order states that “any” or “all” benefits are payable to one or the other of the parties, then the order would be interpreted by the Pension Trust to mean “all” of the benefits payable under the Retirement Plan, including any lump sum death benefits payable. If the court order provides only for a portion of the Member’s monthly retirement allowance to be divided and does not mention one or more of the Retirement Plan’s benefits, then the Pension Trust would not consider the order to apply to any of those omitted benefits. **Finally, in all cases of dissolution of marriage, the Pension Trust should be “Joined” to the proceedings through a legal joinder.**

The Pension Trust will comply with any court order to the extent provided by the Family Code. However, Section 2510 of the Family Code expressly provides that the court may not order the Pension Trust to pay an allowance or benefit not provided for by the Retirement Plan or which is contrary to the Retirement Plan.

V. DIVISION OF THE COMMUNITY PROPERTY INTEREST OF A MEMBER OR OF A RESERVE PARTICIPANT

Under the Family Code and the Retirement Plan there are two basic methods by which the community property interest of the Alternate Payee and the active Member (or the Reserve Participant) in the Pension Trust may be divided:

Method No. 1:

Payout of the Alternate Payee's Share at the Time the Member (Or Reserve Participant) Retires or Becomes Deceased.

The Court Order Under Method No. 1:

Under this method, the court order would provide that the former spouse ("Alternate Payee") is to be paid his or her community property interest in the Member's Pension Trust allowances and benefits at the time the allowance and/or benefits become payable and are, in fact, paid to the Member. The monthly retirement allowance and/or other benefits become payable to the Alternate Payee under this method only: (a) upon the Member's retirement or (b) upon the Member's death.

The court order under Method No. 1 would provide for the Alternate Payee to receive one-half of the Member's monthly retirement allowance in the ratio that the Pension Trust Service Credit attributable to the Member's employment during the marriage bears to the total of the Member's Pension Trust Service Credit at the Effective Date of Retirement. This is known as the "Time Rule."

Section 2610(a)(2) of the California Family Code provides that the Court may order the Member to "... elect a survivor benefit annuity or other similar election for the benefit of the other party." The Pension Trust Retirement Plan does not use the language "survivor benefit annuity". However, as mentioned above, the Retirement Plan does have "other similar elections" which are set forth in Article 13 of the Retirement Plan and which are known as

"Optional Settlements". If the Member is required by the court to elect an Optional Settlement for the Alternate Payee upon retirement, the order must specifically state which of the Article 13 Optional Settlements is to be elected by the Member. (See Appendix No. 2 for Retirement Plan Article No. 13.)

(An example of a "Stipulated Domestic Relations Order", under Method No.1, may be found in Appendix No. 1 - See "Example No. 1.)

Payment of Allowances and Benefits Under Method No. 1:

Under Method No. 1, the payment to the Alternate Payee of his or her share of the community property in the Retirement Plan would begin at such time as the Member begins receiving a monthly retirement allowance, or earlier, if the Member separates from employment and elects to receive a refund of contributions.

If the Member separates from employment and elects to receive a refund of his or her accumulated Normal Contributions and Additional Contributions, then the Alternate Payee would receive the Alternate

<p><i>The Time Rule.....</i></p> <p>Service Accrued While Married DIVIDED BY Total Service Accrued at Retirement =</p> <p><u>Percent of Total Benefit that is Community Property.</u> (This percentage is applied to the total benefit to determine the portion of the benefit that is Community Property)</p> <p>½ of Community Property = each person's community interest</p>
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Payee's Share of those refunded contributions, based on the formula or percentage set forth in the court order. (Depending on the wording of the Court Order, the Alternate Payee's consent to a refund of the Member's contributions may be a prerequisite to the Pension Trust honoring the request).

If the Member separates from employment but elects to become a Reserve Participant (or is required by the Court Order to elect to become a Reserve Participant), then the Alternate Payee would continue to be eligible to participate in any eventual retirement of the Reserve Participant but the Alternate Payee would not receive any payment of allowances or benefits until the death or the retirement of the Reserve Participant.

If the Member continues with employment and then retires, the Member will begin receiving a monthly retirement allowance and the Alternate Payee will, at the same time, begin to receive the Alternate Payee's Share of the monthly retirement allowance, based on the formula or the percentage set forth in the court order, until the death of the Member.

The amount of the retirement allowance and any rights of the Alternate Payee to continue to receive a retirement allowance after the death of the Member or Retired Member will depend on which retirement method is selected by the Member:

(a) "Unmodified" Retirement Allowance. If the Member selects the "unmodified" retirement allowance provided for under Article 6 or Article 10 of the Retirement Plan, and if the Member retires and then predeceases the Alternate Payee, the payments of a portion of the "unmodified" monthly retirement allowance to the Alternate Payee would cease. Moreover, the Alternate Payee would not be eligible to receive a portion of the Section 7.04(b) death benefit. Therefore the parties should exercise caution and should specifically discuss with their respective financial and legal advisors the effects of the choice of the "unmodified" retirement allowance.

(b) "Optional Settlement" Retirement Allowance. On the other hand, if the court orders the Member to select an "Optional Settlement" under Article 13 of the Retirement Plan, and to name the Alternate Payee as a beneficiary under that Optional Settlement, the Alternate Payee will begin to receive the benefits provided for under the particular Optional Settlement elected by the Member if the Member retires. If the Member retires and then predeceases the Alternate Payee, the post-death benefit received by the Alternate Payee will depend on which Optional Settlement was chosen by the Member. But, again, it must be remembered that the Alternate Payee will not qualify for a death benefits under Section 7.04(b) as an eligible surviving spouse.

If the Alternate Payee predeceases the Member, the payment of the Alternate Payee's Share of the retirement allowance would cease.

(See Article 13 in Appendix No. 2 for a descriptions of the "Optional Settlements".)

**Method No. 2:
Payment of the Alternate Payee's Share Pursuant to Sections 24.01, 24.02, 24.03 and 24.04 of the
Retirement Plan**

A court order under Method No. 2 would set aside, for the Alternate Payee, the Alternate Payee's Share of the Member's Accumulated Normal Contributions and the Member's Pension Trust Service Credit and the Members Additional Contributions, if any. This "split" of the Member's Service Credit and Contributions would be as of the date of the legal separation of the parties. The use of Method No. 2 to establish a separate account for the Alternate Payee can have some distinct advantages over Method No. 1, but, depending on the circumstances of the parties, can also present some disadvantages.

The primary advantage of Method No. 2 to the Alternate Payee is that the Alternate Payee need not rely on the Member for deciding which retirement option to select or when the payment to the Alternate Payee of a

retirement allowance will start. For example, under Method No. 2, the Alternate Payee is able to apply for and receive a refund of the Alternate Payee's Share of the accumulated Normal Contributions and any Additional Contributions which were set aside to the Alternate Payee in the court order. This can be done even though the Member continues to work.

If the Member was vested with the Pension Trust at the time of the legal separation, the Alternate Payee may retire and receive a service retirement allowance when the Alternate Payee becomes eligible under the Retirement Plan regardless of whether the Member retires, or dies, or continues to work, or ceases employment and receives a refund of the Member's community property share of the Member's Normal Contributions. The Alternate Payee becomes eligible to retire under this method when the Member attains age 50 (the minimum age for retirement) and the Alternate Payee has also attained age 50.

The disadvantage of Method No. 2 to the Alternate Payee is that the Alternate Payee does not share in any increased value of the Member's ultimate retirement allowance attributable to increases in the Member's compensation. This because the "compensation" factor for the Alternate Payee's separate account is "frozen" as of the date of the court determines that the community ceased to exist, i.e., the date of the date of the legal separation of the parties.

The Court Order Under Method No. 2:

As with Method No. 1, the Pension Trust has no standard language requirements for dividing the Member's account under method No. 2. However, the court order must, at least, specifically order that the accumulated Normal Contributions and Pension Trust Service Credit earned during the marriage be divided into two separate and distinct accounts in the name of the Member and the Alternate Payee. The order must contain the date of marriage and the date on which the parties separated and the court order must address the specific rights to be given to the Alternate Payee as provided by Sections 24.01, 24.02, 24.02 and 24.04 of the Retirement Plan. (See Article 24 in Appendix No. 2.)

In conjunction with the Member's file, the Pension Trust will determine the amount of Normal and Additional Contributions, and interest, and the Pension Trust Service Credit accumulated during the marriage. The division of these community interests will be computed by the Pension Trust based upon the information contained in the court order.

The Pension Trust will not accept a court order which orders a specific dollar amount be used to establish the Alternate Payee's account. Also, the division of the Member's Normal Contributions account and Pension Trust service Credit is applicable only to Pension Trust Members who are not yet retired. Once a Member has retired, the Pension Trust Service Credit and the Member's Contributions cannot be divided into two separate accounts.

(An example of a "Stipulated Domestic Relations Order", under Method No. 2, may be found in Appendix No. 1 - See "Example No. 2.)

Rights of the Alternate Payee Under Method 2:

Under Method Number 2 the Alternate Payee has the right to an "unmodified" retirement allowance under Article 6 of the Retirement Plan. The Alternate Payee also has the right to forego the "unmodified" retirement allowance and elect, instead, to take an Optional Settlement under Article 13 of the Retirement Plan. Under the Optional Settlements the Alternate Payee may choose to take a reduced retirement allowance and to name a beneficiary to receive a monthly retirement allowance or a guaranteed return of the Alternate Payee's share of the community property Contributions after the death of the Alternate Payee.

The Alternate Payee will be eligible for a retirement allowance only if the Member had five years or more of Pension Trust Service Credit as of the date of legal separation of the parties.

If the Member does not have five years of Pension Trust Service Credit as of the date of legal separation, the Alternate Payee will receive a refund of the Alternate Payee's share of the community property Contributions. The Alternate Payee may retire only when both the Member and the Alternate Payee have reached the minimum retirement age. (See Retirement Plan Section 24.04(e).)

