I see a website online where I can create my own QDRO for a fraction of the cost of hiring a QDRO attorney and another website where I can 'buy a QDRO template'. Why should I hire a QDRO attorney when I can do it myself?

While these services are temping because of the low prices-like most things in life-you get what you pay for. Here are some of the biggest risks associated with using these services.

Processing Fee Trap for both Defined Benefit and Defined Contribution Plans: While some online QDRO services may charge $299 for an auto generated QDRO depending on the Plan, this does not factor in the Plan's processing fees-which might be avoided had a QDRO attorney been hired. There is an increasing trend of plan administrators charging "variable processing fees" depending on how the QDRO is drafted. For example, one major Retirement Plan Administrator (who manages thousands of different plans) charges $300 if certain language is used with a tracking number and $1,800 in "processing fees" if "nonstandard" (but acceptable) QDRO language. So while parties may think they are saving money by using a 'template' or 'online QDRO service', in reality-they are paying more than they hired an attorney, once the Plan's processing fees are factored into the equation.

Defined Benefit Plan Traps: Most defined benefit plans have a "lifetime" benefit component with a survivor benefit option. Depending on how the QDRO is written, this survivor benefit could "disappear" due to poor drafting. Under ERISA law, which applies to many retirement plans, the retirement plan is not obligated to offer any option under a QDRO that is not offered in the plan procedures. So if an election that is applied is incorrect because of a poorly drafted QDRO, such as an inadvertent waiver of survivor benefits, then plan is not required to offer the parties an opportunity to "redo/fix" the election after the plan goes into pay status. Aside from messing up survivor benefits, the division method of the account itself can cause some serious problems (such as applying a time rule formula to a plan where a more appropriate method of division should be used). Since the benefit is a life time benefit, it is not simply a single transaction that needs to be corrected, but a whole stream of future transactions that need to be fixed. Not always easy/cheap/possible to fix.

Defined Contribution Plan Traps: The traps using a 'one size fits all' QDRO template or auto generated QDRO for defined contribution plans with a standard 50% community division are numerous and any small mistake can cause a very lopsided division. Is there a premarital interest that has to be considered (if so-records and analysis is generally required and the auto generator is not going to help you)? Were there loans on the account as of date of separation? Is the proper valuation date being used? Is the QDRO template a generic template for a large multistate company that does not contemplate default California community property rules? Are there provisions in the judgment such as an equalization payment that require custom QDRO drafting?