



How Divorce Affects Your Wisconsin Retirement System (WRS) Benefits – for Non-annuitants

A Wisconsin Retirement System topic



Objectives

By the end of this presentation, you will be able to:

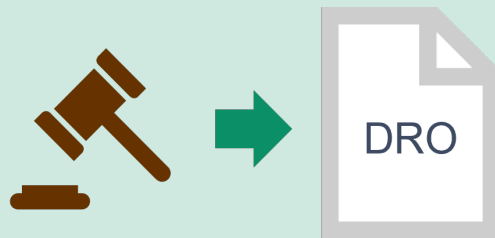
- Define and explain terms involved with a domestic relations order and your WRS Retirement Benefit
- Explain how your WRS Retirement account is split
- Submit a valid domestic relations order
- Update or complete a beneficiary form for your WRS Benefits
- Find resources on the ETF website



Definitions

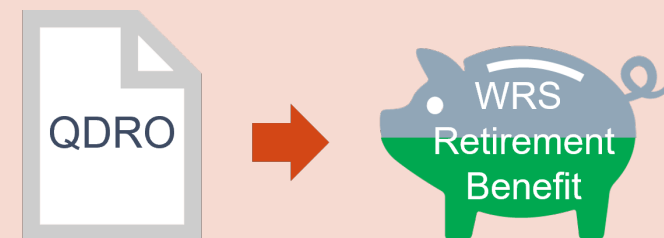
Domestic Relations Order (DRO)

Domestic Relations Order (DRO)



A judgement, order or decree issued by a court to divide a WRS account after a marriage termination (up to 50%)

Qualified Domestic Relations Order (QDRO)



A domestic relations order that has been qualified (officially recognized) and accepted by the Department of Employee Trust Funds (ETF)

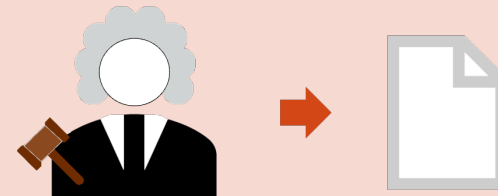
Alternate Payee & Decree

Alternate Payee



Ex who will receive the decreed
WRS Retirement Benefit

Decree



Official order by the court that
awards percentage of retirement
benefit to alternate payee

Are DROs Required?

Other Options



Speak with your lawyer about other options

DRO Requires Split

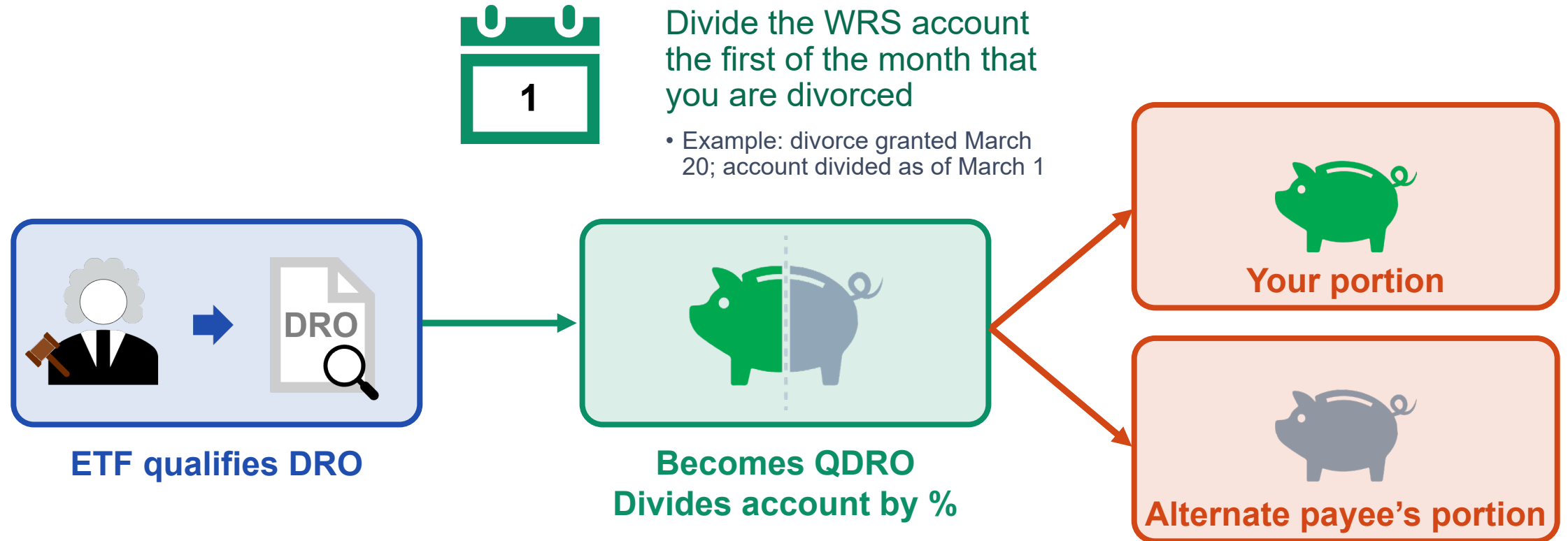


ETF must split your account



What Happens to Your WRS Account Because of a DRO

DRO & WRS Account Division Process



ETF Will Send in the Mail

- Notification of your account division and new service and account balances
- Beneficiary Designation form to update your beneficiaries
 - This does not get automatically updated, you must submit a new copy to remove your ex-spouse
- This packet may also include retirement information if you are at or near minimum retirement age