The Alternate Payee has the right to a refund of the Alternate Payee's Share of the Accumulated Normal Contributions and Additional Contributions, if any, in the Alternate Payee's account. This includes interest which has accrued on the account(s) through the date of refund at the annual rate of interest established by the Board of Trustees. If the Alternate Payee elects a refund, the Alternate Payee loses the right to a retirement allowance and the Alternate Payee may not redeposit those Contributions in order to receive Pension Trust Service Credit and reestablish the right to a retirement allowance.

In some instances the Member may have the right to "purchase" or to "repurchase" Pension Trust Service Credit by making payments to the Member's Normal Contributions account. If the Pension Trust Service Credit eligible for purchase is also determined to be community property, the Alternate Payee can purchase his or her share of this Pension Trust Service Credit in the Alternate Payee's name. However, this can be done only if the court order states that those Normal Contributions and Pension Trust Service Credit were community property and specifically states that the Alternate Payee has the right to redeposit Normal Contributions and to purchase the Pension Trust Service Credit in the Alternate Payee's name. Once the court has set off these "purchase" rights to the Alternate Payee, the Member can not regain those rights even if the Alternate Payee does not exercise the rights awarded to the Alternate Payee by the court order.

The Alternate Payee has the right to designate a beneficiary to receive his or her accumulated Normal Contributions payable where the death of the Alternate Payee occurs prior to the retirement of the Alternate Payee or the election of the Alternate Payee to take a refund.

The Alternate Payee has the right to designate a beneficiary for any unpaid monthly retirement allowance payable to the Alternate Payee at the date of the Alternate Payee's death.

Method No. 3:

VI. DIVISION OF THE COMMUNITY PROPERTY INTEREST OF A RETIRED PARTICIPANT

Under the Retirement Plan there is one method by which the community property interest of a Retired Participant and his or her spouse may be divided and that is to calculate the Alternate Payee's share of the community property interest in the retirement allowance. The calculation of the Alternate Payee's Share is done according to the "Time Rule Formula" as discussed above. The payments of the Alternate Payee's Share of the Monthly Retirement Allowance of the Retired Participant will continue to be made to the Alternate Payee until the death of the Retired Participant.

If the Retired Participant had selected the unmodified retirement allowance provided for under Article 6 or Article 10 of the Retirement Plan, and if the Retired Participant predeceases the Alternate Payee, the payments of a portion of the monthly retirement allowance to the Alternate Payee would cease and the Alternate Payee may become eligible to receive a portion of the death benefit which is applicable to the unmodified allowance. On the other hand, if the Retired Participant selected an Optional Settlement under Article 13 of the Retirement Plan, and named the Alternate Payee as a beneficiary under that Optional Settlement, the Alternate Payee will begin to receive the benefits provided for under the particular Optional Settlement elected by the Retired Participant if the Retired Participant predeceases the Alternate Payee.

If the Retired Participant and the Alternate Payee were married at least one year prior to the Retired Participant's retirement, then the Alternate Payee will qualify as an "Eligible Surviving Spouse" and will, on the death of the Retired Participant, be eligible to receive the death benefit provided for under Section 7.04(b) of the Retirement Plan. The death benefit payable to an Eligible Surviving Spouse consists of one-half of the Retired Participant's unmodified service or disability retirement allowance, as it was at the Retired Participant's date of death. This death benefit will continue until the death of the Surviving Spouse.

If the Alternate Payee predeceases the Retired Participant, the payment of the Alternate Payee's share of the retirement allowance would cease and revert to the Retired Participant unless the court orders otherwise.

(An example of a "Stipulated Domestic Relations Order", under Method No. 3, may be found in Appendix No. 1 - See "Example No. 3.)

VII. QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)

The Retirement Equity Act of 1984 governs the distributions of community property assets of private, not public, pension plans. Qualified Domestic Relations Orders (QDRO) contain provisions which are contrary to the Pension Trust Retirement Plan and thus, are not administrable by the Pension Trust. Please refer to one of the methods described in this document for dividing the community property interest in the Pension Trust.

VIII. REQUEST FOR INFORMATION/CONFIDENTIALITY

The contents of a Member's Pension Trust file are confidential pursuant to the rules of the Pension Trust and Information Practices Act of 1997 (California Civil Code Section 1798, et seq.). However, the Member, the Member's spouse, and their respective attorneys or other authorized representatives have the right to obtain information contained in a Member's file when determining the community property interests of the parties. In order for the parties or their representatives to obtain information in a Member's file, the Pension Trust must receive:

(A) A Subpoena Duces Tecum. Upon receipt of such subpoena, the contents of the Member's file will be photocopied and the requested calculations completed. Pursuant to California Evidence Code Section 1563, the Pension Trust will charge \$10.00 per hour for clerical costs plus ten cents per page copying costs. This amount represents the actual costs incurred in locating and making the records available. The Pension Trust will accept the service of the subpoena by mail.

(B) A written request from one of the parties stating the specific data or records needed. All correspondence with the Pension Trust must include the Member's name and Social Security number. Upon the receipt of a written request, the Pension Trust will provide the following:

(1) A statement as to the Member's accumulated Normal Contributions and Any Additional Contributions, and interest, for a specified period. If specific dates are not requested, a current statement will be provided.

(2) A statement as the Member's Pension Trust Service Credit. Again, if a specific period is not requested, a current statement will be provided.

(3) A statement as to the Member's current Member Classification, i.e., "Safety", "Court", "Probation" or "Miscellaneous".

(C) The Pension Trust will not provide:

(1) Actuarial valuation of retirement allowances. A private actuary should be retained for this information.

(2) Employment data, salary, payroll, and earnings or personnel records. The employer must be contacted for this information.

IX. TAX LIABILITY

Both the Member and the Alternate Payee are responsible for any tax liability resulting from their community property payments made by the Pension Trust. The Pension Trust must, therefore, have the Alternate Payee's Social Security number before any community property payment can be made.

X. REMARRIAGE

The community property interest in the allowances and benefits set forth in the court order do not terminate upon the remarriage of either party.

XI. CONCLUSION

The reader will no doubt have questions about the concepts outlined in this brochure that apply to the reader's particular situation. The staff of the Pension Trust will attempt to answer whatever questions might arise but the staff is not qualified to give legal advice and it is a strict Pension Trust policy that the staff not do so. Therefore, the most prudent course of action for anyone concerned about the effect of the Family Code and community property laws on their rights under the Retirement Plan is to seek the advice of a lawyer.

APPENDIX NO. 1

SAN LUIS OBISPO COUNTY PENSION TRUST

EXAMPLES OF DOMESTIC RELATIONS ORDERS

CAUTION: YOU ARE HEREBY ADVISED TO SEEK COMPETENT LEGAL COUNSEL.

The disposition of retirement allowances and benefits in domestic relations proceedings involves complex marital rights and tax issues.

The San Luis Obispo County Pension Trust, its employees, agents and consultants are not authorized to give legal advice and, therefore, make no representation as to these examples' sufficiency under applicable federal or state law or as to its legal and tax consequences under your particular facts and circumstances. You should obtain the advice of your own legal counsel to create an appropriate court order for you.

(Example No. 1: Active Member–
Division of Prospective Monthly Retirement Allowance)

1
2 [NAME OF COUNSEL]
3 [ADDRESS OF COUNSEL]
4 [CITY, STATE]
5 [PHONE NUMBER]
6 ATTORNEY FOR [PETITIONER/RESPONDENT]
7
8
9
10
11
12

13 SUPERIOR COURT OF THE STATE OF CALIFORNIA

14 COUNTY OF _____
15
16
17

18
19 In Re the Marriage of) Case No. _____
20)
21 Petitioner: _____)
22)
23 and) STIPULATED DOMESTIC
24) RELATIONS ORDER RE:
25 Respondent: _____) DIVISION OF SAN LUIS OBISPO
26) COUNTY PENSION TRUST
27) RETIREMENT PLAN BENEFITS
28) AND ALLOWANCES
29 _____)
30)

31 Petitioner, _____, and Respondent, _____, hereby stipulate as follows:

32 **RECITALS**

33 1. Petitioner and Respondent were married to each other on _____. They separated on
34 _____, and this Court entered a judgment of dissolution of marriage in the action on
35 _____.

36 2. This Court has personal jurisdiction over both Petitioner and Respondent and jurisdiction over
37 the subject matter of this Order and the dissolution of marriage action. The Pension Trust was properly joined as
38 a party claimant to this action pursuant to sections 2060 through 2065 of the California Family Code.

39 3. The San Luis Obispo County Pension Trust (“Pension Trust”) was formed, exists and is

1 administered under section 53215, et seq., of the Government Code and Chapter 2.56 of
2
3 the San Luis Obispo County Code and the Pension Trust By-Laws and Pension Trust Retirement Plan
4 (Retirement Plan).

5 **IT IS HEREBY ORDERED BY THE COURT THAT:**

6 1. This Order is entered pursuant to the California Family Code.

7 2. **[Respondent or Petitioner]** (“Member”) and **[Respondent or Petitioner]** (“Alternate Payee”)
8 have acquired a community interest in the Member’s rights under the Retirement Plan and attributable the
9 Member’s Pension Trust Service Credit from the date of marriage up to the date of separation of the parties.

10 3. Surviving Spouse. The Court finds that:

11 a. As of the date of separation of the parties, the Member had not retired from employment
12 and that, therefore, the Alternate Payee is not qualified as, and will not qualify to become,
13 an “Eligible Surviving Spouse” under Section 7.04(b) of the Retirement Plan, and

14 b. In the event that at the date of the Member’s retirement the Member has acquired a new
15 spouse by a marriage occurring one year prior to the Member’s retirement, the rights of
16 the new spouse as an “Eligible Surviving Spouse” under Section 7.04 (b) of the
17 Retirement Plan and the death benefits payable to said “Eligible Surviving Spouse”, will
18 reduce the amounts payable to the Alternate Payee hereunder.

