**Section 1600.630 Effect of a Valid QILDRO**

a) Timing of Effect. *In no event shall a QILDRO apply to any benefit paid by SURS before or within 30 days after the order is received.* [40 ILCS 5/15-119(c)(3)] SURS shall not delay the payment of any benefit to a member due to the receipt of a QILDRO. In addition to the foregoing, the following shall apply:

1) Retirement Benefits. A provision under a QILDRO dividing a retirement benefit under Section 1-119(n)III of the Pension Code shall take effect as ordered under either Section 1-119(n)III(B) or (C) of the Pension Code.

2) Member's Refunds and Death Benefits. A provision under a QILDRO dividing a member's refund or death benefit shall take effect when the member's refund is paid or as soon as administratively possible after the member's death.

3) Self-Managed Plan Accounts. A QILDRO pertaining to a member of the Self-Managed Plan having an account balance shall only divide the vested account balance between the member and the alternate payee as of a certain date (or the closest valuation date if the plan provider cannot provide a valuation on the date specified). The division shall be made in relation to a dollar amount, a percentage of the gross balance, or a percentage of a balance derived from the marital period. The System shall process the division as soon as administratively possible after receipt of the QILDRO or, if required, the QILDRO Calculation Court Order. If the QILDRO divides the member's account balance in accordance with this subsection (a)(3), the System shall ignore purported divisions of other benefit types.

b) Timing of Payments. Benefits subject to a QILDRO shall be paid in the following manner:

1) Dollar Divisions. If a retirement benefit, member's refund or death benefit is divided by a dollar amount, then the payments shall be made when the QILDRO takes effect under subsection (a).

2) Percentage Divisions. If a retirement benefit, member's refund or death benefit is divided as a percentage of the gross benefit or as a percentage of the marital portion of the benefit, payment shall be made as soon as administratively possible upon the receipt of a valid QILDRO Calculation Court Order.

A) Withholding of Anticipated Payments. If the member participates in the Traditional or Portable Benefit Packages prior to the receipt of a QILDRO Calculation Court Order, SURS shall withhold an amount from a member's retirement benefit for which a QILDRO is effective under subsection (a). The member and any other alternate payees shall be paid the remaining portion of the benefit in their order of priority.

i) If the division is by a percentage of the gross benefit, then the amount withheld shall be calculated by applying the applicable percentage to the benefit.

ii) If the division is by a percentage of the marital period, then the amount withheld shall be calculated by applying the applicable percentage and by assuming that all service, contributions, interest or earnings attributable to periods between the marriage date and the date of dissolution are attributed to the marital period. Any academic year containing a portion of the marital period shall, in its entirety, be considered part of the marital period for this purpose.

iii) If SURS cannot reasonably determine from the QILDRO alone the amount to be withheld, neither the member nor the alternate payee shall be paid until the QILDRO is modified to allow for a reasonable determination of the anticipated payment or until a QILDRO Calculation Court Order is received.

iv) If SURS discovers that it has over-withheld due to the receipt of a QILDRO Calculation Court Order, the excess shall be distributed to the member and any other alternate payees in their order of priority. SURS shall not pay any interest to the member or any other alternate payees for any amounts over-withheld.

v) If SURS discovers that it has under-withheld due to the receipt of a QILDRO Calculation Court Order, SURS shall make a deduction from the remaining portion of the next monthly retirement benefit payable and pay the deducted amounts to the alternate payee as soon as administratively possible. The deduction rate shall be no more than 50% of the remaining monthly retirement benefit payment net of tax or insurance withholdings. The deduction shall recur for each monthly retirement benefit payment thereafter until the alternate payee is paid the under-withheld amount in full. SURS shall not pay any interest to the alternate payee for any amounts under-withheld.

vi) In the event that a QILDRO terminates upon the death of the alternate payee before a valid QILDRO Calculation Order is received, all withholdings shall revert to the member and to other alternate payees in their order of priority. SURS shall not pay any interest to the member or any other alternate payees for any amounts so withheld.

B) Preliminary Estimated Payments. If a member is receiving preliminary estimated payments under Section 1600.420 and a QILDRO Calculation Court Order is required for payment under this subsection (b)(2), the retirement benefit shall not be finalized until a QILDRO Calculation Court Order is received by the System.

3) Self-Managed Plan Accounts. If the division is a percentage of the gross account balance or of the balance derived from the marital period, a QILDRO Calculation Order must be received before the account is divided. Upon a division of the account, the alternate payee shall have the option of receiving his or her portion of the account balance in the form of a lump-sum payment or maintaining a separate account with the service provider. The maintenance of an account balance shall not create rights under the Self-Managed Plan for the alternate payee other than the investment and distribution of his or her account.

c) Priority of Payments

1) Recouping Overpayments. If a member, survivor or other beneficiary was overpaid benefits, any benefits payable shall be applied to the overpayment before any QILDRO is applied.

2) If a benefit is subject to multiple QILDROs, each QILDRO shall be satisfied in the order in which it was received until the benefit is exhausted.

3) The alternate payee shall be paid a portion of the death benefit to which the QILDRO applies before any death beneficiary or estate.

(Source: Amended at 33 Ill. Reg. 10757, effective July 1, 2009)