

**CITY OF NEW ORLEANS
EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATIVE PROCEDURES**

No.: 2006-1

Effective Date: August 22, 2006

Re: Domestic Relations Orders

These Administrative Procedures (the "Procedures") are made by the Board of Trustees (the "Trustees") of the City of New Orleans Employees' Retirement System (the "System") in accordance with the provisions of Section 114-86, which affords to the Trustees the authority to administer the System and to make effective the provisions thereof. Unless otherwise defined in these Procedures, capitalized terms used herein shall have the meanings set forth in the System.

1. Purpose:

These procedures are intended to facilitate the distribution of benefits from the System and to comply with Section 414(p) of the Internal Revenue Code of 1986, as amended, by establishing uniform written guidelines with respect to the (a) circumstances under which a domestic relations order (a "DRO") will not be required prior to the distribution of benefits, and (b) division of benefits pursuant to a qualified domestic relations order (a "QDRO") that is presented to the System for approval after a Member is in pay status.

2. Procedures:

a. Former Spouse Cannot Be Located; Prior Settlement: If a divorced Member certifies to the Trustees that:

- i. His or her former spouse cannot be located after reasonable efforts; or
- ii. He or she previously entered into a property settlement with his or her former spouse under which accrued benefits payable from the System were not divided,

then such Member shall not be required to submit a DRO to the System as a condition of the receipt of benefits, and the Trustees may authorize the distribution of the benefits of such Member in the form and manner designated by such Member in accordance with the terms of the System, without regard to his or her former spouse. Any such certification shall be made, in writing, in form and substance satisfactory to the Trustees and shall be notarized or witnessed by an authorized representative of the Trustees.

b. DRO Submitted After a Member is in Pay Status: If a DRO is first presented after a Member is in pay status, it shall provide for the division of benefits in accordance with the "shared payment" method, which shall require that:

- i. As to the division of any benefit payable during the Member's life, the interest of the alternate payee shall be limited to a portion of each payment otherwise distributable to the Member, which may be expressed as a percentage or fixed dollar amount.

- ii. The DRO shall specify the time at which payments to the alternate payee are to commence and the time at which such payments are to end, which shall be no earlier than the first day of the calendar month that coincides with or immediately follows the date on which the DRO is deemed to be a QDRO, unless a separate accounting has been made in accordance with subparagraph d hereof, and, except as provided in subparagraph iii hereof, shall be no later than the date on which payments to the Member cease.
- iii. In no event shall the DRO provide for the division of any death or survivor benefit otherwise payable on the death of the Member, unless the DRO designates the alternate payee as the Member's surviving spouse for such purpose. If the foregoing requirement is satisfied, a DRO may provide for the division of any death or survivor benefit otherwise payable on account of the death of the Member, either as a fixed dollar amount or a specified percentage of each payment.
- iv. If an alternate payee submits a DRO that has been executed by a court of competent jurisdiction, pending approval of such DRO and no longer than 18 months after such DRO is submitted, the Trustees may segregate and reserve for distribution the amount nominally payable to the alternate payee from the Member's or surviving spouse's benefit, as the case may be. If the Trustees determine that such DRO is a QDRO within the time required by law, the initial payment to the alternate payee shall include any amount segregated and reserved hereunder. If the Trustees determine that such DRO is not a QDRO, any amount segregated and reserved hereunder shall be paid to the Member. No segregation or reservation shall be required hereunder if the DRO is not executed by a court of competent jurisdiction at the time of submission.
- v. In no event shall the existing payment election of a Member be otherwise modified or revoked after a DRO is determined to be a QDRO hereunder.

The foregoing requirements shall be in addition to those general requirements imposed under Code Section 414(q) with respect to QDROs.

3. Delegation:

Without the necessity of further action, the Trustees shall be deemed to have delegated to the appropriate members of the staff of the System, the power and authority afforded to the Trustees hereunder.

THESE ADMINISTRATIVE PROCEDURES were adopted by the Board of Trustees on August 22, 2006, and further approved by the Trustees on September __, 2006.

**Regular Meeting
Board of Trustees
September 20, 2006
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the motion did not receive a second. Ms. Hudson indicated that she was not clear on the motion. Mr. Davis explained the motion to Ms. Hudson. After additional discussion by the Board, a motion was made by Lynne Schackai and seconded by Lisa Hudson to grant Mr. Comarda credit for accrued leave subject to objection, in writing from the City Attorney within 30-days. The motion passed. Mr. DeLarge informed the Board that he is waiting on the transfer of funds from the Clerks Retirement system on behalf of Mr. Comarda, so that he could begin receiving a benefit.

Administrative Procedures – Domestic Relation Order – Jane Armstrong Mr. DeLarge said that a copy of the administrative procedures on domestic relation order is in the package. Mr. Davis said that the administrative procedure was provided because employees were unable to locate former spouses and did not complete the Spousal Consent form nor provided a Qualified Domestic Relation Order, in order to receive a retirement benefit. Mr. DeLarge said that Ms. Armstrong provided the administrative procedures but not the form. Mr. DeLarge said that since last Board meeting, we informed people in this situation to provide a notarized statement which indicated that they are unable to locate their former spouses, so that they can start receiving a retirement benefit. A motion was made by Lynne Schackai and seconded by Lisa Hudson to approve the administrative procedures on domestic relation order provided by Ms. Armstrong. The motion passed.

Nursing Home Request for Direct Deposit – Lillian Boudreaux Mr. DeLarge said that the Board discussed this issue before but he asked that the nursing home submit something in writing. Mr. DeLarge said that Ms. Boudreaux was evacuated after the storm. He said that the Nursing Home is requesting that we deposit Ms. Boudreaux's monthly benefit into their account. Mr. DeLarge said that Ms. Boudreaux's daughter signed the paperwork authorizing the nursing home to handle her mother affairs but she does not have power of attorney. Mr. DeLarge said that he will contact the nursing home to find out if they have any information on the daughter, so that he could notify her that a power of attorney is needed, in order to release benefit for Ms. Boudreaux.

Ms. Schackai inquired about the budget meeting for the Retirement Office. Mr. DeLarge said that he is unaware of the outcome of the budget meeting.

McBurnett Knox Mr. DeLarge informed the Board that he met with Mr. Knox and Mr. Knox's son to explain the options offered to him, so that he can begin receiving a monthly pension. He said that once Mr. Knox returns the forms he will start receiving a monthly benefit.