19 4. Calculation of the Community Property Interest. The parties’ community property interest in the
20 Member’s rights under the Retirement Plan shall be a fraction:

21 a. Whose numerator is that portion of the Member’s Pension Trust Service Credit accrued from:

22 1) the date of marriage of the parties, or

23 2) the Date of the Member’s entry into the Pension Trust, whichever is later, and extending to the

1 date of separation of the parties, and

2 b. whose denominator is the Member's Pension Trust Service Credit accrued from the Member's entry
3 into the Pension Trust until the Member's Effective Date of Retirement.

4 The resulting fraction shall be converted into a percentage interest which shall be the Community
5 Property Interest.

6 5. Calculation of Alternate Payee's Share. The Alternate Payee's Share of the Community
7 Property Interest shall be determined by multiplying the Community Property Interest by one-half.

8 6. Award of the Alternate Payee's Share. The Court allocates and awards to the Alternate Payee, as
9 the Alternate Payee's sole and separate property, the Alternate Payee's Share of the of the Community Property
10 Interest in the Member's rights under the Retirement Plan. The Alternate Payee's Share of the
11 Member's rights under the Retirement Plan shall apply to, but not be limited to, the Monthly Retirement
12 Allowances paid to the Member during the Member's lifetime, the Alternate Payee's interest in the Retirement
13 Plan as a beneficiary of the Member and the Alternate Payee's share of any Employee Additional Contribution
14 account in the name of Member. All Retirement Plan allowances and benefits which are not awarded to the
15 Alternate Payee pursuant to this Order shall be the Member's sole and separate property.

16 7. Member's Additional Contributions. In the event that the Member has an Employee Additional
17 Contribution account with the Retirement Plan, the Alternate Payee's Share of that account shall be paid to the
18 Alternate Payee in accordance with Section 5.07 of the Retirement Plan.

19 8. Election of Retirement Allowance Method. At such time as the Member applies to the Pension
20 Trust for a Monthly Retirement Allowance, the Member shall elect [**choose one**]:

21
22 Optional Settlement No. ___ as provided for under Article 13 of the Retirement Plan, and shall name the
23 Alternate Payee as Member's beneficiary under said Optional Settlement.

1 **OR**

2 the Unmodified Retirement Allowance as provided for under Article 6 of the Retirement Plan.

3 9. Payment of Retirement Allowance to the Alternate Payee if the Member Retires. If and when
4 the Member retires, the Alternate Payee shall be paid the Alternate Payee's Share of the Member's Monthly
5 Retirement Allowance by separate warrant directly from the Pension Trust. Payments of the Alternate Payee's
6 Share of the Monthly Retirement Allowance shall commence on or after the date on which the Member has
7 attained the earliest retirement age as defined by the Retirement Plan, but only on and after such time as the
8 Member actually retires or otherwise receives payment of a Monthly Retirement Allowance under the
9 Retirement Plan.

10 10. Payments to the Alternate Payee in the event of the Death of the Member before Retirement.

11 a. Member is not qualified to retire. If the Member dies before the Member is qualified to
12 retire, then the Alternate Payee shall be paid the Alternate Payee's Share of the death benefit provided
13 for by Section 7.01 of the Retirement Plan (or section 7.03 of the Retirement Plan if the Member was a
14 Safety Member).

15 b. Member is qualified to retire. If the Member dies after the Member is qualified to retire,
16 then the Alternate Payee shall be paid the Alternate Payee's Share of the death benefit provided by
17 Section 7.02 of the Retirement Plan (or section 7.03 of the Retirement Plan if the Member was a Safety
18 Member).

19 11. Alternate Payee's Death. The Alternate Payee shall be responsible for filing a Designation of
20 Beneficiary form with the Administrator. If a Monthly Retirement Allowance is still payable to the Member at
21 the time of the Alternate Payee's death, the Administrator shall continue to pay the Alternate Payee's Share of
22 the Member's Monthly Retirement Allowance, by separate warrant, directly to the beneficiary designated by the
23 Alternate Payee. Said payments shall cease upon the death of the Member. If the Alternate Payee designates

1 the minor child(ren) of the parties as beneficiary, then no monthly survivor benefits shall be payable to said
2 minor child(ren) pursuant to Section 7.04(b) of the Pension Trust Retirement Plan during such time as said
3 minor child(ren) are receiving a retirement allowance as the beneficiary of the Alternate Payee.

4 12. Responsibility for Taxes . The Member and the Alternate Payee shall be responsible for, and
5 pay, any taxes due in connection with his or her receipt of distributions from the Pension Trust.

6 13. Member Information. For the purpose of making any retirement allowance or benefit payments
7 provided by the terms of this Order or providing any notice required by the terms of this Order, Member's
8 name, current mailing address, telephone number, Social Security number and date of birth are as follows:

9 Name: _____

10 Address: _____

11 Telephone No.: _____

12 Social Security Number: _____

13 Date of Birth: _____

14 14. Alternate Payee Information. For the purpose of making any retirement allowance or benefit
15 payments provided by the terms of this Order or providing any notice required by the terms of this Order,
16 Alternate Payee's name, current mailing address, telephone number, Social Security number and date of birth
17 are as follows:

18 Name: _____

19 Address: _____

20 Telephone No.: _____

21 Social Security Number: _____

22 Date of Birth: _____

23 15. Notice of change of address or telephone number shall be made in writing to the Pension Trust,

1 addressed as follows, or as the Executive Secretary may specify in a written notice to Member and Alternate
2 Payee:

3 San Luis Obispo County Pension Trust
4 1000 Mill Street
5 San Luis Obispo, CA 93408
6

7 16. The Member and the Alternate Payee shall sign all forms, letters and other documents as
8 required to effect the distribution(s) described herein and the intent of this Order.

9 17. The Alternate Payee and the Alternate Payee's agents and attorneys are authorized to receive
10 information from the Pension Trust concerning the Member's allowances and benefits as may be needed to
11 establish the Alternate Payee's account.

12 18. The Member shall act as constructive trustee of any benefits assigned to the Alternate Payee
13 under this Order which may be paid to or received by the Member. The Member, as trustee, shall promptly pay
14 or transmit any such benefits to the Alternate Payee at the Alternate Payee's last known address. The Alternate
15 Payee shall act as constructive trustee of any benefits assigned to the Member under this Order which may be
16 paid to or received by the Alternate Payee. The Alternate Payee, as trustee, shall promptly pay or transmit any
17 such benefits to the Member at the Member's last known address.

18 19. This Order shall be administered and interpreted in conformity with the laws governing the
19 Pension Trust, the By-Laws and Retirement Plan and other applicable law. If such laws, By-Laws, or
20 Retirement Plan are amended, then the Member and the Alternate Payee shall immediately take the steps
21 necessary to amend this Order to comply with any such amendments, changes and/or modifications, or, if
22 permissible under any such change, amendment, or modification to the Pension Trust Laws, the Executive
23 Secretary may treat this Order as acceptable. The Member and the Alternate Payee shall be responsible for any
24 of the costs and/or expenses associated with such amendment to this Order.

25 20. The Member, the Alternate Payee, and the Court intend that this Order meet all requirements of a

1 domestic relations order under the Pension Trust Laws and other laws of the State of California, and the Court
2 shall reserve jurisdiction to modify this Order and to resolve any disputes that may arise among the parties and
3 the Executive Secretary concerning benefit payments or any other aspect of this Order. If any portion of this
4 Order is rendered invalid or otherwise unenforceable, the Court reserves jurisdiction to make an appropriate
5 adjustment to effectuate the intent of the parties. Any future fees, taxes, and/or penalties will be assessed
6 against the parties who then have an interest payable from the Pension Trust.

7 21. This Stipulation and Order shall not expand the contractual or statutory obligations, whether
8 substantive or procedural, of the Pension Trust with respect to paying the above allowances and/or benefits.
9
10
11
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14

15 **IT IS SO STIPULATED:**

16
17 Dated: _____
18 [NAME]
19 Petitioner

20
21 Dated: _____
22 [NAME]
23 Attorney for Petitioner

24
25 Dated: _____
26 [NAME]
27 Respondent

28
29 Dated: _____
30 [NAME]
31 Attorney for Respondent

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APPROVED AS TO FORM:

Dated: _____

Executive Secretary
San Luis Obispo County Pension Trust

ORDER

The parties having stipulated thereto and good cause appearing therefore.

IT IS SO ORDERED.

Dated: _____

Judge of the Superior Court

(Example No. 2: Active Member–
Establishment of Separate Account for Non-Member Spouse)

1
2 [NAME OF COUNSEL]
3 [ADDRESS OF COUNSEL]
4 [CITY, STATE]
5 [PHONE NUMBER]
6 ATTORNEY FOR [PETITIONER/RESPONDENT]
7
8
9
10
11
12

13 SUPERIOR COURT OF THE STATE OF CALIFORNIA

14 COUNTY OF _____
15
16
17
18

19 In Re the Marriage of) Case No. _____
20)
21 Petitioner: _____)
22)
23 and) STIPULATED DOMESTIC
24) RELATIONS ORDER RE:
25 Respondent: _____) DIVISION OF SAN LUIS OBISPO
26) COUNTY PENSION TRUST
27) RETIREMENT PLAN BENEFITS
28) AND ALLOWANCES
29 _____)
30

31 Petitioner, _____, and Respondent, _____, hereby stipulate as follows:

32 **RECITALS**

33 1. Petitioner and Respondent were married to each other on _____. They separated on
34 _____, and this Court entered a judgment of dissolution of marriage in the action on
35 _____.