Submitting a DRO

How to make sure your DRO is valid

ETF's QDRO Forms

- May receive from court or attorney
- ETF website: etf.wi.gov
- Search:
 - [How Divorce Can Affect Your WRS Benefits](#)
 - [Order to Divide WRS Benefits \(ET-4926\)](#)
 - [Foreign Jurisdiction Order to Divide WRS Benefits \(ET-4935\)](#)

The image shows two overlapping forms from the Wisconsin Department of Employee Trust Funds. The top form is ET-4926, titled "Order to Divide Wisconsin Retirement System Benefits". It includes sections for "Petitioner" and "Respondent" information, "Employer Information", and "Termination of Marriage or Domestic Partnership". The bottom form is ET-4935, titled "Foreign Jurisdiction Order to Divide Wisconsin Retirement System Benefits". It includes sections for "Participant and participant's employer", "Termination of marriage or domestic partnership", and "Complete each section for the Participant and Alternate Payee". Both forms have a "To:" field for the Wisconsin Department of Employee Trust Funds and a "Name and Address of Court:" field. The forms are dated REV 10/2/2019 and REV 7/26/2019 respectively.

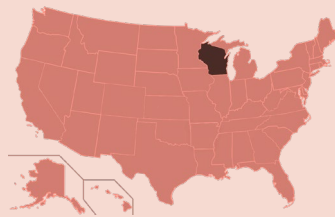
Use ETF's Form

Wisconsin Courts



Use the Order to Divide WRS Benefits (ET-4926)

Other States or Territories



Use the Foreign Jurisdiction Order to Divide WRS Benefits (ET-4935)

Unaltered Original or a Copy



Must be signed by a judge or have a court certification stamp

Draft orders will be rejected



Your Responsibilities

Submit the DRO ASAP

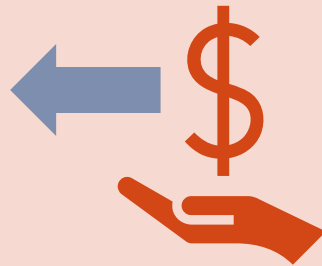
DRO Received



Send in a timely manner

When it is received can affect when it is processed

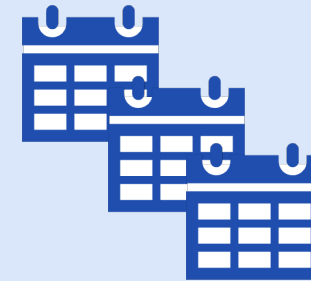
Avoid Back Payments



If you receive an annuity after the date of the decree, you will have to pay back part of your payment

Speak with your lawyer about recovering payments made to your alternate payee during the division process period