36 2. This Court has personal jurisdiction over both Petitioner and Respondent and jurisdiction over
37 the subject matter of this Order and the dissolution of marriage action. The Pension Trust was properly joined as

1 a party claimant to this action pursuant to sections 2060 through 2065 of the California Family Code.

2 3. The San Luis Obispo County Pension Trust (“Pension Trust”) was formed, exists and is
3 administered under section 53215, et seq., of the Government Code and Chapter 2.56 of the San Luis Obispo
4 County Code and the Pension Trust By-Laws and Pension Trust Retirement Plan (Retirement Plan).

5 **IT IS HEREBY ORDERED BY THE COURT THAT:**

6 1. This Order is entered pursuant to the California Family Code.

7 2. **[Respondent or Petitioner]** (“Member”) and **[Respondent or Petitioner]** (“Alternate Payee”)
8 have acquired a community interest in the Member’s rights under the Retirement Plan and attributable the
9 Member’s Pension Trust Service Credit from the date of marriage up to the date of separation of the parties.

10 3. Calculation of the Community Property Interest. The parties’ community property interest in the
11 Member’s rights under the Retirement Plan shall be those attributable to the Member’s Pension Trust Service
12 Credit from the date of marriage through the date of separation.

13 4. Calculation of the Alternate Payee’s Share. The Alternate Payee’s Share of the Community
14 Property Interest shall be determined by multiplying the Community Property Interest by one-
15 half.

16 5. Award of the Alternate Payee’s Share. The Court allocates and awards to the Alternate Payee, as
17 the Alternate Payee’s sole and separate property, the Alternate Payee’s Share of the of the Community Property
18 Interest in the Member’s rights under the Retirement Plan.

19 The Alternate Payee’s Share of the Member’s rights under the Retirement Plan shall apply to, but
20 not be limited to, the rights of an Alternate Payee pursuant to Article 24 of the Retirement Plan, the Alternate
21 Payee’s interest in the Retirement Plan as a beneficiary of the Member and the Alternate Payee’s share of any
22 Member Additional Contribution account in the name of Member.

23 5. Alternate Payee’s Share of Member’s Accumulated Normal Contributions and Pension Trust

1 Service Credit. The Alternate Payee's Share of:

2 a. the Member's Accumulated Normal Contributions and,

3 b. the Members Pension Trust Service Credit,

4 shall be set aside for the Alternate Payee in a Pension Trust account in the Alternate Payee's name in
5 accordance with Section 24.01(a) of the Retirement Plan and the Alternate Payee shall be entitled to those rights
6 described for an Alternate Payee under Sections 24.01(b), Section 24.02, Section 24.03 and Section 24.04 of the
7 Retirement Plan.

8 6. Alternate Payee's Share of Member's Additional Contributions. In the event that the Member
9 has an Employee Additional Contribution account with the Retirement Plan, the Alternate Payee's Share of that
10 account shall be set aside to the Alternate Payee in accordance with Section 24.01(a) of the Retirement Plan and
11 be held for payment to the Alternate Payee in accordance with Section 5.07 of the Retirement Plan.

12 7. Alternate Payee's Share of Member's Right to "Purchase" Additional Pension Trust Service
13 Credit. To the extent that, as of the date of separation of the parties, the Member had and continues to have,
14 any rights under the Retirement Plan to make deposits to the Member's Normal Contributions account and
15 thereby acquire additional Pension Trust Services Credit, the Alternate Payee shall succeed to such rights of the
16 Member in the amount of the Alternate Payee's Share.

17 8. Balance of Rights under Retirement Plan Awarded to Member.

18 All Retirement Plan allowances, benefits and other rights which are not awarded and set aside to the
19 Alternate Payee pursuant to this Order shall be the Member's sole and separate property.

20 9. Responsibility for Taxes . The Member and the Alternate Payee shall be responsible for, and
21 pay, any taxes due in connection with his or her receipt of distributions from the Pension Trust.

22 10. Member Information. For the purpose of making any retirement allowance or benefit payments
23 provided by the terms of this Order or providing any notice required by the terms of this Order, Member's

1 name, current mailing address, telephone number, Social Security number and date of birth are as follows:

2 Name: _____

3 Address: _____

4 Telephone No.: _____

5 Social Security Number: _____

6 Date of Birth: _____

7 11. Alternate Payee Information. For the purpose of making any retirement allowance or benefit

8 payments provided by the terms of this Order or providing any notice required by the terms of this Order,

9 Alternate Payee's name, current mailing address, telephone number, Social Security number and date of birth

10 are as follows:

11 Name: _____

12 Address: _____

13 Telephone No.: _____

14 Social Security Number: _____

15 Date of Birth: _____

16 12. Notice of change of address or telephone number shall be made in writing to the Pension Trust,

17 addressed as follows, or as the Executive Secretary may specify in a written notice to Member and Alternate

18 Payee:

19 San Luis Obispo County Pension Trust

20 1000 Mill Street

21 San Luis Obispo, CA 93408

22
23 13. The Member and the Alternate Payee shall sign all forms, letters and other documents as

24 required to effect the distribution(s) described herein and the intent of this Order.

25 14. The Alternate Payee and the Alternate Payee's agents and attorneys are authorized to receive

1 information from the Pension Trust concerning the Member's allowances and benefits as may be needed to
2 establish the Alternate Payee's account.

3 15. The Member shall act as constructive trustee of any benefits assigned to the Alternate Payee
4 under this Order which may be paid to or received by the Member. The Member, as trustee, shall promptly pay
5 or transmit any such benefits to the Alternate Payee at the Alternate Payee's last known address. The Alternate
6 Payee shall act as constructive trustee of any benefits assigned to the Member under this Order which may be
7 paid to or received by the Alternate Payee. The Alternate Payee, as trustee, shall promptly pay or transmit any
8 such benefits to the Member at the Member's last known address.

9 16. This Order shall be administered and interpreted in conformity with the laws governing the
10 Pension Trust, the By-Laws and Retirement Plan and other applicable law. If such laws, By-Laws, or
11 Retirement Plan are amended, then the Member and the Alternate Payee shall immediately take the steps
12 necessary to amend this Order to comply with any such amendments, changes and/or modifications, or, if
13 permissible under any such change, amendment, or modification to the Pension Trust Laws, the Executive
14 Secretary may treat this Order as acceptable. The Member and the Alternate Payee shall be responsible for any
15 of the costs and/or expenses associated with such amendment to this Order.

16 17. The Member, the Alternate Payee, and the Court intend that this Order meet all requirements of a
17 domestic relations order under the Pension Trust Laws and other laws of the State of California, and the Court
18 shall reserve jurisdiction to modify this Order and to resolve any disputes that may arise among the parties and
19 the Executive Secretary concerning benefit payments or any other aspect of this Order. If any portion of this
20 Order is rendered invalid or otherwise unenforceable, the Court reserves jurisdiction to make an appropriate
21 adjustment to effectuate the intent of the parties. Any future fees, taxes, and/or penalties will be assessed
22 against the parties who then have an interest payable from the Pension Trust.

23 18. This Stipulation and Order shall not expand the contractual or statutory obligations, whether

1 substantive or procedural, of the Pension Trust with respect to paying the above allowances and/or benefits.

2

1 **IT IS SO STIPULATED:**

2
3 Dated: _____
4 [NAME]
5 Petitioner

6
7 Dated: _____
8 [NAME]
9 Attorney for Petitioner

10
11 Dated: _____
12 [NAME]
13 Respondent

14
15 Dated: _____
16 [NAME]
17 Attorney for Respondent

18
19
20 **APPROVED AS TO FORM:**

21
22
23 Dated: _____
24 Executive Secretary
25 San Luis Obispo County Pension Trust

26
27
28
29
30 **ORDER**

31
32 The parties having stipulated thereto and good cause appearing therefore.

33
34 **IT IS SO ORDERED.**

35
36
37 Dated: _____
38 Judge of the Superior Court

(Example No. 3: Retired Participant)

[NAME OF COUNSEL]
[ADDRESS OF COUNSEL]
[CITY, STATE]
[PHONE NUMBER]
ATTORNEY FOR [PETITIONER/RESPONDENT]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF _____

In Re the Marriage of _____) Case No. _____

Petitioner: _____)

and)

Respondent: _____)

STIPULATED DOMESTIC
RELATIONS ORDER RE:
DIVISION OF SAN LUIS OBISPO
COUNTY PENSION TRUST
RETIREMENT PLAN BENEFITS
AND ALLOWANCES

Petitioner, _____, and Respondent, _____, hereby stipulate as follows:

RECITALS

1. Petitioner and Respondent were married to each other on _____. They separated on _____, and this Court entered a judgment of dissolution of marriage in the action on _____.

2. This Court has personal jurisdiction over both Petitioner and Respondent and jurisdiction over

1 the subject matter of this Order and the dissolution of marriage action. The Pension Trust was properly joined as
2 a party claimant to this action pursuant to sections 2060 through 2065 of the California Family Code.

3 3. The San Luis Obispo County Pension Trust (“Pension Trust”) was formed, exists and is
4 administered under section 53215, et seq., of the Government Code and Chapter 2.56 of the San Luis Obispo
5 County Code and the Pension Trust By-Laws and Pension Trust Retirement Plan (Retirement Plan).

6 **IT IS HEREBY ORDERED BY THE COURT THAT:**

7 1. This Order is entered pursuant to the California Family Code.

8 2. **[Respondent or Petitioner]** (“Retired Participant”) and **[Respondent or Petitioner]** (“Alternate
9 Payee”) have acquired a community interest in the Retired Participant’s Monthly Retirement Allowance and
10 other benefits set forth in the Retirement Plan and attributable the Retired Participant’s Pension Trust Service
11 Credit from the Date of Marriage up to the Date of Separation, or Effective Date of Retirement, whichever
12 occurred first.

13 3. The Court finds that the Alternate Payee was [or was not] married to the Retired Participant for
14 at least one year prior the Effective Date of Retirement of the Retired Participant. Pursuant to Section 24.05(4)
15 of the Retirement Plan, after the dissolution of the marriage of the parties, the Alternate Payee will [or will not]
16 continue to qualify for Surviving Spouse death benefits under Section 7.04(b) of the Retirement Plan.

17 4. The Retired Participant is currently receiving a Pension Trust Monthly Retirement Allowance of
18 \$[Enter amount] per month under [the Article 6 Unmodified Service Retirement Allowance] or [the Article
19 10 Unmodified Disability Retirement Allowance] or [Article 13 Option No. ____] with [Name of
20 Beneficiary] named as beneficiary for any benefits payable under such Retirement Allowance upon the Retired
21 Participant’s death.

22 5. Calculation of the Community Property Interest. The parties’ community property interest in the
23 Retired Participant’s Monthly Retirement Allowance and other benefits set forth in the Retirement Plan shall be

1 a fraction:

2 a. whose numerator is the Retired Participant's Pension Trust Service Credit

3 accrued from:

4 1) the date of the marriage of the parties, or

5 2) the date of the Retired Participant's entry into the Pension Trust, whichever is later,

6 and extending to:

7 3) the date of separation of the parties, or

8 4) the Effective Date of Retirement, whichever is earlier, and

9 b. whose denominator is the Retired Participant's Pension Trust Service Credit accrued from

10 the Retired Participant's entry into the Pension Trust and extending to Retired Participant's Effective Date of

11 Retirement.

12 The resulting fraction shall be converted into a percentage interest which shall be the Community
13 Property Interest.

14 6. Calculation of Alternate Payee's Share. The Alternate Payee's Share of the Community
15 Property Interest shall be determined by multiplying the Community Property Interest by one-half.

16 7. Award of the Alternate Payee's Share. The Court allocates and awards to the Alternate Payee, as
17 the Alternate Payee's sole and separate property, the Alternate Payee's Share of the of the Community Property
18 Interest in the Retired Participant's rights under the Retirement Plan.

19 The Alternate Payee's Share of the Retired Participant's rights under the Retirement Plan shall
20 apply to, but not be limited to, the Monthly Retirement Allowances paid to the Retired Participant during the
21 Member's lifetime, and the Alternate Payee's interest in the Retirement Plan as a beneficiary of the Retired
22 Participant. All Retirement Plan allowances and benefits which are not awarded to the Alternate Payee
23 pursuant to this Order shall be the Retired Participant's sole and separate property.

1 8. Payment of Monthly Retirement Allowance to the Alternate Payee. The Alternate Payee shall be
2 paid the Alternate Payee's Share of the Retired Participant's Monthly Retirement Allowance by separate
3 warrant directly from the Pension Trust. Payments shall commence as soon as administratively practicable
4 following the date the Executive Secretary approves this Order.

5 9. Retired Participant's Death.

6 (a) The death benefit provided for under Section 7.04(a) of the Pension Trust Retirement
7 Plan shall be payable, on the death of the Retired Participant, as follows:

8 (1) The sum derived by multiplying the Alternate Payee's Share by One Thousand
9 Dollars shall be paid to the beneficiary designated by the Alternate Payee, on forms provided by the Pension
10 Trust, or to the Alternate Payee if no such designation is made by the Alternate Payee; and

11 (2) The balance of the Section 7.04(a) death benefit shall be payable to the
12 beneficiary designated by the Retired Participant, on forms provided by the Pension Trust, or to the Estate of the
13 Retired Participant if no such designation is made by the Retired Participant.

14 (b) [**"Unmodified"Alternate - To be used when the Retired Participant retired under**
15 **the Unmodified Retirement Allowance of Article 6 or Article 10 of the Retirement Plan.**] Inasmuch as the
16 Retired Participant retired under the provisions of Article 6 [or 10] of the Retirement Plan and has been
17 receiving an Unmodified Monthly Retirement Allowance from the Pension Trust, Section 24.05(4) of the
18 Retirement Plan applies and the death benefit provided for a qualified surviving spouse under Section 7.04(b) of
19 the Pension Trust Retirement Plan shall be payable, on the death of the Retired Participant, to the Alternate
20 Payee and the payment to the Alternate Payee of the Alternate Payee's share of the Retired Participant's
21 Monthly Retirement Allowance provided for by paragraph 8 of this Order shall cease.

22 (b) [**Alternate No. 1 - To be used when the Retired Participant retired under "Optional**
23 **Settlement No. 1"** of Section 13.02 of the Retirement Plan.] The Retired Participant retired under the

1 provisions of "Optional Settlement No.1" of Article 13 of the Retirement Plan and has been receiving a
2 Monthly Retirement Allowance from the Pension Trust under "Optional Settlement No. 1". Because the
3 Alternate Payee was married to the Retired Participant for more than one year prior to the Effective Date of
4 Retirement, the Alternate Payee is the qualified Surviving Spouse of the Retired Participant. Under section
5 13.01 of the Retirement Plan, only one-half of the Article 6 [or 10] Retirement Allowance shall be subject to
6 actuarial reduction under "Optional Settlement No. 1. Therefore, if the Retired Participant dies and is survived
7 by the Alternate Payee:

8 (i) the death benefit provided for under Section 7.04(b), Section 13.01, and Section
9 13.02 of the Pension Trust Retirement Plan shall be payable, on the death of the Retired Participant, to the
10 Alternate Payee, and

11 (ii) the payment to the Alternate Payee of the Alternate Payee's Share of the Retired
12 Participant's Monthly Retirement Allowance provided for by paragraph 8 of this Order shall cease, and

13 (iii) only one-half of the balance of the Retired Participant's Accumulated Normal
14 Contributions shall be paid, on the death of the Retired Participant, to the beneficiary
15 designated by the Retired Participant on forms provided by the Pension Trust, or the Estate of the Retired
16 Participant if no such designation is made by the Retired Participant.

17 (b) **Alternate No. 2 - To be used when the Retired Participant retired under "Optional**
18 **Settlement No. 2" of Section 13.02 of the Retirement Plan.]** The Retired Participant retired under the
19 provisions of "Optional Settlement No.2" of Article 13 of the Retirement Plan and has been receiving a
20 Monthly Retirement Allowance from the Pension Trust under "Optional Settlement No. 2". Because the
21 Alternate Payee was married to the Retired Participant for more than one year prior to the Effective Date of
22 Retirement, the Alternate Payee is the qualified Surviving Spouse of the Retired Participant. Under section
23 13.01 of the Retirement Plan, only one-half of the Article 6 [or 10] Retirement Allowance shall be subject to

1 actuarial reduction under “Optional Settlement No. 2. Therefore, if the Retired Participant dies and is survived
2 by the Alternate Payee:

3 (i) the death benefit provided for under Section 7.04(b), Section 13.01, and Section
4 13.03 of the Pension Trust Retirement Plan shall be payable, on the death of the Retired Participant, to the
5 Alternate Payee, and

6 (ii) the payment to the Alternate Payee of the Alternate Payee’s Share of the Retired
7 Participant’s Monthly Retirement Allowance provided for by paragraph 8 of this Order shall cease, and

8 (iii) the Alternate Payee shall be paid by the Pension Trust, for the balance of the
9 Alternate Payee’s life, the Alternate Payee’s Share of the “Optional Settlement No. 2” continuation of the
10 Retired Participant’s actuarially reduced retirement allowance.

11 (b) **[Alternate No. 3 - To be used when the Retired Participant retired under “Optional**

12 **Settlement No. 3” of Section 13.02 of the Retirement Plan.]** The Retired Participant retired under the

13 provisions of “Optional Settlement No.3” of Article 13 of the Retirement Plan and has been receiving a

14 Monthly Retirement Allowance from the Pension Trust under “Optional Settlement No. 3”. Because the

15 Alternate Payee was married to the Retired Participant for more than one year prior to the Effective Date of

16 Retirement, the Alternate Payee is the qualified Surviving Spouse of the Retired Participant. Under section

17 13.01 of the Retirement Plan, only one-half of the Article 6 **[or 10]** Retirement Allowance shall be subject to

18 actuarial reduction under “Optional Settlement No. 3. Therefore, if the Retired Participant dies and is survived

19 by the Alternate Payee:

20 (i) the death benefit provided for under Section 7.04(b), Section 13.01, and Section
21 13.04 of the Pension Trust Retirement Plan shall be payable, on the death of the Retired Participant, to the

22 Alternate Payee, and

23 (ii) the payment to the Alternate Payee of the Alternate Payee’s Share of the Retired

1 Participant's Monthly Retirement Allowance provided for by paragraph 8 of this Order shall cease, and
2 (iii) the Alternate Payee shall be paid by the Pension Trust, for the balance of the
3 Alternate Payee's life, the Alternate Payee's Share of the "Optional Settlement No. 3" continuation of one-half
4 of the Retired Participant's actuarially reduced Monthly Retirement Allowance. The balance of the one-half of
5 the Retired Participant's actuarially reduced Monthly Retirement Allowance under "Optional Settlement No. 3"
6 shall be paid, on the death of the Retired Participant, to the beneficiary designated by the Retired Participant on
7 forms provided by
8 the Pension Trust.

9 10. Benefits Payable at Alternate Payee's Death. The Alternate Payee shall be responsible for filing
10 a Designation of Beneficiary form with the Administrator. If a Monthly Retirement Allowance is still payable
11 to the Retired Participant at the time of the Alternate Payee's death, the Administrator shall continue to pay the
12 Alternate Payee's Share of the Retired Participant's Monthly Retirement Allowance, by separate warrant,
13 directly to the beneficiary designated by the Alternate Payee. Said payments shall cease upon the death of the
14 Retired Participant.

15 11. The Retired Participant and the Alternate Payee shall be responsible for, and pay, any taxes due
16 in connection with his or her receipt of distributions from the Pension Trust.