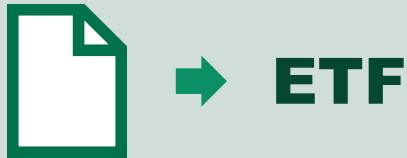
Long Process



It can take several months for ETF to complete this process

Update Your Information

WRS Retirement Benefit



Submit a new beneficiary designation form to ETF to have ex-spouse removed

Life Insurance



Notify employer to have ex-spouse removed and change coverage

Health Insurance



Notify employer to have ex-spouse removed and change coverage

Wisconsin Deferred Compensation



Submit new WDC beneficiary form to have your ex-spouse removed

Your ex-spouse is not automatically removed

Alternate Payee Options

Leave money in WRS account & apply for benefit



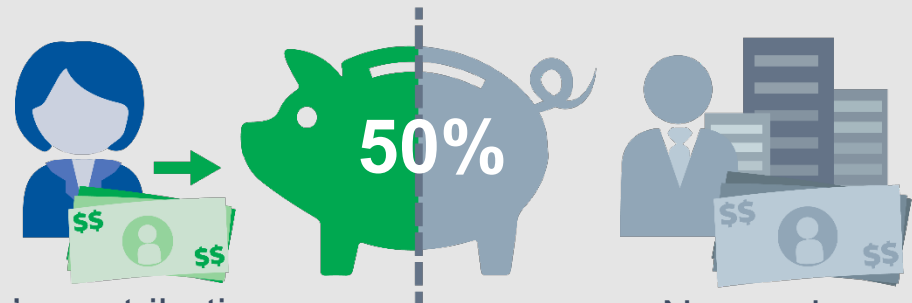
Ex's contributions

Employer match

+ interest

when ex reaches minimum retirement age

Separation Benefit



Ex's contributions only

No employer match

+ interest

on ex's contributions only



**Rollover or
20% tax**



Resources

How Divorce Can Affect Your WRS Benefits Page

Information about topic

Links to DRO documents

Link to DRO directions page

Related resources

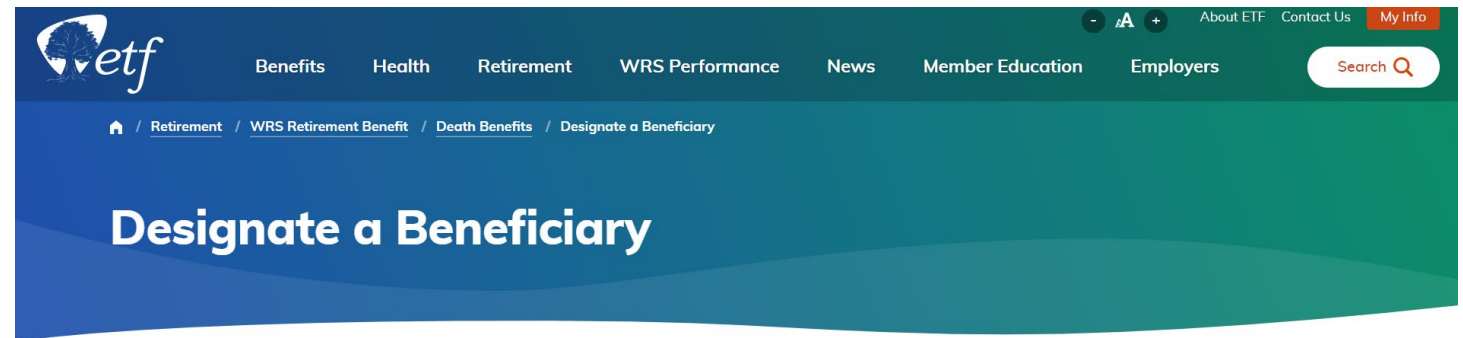
The screenshot shows the top navigation bar of the ETF website with links for Benefits, Retirement, WRS Performance, News, Member Education, and Employers. The breadcrumb trail is: Home / Benefits / Life Changes and My Benefits / How Divorce Can Affect Your WRS Benefits. The main heading is "How Divorce Can Affect Your WRS Benefits" with a sub-heading "A divorce's financial impact can have long lasting effects". The main content area contains a paragraph: "The court may order ETF to give your ex up to 50% of your WRS benefits (WRS account or annuity). This court order is called a Qualified Domestic Relations Order (QDRO)." followed by a section titled "Important Points for Everyone to Know" with three bullet points: "We divide your account on the first of the month that you are divorced. For example, if your divorce is granted on March 20, your account is divided as of March 1.", "Turn your QDRO in to ETF as soon as possible to avoid back payments.", and "Know who your WRS beneficiaries are. You may or may not want your ex as your beneficiary. You can call us to ask who they are or file a new form to set them the way you want." and "Fill out the Beneficiary Designation (ET-2320) form or Beneficiary Designation—Alternate (ET-2321) form to make sure you have the correct beneficiary chosen." On the right side, there is a "Related Resources" section with links to "How Divorce Can Affect Your WRS Benefits (ET-4925)", "Order to Divide WRS Benefits (ET-4926)", and "Foreign Jurisdiction Order to Divide WRS Benefits (ET-4935)". Below that is a "Benefits" section with a dropdown menu showing "Benefits Provided by FTF".

Designate a Beneficiary Page

Detailed information

Links to the forms

Resources to help fill out forms



A beneficiary is a person(s) or entity you name to receive benefits upon your death.

You may name:

- An individual (or multiple individuals)
- An entity (such as a charity, business, religious organization, funeral home, etc.)
- A Trust
- Your Estate

Make sure ETF knows who you want to receive your WRS assets upon your death by keeping your beneficiary designation up-to-date. Benefits are always paid based on the most recent and valid beneficiary designation received at ETF before your death. Benefits will not be paid according to your Last Will and Testament.

Related Resources

[Beneficiary Designation \(ET-2320\)](#)

[Beneficiary Designation – Alternate \(ET-2321\)](#)

[WDC Online Beneficiary Form](#)

[How To Fill Out Beneficiary Designation \(ET-2320\)](#)

[How To Fill Out Beneficiary](#)

Watch videos about your topic online at:

etf.wi.gov

Click Member Education →

Videos



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The Department of Employee Trust Funds has made every effort to ensure that this presentation is current and accurate. However, changes in the law or processes since the last revision to this presentation may mean that some details are not current. Please contact ETF if you have any questions about a particular topic in this presentation.