17 12. Retired Participant Information. For the purpose of making any retirement allowance payments
18 provided by the terms of this Order or providing any notice required by the terms of this Order, Retired
19 Participant's name, current mailing address, telephone number, Social Security number and date of birth are as
20 follows:

21 Name: _____

22 Address: _____

23 Telephone No.: _____

1 Social Security Number: _____

2 Date of Birth: _____

3 13. Alternate Payee Information. For the purpose of making any retirement allowance payments
4 provided by the terms of this Order or providing any notice required by the terms of this Order, Alternate
5 Payee's name, current mailing address, telephone number, Social Security number and date of birth are as
6 follows:

7 Name: _____

8 Address: _____

9 Telephone No.: _____

10 Social Security Number: _____

11 Date of Birth: _____

12 14. Notice of change of address or telephone number shall be made in writing to the Pension Trust,
13 addressed as follows, or as the Executive Secretary may specify in a written notice to Retired Participant and
14 Alternate Payee:

15 San Luis Obispo County Pension Trust
16 1000 Mill Street
17 San Luis Obispo, CA 93408
18

19 15. The Retired Participant and the Alternate Payee shall sign all forms, letters and other documents
20 as required to effect the distribution(s) described herein and the intent of this Order.

21 16. The Alternate Payee and the Alternate Payee's agents and attorneys are authorized to receive
22 information from the Pension Trust concerning the Retired Participant's allowances and benefits as may be
23 needed to establish the Alternate Payee's account.

24 17. The Retired Participant shall act as constructive trustee of any benefits assigned to the Alternate
25 Payee under this Order which may be paid to or received by the Retired Participant. The Retired Participant, as

1 trustee, shall promptly pay or transmit any such benefits to the Alternate Payee at the Alternate Payee's last
2 known address.

3 18. The Alternate Payee shall act as constructive trustee of any benefits assigned to the Retired
4 Participant under this Order which may be paid to or received by the Alternate Payee. The Alternate Payee, as
5 trustee, shall promptly pay or transmit any such benefits to the Retired Participant at the Retired Participant's
6 last known address.

7 19. This Order shall be administered and interpreted in conformity with the Pension Trust laws, By-
8 laws, Retirement Plan, and other applicable law. If the Pension Trust Laws are amended, then the Retired
9 Participant and the Alternate Payee shall immediately take the steps necessary to amend this Order to comply
10 with any such amendments, changes and/or modifications, or, if permissible under any such change,
11 amendment, or modification to the Pension Trust Laws, the Executive Secretary may treat this Order as
12 acceptable. The Retired Participant and the Alternate Payee shall be responsible for any of the costs and/or
13 expenses associated with such amendment to this Order.

14 20. The Retired Participant, the Alternate Payee, and the Court intend that this Order meet all
15 requirements of a domestic relations order under the Pension Trust Laws and other laws of the State of
16 California, and the Court shall reserve jurisdiction to modify this Order and to resolve any disputes that may
17 arise among the parties and the Executive Secretary concerning benefit payments or any other aspect of this
18 Order. If any portion of this Order is rendered invalid or otherwise unenforceable, the Court reserves
19 jurisdiction to make an appropriate adjustment to effectuate the intent of the parties. Any future fees, taxes,
20 and/or penalties will be assessed against the parties who then have an interest payable from the Pension Trust.

21 21. This Stipulation and Order shall not expand the contractual or statutory obligations, whether
22 substantive or procedural, of the Pension Trust with respect to paying the above allowances and/or benefits.
23

1 **IT IS SO STIPULATED:**

2
3 Dated: _____
4 [NAME]
5 Petitioner

6
7 Dated: _____
8 [NAME]
9 Attorney for Petitioner

10
11 Dated: _____
12 [NAME]
13 Respondent

14
15 Dated: _____
16 [NAME]
17 Attorney for Respondent

18
19 **APPROVED AS TO FORM:**

20
21
22 Dated: _____
23 Executive Secretary
24 San Luis Obispo County Pension Trust

25
26
27
28 **ORDER**

29
30 The parties having stipulated thereto and good cause appearing therefore.

31
32 **IT IS SO ORDERED.**

33
34
35 Dated: _____
36 Judge of the Superior Court

APPENDIX NO. 2

EXCERPTS FROM THE RETIREMENT PLAN

Section 1.13.5: "Alternate Payee" means the spouse or former spouse of a Member or Reserve Participant who as a result of petitioning a court of competent jurisdiction for the division of community property, has been awarded a distinct and separate account reflecting specific credited Pension Trust Service Credit and Accumulated Normal Contributions and any Accumulated Additional Contributions pursuant to Section 24.01:Division of Community Property before Retirement - Members and Reserve Participants. Alternate Payee shall also mean the spouse or former spouse of a Retired Participant who as a result of petitioning a court of competent jurisdiction for the division of community property, has been awarded a benefit or settlement allowance pursuant to Section 24.05 Division of Community Property of a Retired Participant.

ARTICLE 7: DEATH BENEFITS

Section 7.01: Basic Death Benefit.

(a) Upon the death of a Member before retirement, a Basic Death Benefit equal to:

(1) the Member's Accumulated Contributions to date of death, plus

(2) an amount equal to one and one-half months of the Member's compensation for each completed year of Pension Trust service credit earned by the Member up to the date of the Member's death (provided that in no event shall the portion of the death benefit payable under this subsection (2) exceed eighteen month's of the Member's compensation) shall be paid to the Member's named beneficiary or to the Member's estate if there is no beneficiary record on file. The compensation to be used in computing this Basic Death Benefit shall be the compensation payable to the member as of the Member's date of death.

(b) For the purposes of this Section 7.01, the "death of a Member before retirement" shall mean the following:

(1) Death of a Member before the effective date of retirement, and

a) While the Member is a County Employee, or

b) While the Member is absent on military service

as defined in Section 2.12 hereof, or

c) While the Member is on a leave of absence approved by the County Employer; or

d) while the Member is physically or mentally

incapacitated for the performance of duty, if such incapacity has been continuous from the date that the Member became unable to perform the usual duties of the Member's position with the County Employer; or

(2) Death of a Member on or after the effective date of retirement, and before the mailing of the first retirement allowance payment to the Member, provided the Member has not elected Optional Settlement No.2, or No.3, or No.4 involving payment of an allowance throughout the life of the member's beneficiary under Article 13 of this Plan, and provided further that no benefit is payable under Sections 7.02, 7.03, 7.04 or 7.05 of this Plan, and death occurs:

a) Within four months of the termination of County Employment, or

b) While the Member is physically or mentally incapacitated for the performance of duty and such incapacity has been continuous from the date the Member became unable to perform the duties of the Member's position with the County Employer; or

(3) Death of a Reserve Participant within four months of termination of County Employment, provided said Reserve Participant is not a member of a reciprocal system pursuant to the provisions of Article 20 of this Retirement Plan.(9-22-73) (12-13-88) (11-13-90)

(c) If a Member dies on or after the effective date of retirement and prior to the mailing of the first retirement allowance payment and if the Member has elected Optional Settlement No.2, No.3, or No.4 involving payment of an allowance throughout the life of the Member's beneficiary or if a benefit is payable under Section 7.04 of this Plan, the death shall be considered to be a death occurring after retirement and the applicable benefits under Article 13 of this Plan shall be payable.

Section 7.02: Death Benefit Where Death Occurs Before Retirement But

After Qualification for Retirement. Upon the death of a Member who has attained the minimum age for service retirement, applicable to him or her in the Member's last County Employment preceding death, and who is credited with five or more years of Pension Trust service credit, the death benefit provided by this Section 7.02 shall be paid in lieu of the Basic Death Benefit provided in Section 7.01 above. The death benefit provided by this Section shall be a monthly allowance equal to one-half of the Unmodified service retirement allowance to which the Member would have been entitled if the Member had retired for service on the date of the Member's death, payable:

(a) To the surviving spouse of the Member, for life, or until remarriage; or

(b) To the children of such Member under eighteen (18) years of age, collectively, if there is no eligible surviving spouse or if such spouse dies or remarries before all children of the deceased Member attain age eighteen (18), until every such child dies or attains age eighteen (18), provided, that no child shall receive any allowance after marrying or after attaining eighteen (18) years of age.

If payment under this Section 7.02 is stopped because of the occurrence of any of the conditions set forth in this Section and before the sum of the monthly allowance payments actually made hereunder equals the Basic Death Benefit, a lump sum equal to the difference shall be paid as follows:

(a) If the person last entitled to the allowance is the married spouse of the Member, to such spouse;

(b) Otherwise, to the surviving children of the Member, share and share alike, if there be such;

(c) Otherwise, to the estate of the person last entitled to receive the allowance.

As used in this Section 7.02, a "surviving spouse" means a person who was married to the Member for at least one year prior to the death of the Member. If the Member does not have a surviving spouse nor any children under age eighteen (18) at the time of death, no death benefit shall be payable under this Section 7.02.

Any person qualifying for the death benefit provided under this Section 7.02, or the guardian of that person, may elect to receive, in

lieu of the allowance provided by this Section, the Basic Death Benefit provided for in Section 7.01 of the Retirement Plan. Notice of such election shall be in writing and must be delivered to the Board of Trustees before the first payment under this Section 7.02 is made.(9-22-73)

Section 7.03: Safety Member Death Benefit - Death of Safety Member Before Retirement. If the death of a Safety Member is Service-Connected, a monthly income benefit will be paid to the Safety Member's surviving spouse until the death or remarriage of the surviving spouse. This monthly income benefit shall be in lieu of the death benefit provided in Sections 7.01 or 7.02 above. The monthly income benefit under this Section will equal fifty per cent of the final compensation of the Safety Member (as defined in Section 1.16), less all benefits the surviving spouse is entitled to receive from Social Security because of the death of the Safety Member; provided, however, that the amount of the benefit payable under this Section 7.03 shall be not less than the benefit provided under Section 7.02 above.

If the said service-connected death of the Safety Member is also found to have been caused by external violent or physical force, the monthly income benefit (including Social Security) shall be increased to the following maximum percentages of final compensation of the safety member:

- (a) Surviving spouse with three or more children under eighteen.....75%
- (b) Surviving spouse with two children under eighteen.....70%
- (c) Surviving spouse with one child under eighteen.....62 1/2%

If there be no surviving spouse entitled to a benefit hereunder, or if such spouse should die or remarry before every child of such deceased Safety Member attains the age of eighteen years, then a monthly income benefit, equal to 50% of the Safety Member's final compensation less all benefits payable to the Safety Member's children from Social Security because of the death of the Safety Member, shall be paid to the Safety Member's unmarried child or children under the age of eighteen years, collectively, until every such child attains said age; provided, that no child shall receive any monthly income benefit after marrying or attaining the age of eighteen years.

If payment under this Section 7.03 is stopped because of the occurrence of

any of the conditions set forth in this Section and before the sum of the monthly income benefit payments actually made hereunder equals the Basic Death Benefit under Section 7.01, a lump sum equal to the difference shall be paid as follows:

(a) If the person last entitled to the monthly income benefit is the married spouse of the Safety Member, to such spouse;

(b) Otherwise, to the surviving children of the Safety Member, share and share alike, if there be such;

(c) Otherwise, to the estate of the person last entitled to receive the monthly income benefit.

No monthly income benefit shall be paid under this Section to a surviving spouse unless such spouse was married to the Safety Member prior to the Safety Member sustaining the injury or contracting the disease resulting in the Safety Member's death. If the Safety Member does not have a surviving spouse nor any children under age eighteen (18) at the time of death, no allowance shall be payable under this Section. (9-22-73)

Section 7.04: Death Benefit Where Death Occurs After Retirement.

(a) Upon the death of a Retired Participant, a death benefit of \$1,000.00 will be paid to the Retired Participant's named beneficiary or to the Retired Participant's estate if he or she has no beneficiary record on file with the Pension Trust.

(b) Upon the death of a Retired Participant, who had five years or more of Pension Trust service, and who retired under this Retirement Plan on or after September 22, 1973, one-half of the Retired Participant's unmodified service or disability retirement allowance, as it was at the Retired Participant's date of death, shall be continued throughout the life or until the remarriage of the Retired Participant's eligible surviving spouse. If there be no such eligible surviving spouse, or if the eligible surviving spouse dies or remarries before every child of such deceased Retired Participant attains the age of eighteen years, then the death benefit which the eligible surviving spouse would have received had the said surviving spouse lived and not remarried shall be paid to the child or children under said age, collectively, to continue until every such child dies or attains said age; provided, that no child should receive any death benefit after marrying or attaining the age of eighteen years. Should the said deceased Retired Participant leave no eligible surviving spouse and no children under the age of eighteen years, but leave a parent or parents who were dependent for support upon the said

retired Participant at the time of the Retired Participant's death, the said parents shall collectively receive a monthly death benefit equal to that which an eligible surviving spouse otherwise would have received, during such dependency. If at the effective date of said retirement, said Retired Participant has no such eligible surviving spouse, children or dependent parents, who would so qualify, no monthly death benefit shall be paid under this Section 7.04(b).

No death benefit , however, shall be paid under this Section 7.04(b) to a surviving spouse unless the said surviving spouse was married to the said Retired Participant at least one year prior to the Retired Participant's retirement. (9-22-73)(3-17-87)

Section 7.05: Benefits Payable to Surviving Spouse

Notwithstanding any other provision of this Article 7, the death benefits payable to a Surviving Spouse pursuant to Section 7.02, Section 7.03 or Section 7.04 shall be paid as follows:

(a) Any Surviving Spouse who is receiving said death benefit and remarries on or after September 12, 2000, shall continue to receive the said death benefit without reduction.

(b) The death benefit provided pursuant to Section 7.02, Section 7.03, or Section 7.04, paid to the Surviving Spouse of any deceased Member or Retired Participant, which death benefit has been reduced or discontinued as a result of the remarriage of the Surviving Spouse shall be restored on the effective date of this Section, or the first of the month following receipt by the Pension Trust of a written application from the Surviving Spouse for restoration of the death benefit, which ever is later.

(c) The amount of the death benefit payable shall be determined as though the death benefit had never been reduced or discontinued because of remarriage, and shall not be payable for the period between the date of reduction or discontinuance and the effective date of resumption.

(d) The Pension Trust has no duty to identify, locate, or notify a spouse who previously had his or her death benefit reduced or discontinued because of remarriage.

ARTICLE 13: OPTIONS AVAILABLE AFTER RETIREMENT

Section 13.01: Election of Options. A Member or Reserve Participant who is eligible for retirement under this Plan may elect to have the actuarial equivalent of his or her retirement allowance, as computed in accordance

with Article 6 or Article 10 of this Plan, applied to a lesser retirement allowance, in accordance with one of the optional settlements specified in this Article 13, in lieu of the retirement provided for in said Article 6 or said Article 10. Such election shall be made prior to the making of the first payment on account of any retirement allowance. Such election shall become irrevocable as of the date of the first payment on account of any retirement allowance except as provided for in Section 13.07.

The foregoing notwithstanding, if the Member or Reserve Participant who is eligible for retirement under this Plan has any eligible surviving spouse, child or dependent parent as set forth in Section 7.04(b) hereof, then only one-half of the applicable retirement allowance payable under Article 6 or Article 10 of this Plan shall be eligible for and subject to actuarial reduction under the optional settlements specified in this Article 13, and only one-half of the accumulated normal contributions of the Member or Reserve Participant shall be subject to return under Optional Settlement No. 1.(9-22-73)

Section 13.02: Optional Settlement No. 1 consists of the right to have an actuarially-reduced retirement allowance paid to the Retired Participant until his or her death and if the Retired Participant dies before he or she receives in annuity payments the amount of his or her accumulated contributions at retirement, to have the balance of said accumulated contributions remaining as of the date of death of the Retired Participant paid to the Retired Participant's beneficiary or estate.

Section 13.03: Optional Settlement No. 2 consists of the right to have an actuarially-reduced retirement allowance paid to the Retired Participant until his or her death and thereafter the service retirement allowance payable at the Retired Participant's death shall continue during the life of his or her beneficiary. The amount of the said retirement allowance received by the beneficiary after the death of the Retired Participant shall be increased in the same manner and at same time that the service retirement allowances for all Retired Participants are increased pursuant to Article 19 of this Retirement Plan.(3-17-87)

Section 13.04: Optional Settlement No. 3 consists of the right to have an actuarially-reduced retirement allowance paid to the Retired Participant until his or her death and thereafter one-half ($\frac{1}{2}$) of such retirement allowance payable at the Retired Participant's death shall be paid during the life of his or her beneficiary. The amount of the said retirement allowance received by the beneficiary after the death of the Retired Participant shall be increased in the same manner and at same time that the retirement allowances for all Retired Participants are increased

pursuant to Article 19 of this Retirement Plan. (3-17-87)

Section 13.05: Optional Settlement No. 4 consists of such other benefits as are the actuarial equivalent of a Member's or Reserve Participant's retirement allowance computed in accordance with Article 6 of this Plan, that the Member or Retired Participant may select, subject to the approval of the Board of Trustees. However, the actuarial equivalent of benefits under this optional settlement payable to the Member's or Reserve Participant's beneficiary shall not exceed the actuarial equivalent of the benefits which would be payable to that beneficiary if the Member or Reserve Participant had elected Optional Settlement No. 2.

Section 13.06: Modification to Coordinate Retired Participant's Retirement Allowance with Estimated Benefits Receivable from Federal Social Security System.

(a) A Member or Reserve Participant who retires for service prior to the age of becoming eligible for retirement payments under the Federal Social Security System may elect to have that portion of his or her service retirement allowance which is payable to him or her during his or her life only, increased prior to such eligible age and reduced after such age by amounts which have equivalent actuarial values, provided the subsequent decrease in his or her service retirement allowance does not exceed the pension portion of his service retirement allowance.

(b) If a Retired Participant who has elected the provisions under subsection (a) of this Section 13.06 dies leaving a beneficiary entitled to an allowance, the beneficiary's allowance shall be the same as the beneficiary would have received had the Member not elected the provision under said subsection (a).(2-7-72)

Section 13.07: Actuarial Equivalent. Notwithstanding the provisions of Section 13.01 above, the monthly service retirement allowance payable, under any of the Optional Settlements above, to a Retired Participant who terminated employment at or after age of 65 years, shall be not less than the Optional Settlements service retirement allowance which would have been payable to the Retired Participant as of the date of termination of his or her County Employment.(2-7-72)

Section 13.08 Retired Participant Change of Beneficiary Designation.

(a) A Retired Participant who elected to receive an optional settlement pursuant to Section 13.03, 13.04 or 13.05 of this Retirement Plan may change the Retired Participant's Beneficiary designation so as to delete the original Beneficiary and substitute a new Beneficiary if one of

the following occurs:

(1) The Beneficiary originally designated by the Retired Participant dies. Proof of the original Beneficiary's death shall be presented to the Pension Trust in the form of a certified copy of the death certificate of the original Beneficiary.

(2) The Beneficiary originally designated by the Retired Participant freely and knowingly waives all rights to any benefit provided by the Optional Settlement elected by the Retired Participant pursuant to Section 15.03 Waiver of Beneficiary Benefits.

(b) Upon fulfillment of either of the conditions set forth above in this Section, a Retired Participant may designate a new Beneficiary under the optional settlement formerly selected by the Retired Participant. If the Retired Participant designates a new Beneficiary pursuant to this Section, the retirement allowance being paid to the Retired Participant as of the date of the new Beneficiary designation shall be actuarially adjusted to account for the attained age of the Retired Participant and the attained age of the newly designated Beneficiary as of the date of the new Beneficiary designation. The actuarial adjustment to the Retired Participant's retirement allowance shall be determined as of the date that the new Beneficiary designation becomes effective. The actuarially adjusted retirement allowance payable pursuant to this Section shall be paid to the Retired Participant until his or her death, and thereafter to the Retired Participant's designated new Beneficiary. Nothing in this Section shall be construed to permit a Retired Participant to designate more than one Beneficiary at any given time for benefits payable under Section 13.03, 13.04 or 13.05 of the Retirement Plan.

(c) If the Retired Participant does not elect to name a new beneficiary pursuant to this Section, no adjustment to the current benefit payable shall be made until such time as a new beneficiary designation is made pursuant to this Section.

Article 24: Community Property

Section 24.01: General Provisions - Division of Community Property before Retirement - Members and Reserve Participants.

If a court of competent jurisdiction, upon the legal separation or dissolution of the marriage of a Member or a Reserve Participant and his or her spouse (the "Alternate Payee"), and after joining the Pension Trust as a party to the proceeding pursuant to Chapter 6 (commencing with section 2060) of Part 1 of Division 6 of the California Family Code, includes in the judgement or a court order the date on which the parties separated, the following shall apply:

(a) If the court orders the division of the community property interest in the Pension Trust pursuant to Section 2610 of the Family Code, then the Accumulated Normal Contributions, the Accumulated Additional Contributions, and the Pension Trust Service Credit of the Member or Reserve Participant attributable to periods of service during the marriage shall be divided into two separate and distinct accounts in the name of the Member or Reserve Participant and the Alternate Payee, respectively, and in the manner ordered by the court. Any Accumulated Contributions or Pension Trust Service Credit that are not explicitly awarded by the judgement or the court order shall be deemed the exclusive property of the Member or Reserve Participant.

(b) Once an account has been established in the name of an Alternate Payee pursuant to this Section 24.01, the Alternate Payee shall have the following rights:

(1) The right to a retirement allowance calculated in accordance with Article 6 of the Retirement Plan consistent with the exceptions and limitations set forth in Section 24.01(c) of the Retirement Plan.

(2) The right to a refund of Accumulated Contributions pursuant to Section 24.02 of the Retirement Plan.

(3) The right to purchase Pension Trust Service Credit that is eligible for purchase by the Member provided such Pension Trust Service Credit is explicitly awarded to the Alternate Payee by the court.

(4) The right to designate a beneficiary to receive the Alternate Payee's Accumulated Contributions payable where Alternate Payee's death occurs prior to retirement.

(5) The right to designate a beneficiary to receive the

balance of any unpaid benefit awarded to the Alternate Payee pursuant to this Article, that is payable at the time of the Alternate Payee's death.

(c) The Alternate Payee shall not be entitled to any Disability Retirement benefit payable pursuant to Article 10: Disability Retirement Allowance, of the Retirement Plan. In addition, the Alternate Payee shall not be entitled to any Basic Death benefit, Special Death benefit, or any monthly allowance payable pursuant to Section 7.02, Section 7.03 or Section 7.04 of the Retirement Plan.

Section 24.02: Alternate Payee Right to Refund of Accumulated Contributions.

(a) Once a separate account has been established for an Alternate Payee under Section 24.01, the Alternate Payee shall have the right to a refund of the Accumulated Contributions and Interest credited in the account of the Alternate Payee.

(b) The Alternate Payee shall file an application for said refund on a form provided by the Pension Trust to obtain the refund.

(c) The refund shall be effective when the Pension Trust deposits in the United States mail an initial check payable to the Alternate Payee and addressed to the latest address for the Alternate Payee on file with the Pension Trust.

(d) The Alternate Payee is deemed to have permanently waived all rights in the Pension Trust and the Retirement Plan and all rights to future retirement benefits pertaining to the Pension Trust Service Credit, and to any and all Accumulated Contributions, when the refund becomes effective.

(e) The Alternate Payee may not cancel a refund once it has become effective.

(f) The Alternate Payee shall have no right to elect to redeposit the refunded Accumulated Contributions from the Alternate Payee's account after the refund is effective, and shall have no right to redeposit or to purchase service credit after the refund becomes effective.

(g) If at the time of the dissolution of marriage or legal separation, the Member or Reserve Participant does not have the necessary minimum Pension Trust Service Credit to elect deferred retirement, the Alternate Payee shall receive a refund of all of the Accumulated Contributions and interest credited to the Alternate Payee's account.

(h) If the Alternate Payee receives a refund under this Section, the Member or Reserve Participant may elect to redeposit an amount of money equal to the Accumulated Contributions and interest refunded to the Alternate Payee and, upon redepositing said money the Member or Reserve Participant shall receive credit for the Pension Trust Service Credit that had been forfeited by the Alternate Payee. The election to redeposit shall be made by the Member or Reserve Participant within five (5) years of the date on which the refund to the Alternate Payee became effective. The Board of Trustees shall establish the manner of payment and time period within which the redeposit by a Member or Reserve Participant under this Section shall be made. The interest rate for redeposits by Members or Reserve Participants who elect to redeposit under this Section shall be the same as that charged to Members on all other redeposits.

Section 24.03: Alternate Payee's Right to Purchase Service Credit

Once a separate account has been established for an Alternate Payee under Section 24.01, the Alternate Payee may redeposit Accumulated Normal Contributions and Interest previously refunded to the Member or Reserve Participant provided the court has awarded such a right under Section 24.01(b)(3). Such redeposit by the Alternate Payee shall conform to the following:

(a) The Alternate Payee may redeposit only those Accumulated Contributions and interest which were previously refunded to the Member or the Reserve Participant and which the court has determined to be the community property interest of the Alternate Payee in the Accumulated Contributions.

(b) If the Alternate Payee elects to redeposit, he or she shall repay the Accumulated Contributions, with interest, which were previously refunded to the Member or the Reserve Participant.

(c) An election to redeposit shall be considered an election to repay all Accumulated Contributions and interest previously refunded to the Member or Reserve Participant and which Alternate Payee is entitled to redeposit.

(d) The right of the Alternate Payee to redeposit under this Section is subject to the regulations, policies and procedures established and adopted by the Board of Trustees.

(e) The Member or Reserve Participant has no right to any court-determined Alternate Payee share of any previously refunded Accumulated

Contributions and interest, whether or not the Alternate Payee elects to redeposit, until the effective date of any refund requested by the Alternate Payee pursuant to Section 24.02, or the Alternate Payee dies before redeposit is completed. However, the right to redeposit any previously refunded Accumulated Contributions and Interest not explicitly awarded to the Alternate Payee by the judgement or court order shall be deemed to be the exclusive property of the Member or Reserve Participant.

(f) Any redeposit by the Alternate Payee shall be made by lump sum before retirement.

Section 24.04 Alternate Payee Application for Retirement

An Alternate Payee for whom a separate account has been established under section 24.01 shall be entitled to a Service Retirement allowance under Article 6: Service Retirement Allowance of the Retirement Plan, upon his or her written Application provided all of the following conditions are met:

(a) The Alternate Payee has attained the minimum age for Service Retirement Allowance prescribed by the service retirement formula which would have applied to the Alternate Payee's former spouse.

(b) On the date of marriage dissolution or legal separation, the Member or Reserve Participant had accrued sufficient Pension Trust Service Credit to qualify for Service Retirement.

(c) The Alternate Payee's Service Retirement allowance shall be calculated based on the service retirement formula applicable to the Pension Trust Service credited to the Alternate Payee.

(d) For purposes of this Section, the "Final Compensation" attributable to the Alternate Payee shall mean the average monthly Compensation Earnable by the Member or Reserve Participant during the three consecutive years prior to the date of separation of the Alternate Payee and the Member or Reserve Participant. The Alternate Payee may elect an earlier three consecutive year period to be used where the time period of the Alternate Payee's marriage to the Member or Reserve Participant and participation in the Retirement Plan by the Member or Reserve Participant correspond.

(e) As of the Effective Date of Retirement of the Alternate Payee, the Member or Reserve Participant has attained the minimum retirement age to receive a Service Retirement allowance.

Section 24.05: Division of Community Property of a Retired Participant.

If a court of competent jurisdiction, upon the legal separation or dissolution of marriage of a Retired Participant and his or her spouse (the "Alternate Payee"), and after joining the Pension Trust as a party to the proceeding pursuant to Chapter 6 of the California Family Code, issues an order dividing the Retired Participant's community property interest in the Pension Trust Retirement Plan, the Pension Trust shall carry out the terms of court order provided:

- (1) The order sets forth date on which the parties separated and the method by which the Retired Participant's community property interest is to be divided between the Retired Participant and the Alternate Payee.

(2) The order describes any rights the Alternate Payee is to have to name a beneficiary for any unpaid portion of the community property interest awarded to the Alternate Payee. If no such right is set forth in the order, and the Alternate Payee predeceases the Retired Participant, the Alternate Payee's community property retirement allowance shall cease as of the date of the Alternate Payee's death and shall revert to the Retired Participant.

(3) The order specifies the length of time that said Alternate Payee is entitled to receive the community property interest. If the order does not specify such length of time then the community property interest shall be deemed to be payable to the Alternate Payee for his or her life unless, for the particular benefit in question, the Retirement Plan provides for an earlier termination.

(4) If the Alternate Payee was married to the Retired Participant at least one year prior to the Retired Participant's Effective Date of Retirement under this Retirement Plan and is eligible to qualify as a surviving spouse under Section 7.04(b) at the time of the dissolution of the marriage with the Retired Participant, then the Alternate Payee shall continue to be eligible for the death benefit provided for by Section 7.04(b) even though the marriage of the Alternate Payee and Retired Participant is terminated by order or judgement of a court of competent jurisdiction.