



RE: QDROs

Dear Potential Client:

Thank you for your interest in my firm's QDRO services. My fee is \$950 for the first QDRO and \$750 for each additional QDRO required for your matter. Military Pensions and FERS/CSRS are \$1,100 each due to the added work they require. This includes Court processing fees including certification fees, stipulation fees, copy fees, and other court related costs (if you wish to do the court processing yourself, please advise and I will adjust my fees accordingly).

If a 'joinder' is required by your account administrator-I will prepare and process your joinder forms for \$150. If you wish to prepare your own joinder paperwork, you may use my free online 'joinder generator' tool, which automates the paperwork and contains specific instructions on how to file and serve the forms. Separate property tracing analysis will be billed separately depending on how many records require review. You may use our free online 'separate property tracing calculator' if you wish to crunch the numbers on your own.

Please fill out and return the attached "addendum" with payment to open your file, with a copy of the court order for the QDRO (usually your final dissolution judgment). A separate retainer agreement will be provided to you once the scope of our services is determined. **You will also be receiving a separate retainer packet with a check list with all the items required before we work on your draft after you make payment to our office.**

Please also find attached flow charts I have created to help visually represent the basic concepts regarding division of defined benefit and defined contribution plans (for most cases-your case may be different).

Sincerely,

A handwritten signature in blue ink, appearing to read "David T. Ruegg", is written over the word "Sincerely,".

DAVID T. RUEGG

Enclosure: Intro packet



**2018 QDRO Division Rate Sheet**

- \$950 1st QDRO/DRO (Not Military or FERS/CSRS)
- \$750 Each Additional QDRO/DROs
- \$1100 Military Division Order (Defined Benefit Plan)
- \$1100 FERS/CSRS Division Order
- \$400 Hourly Rate (Expert Testimony, Expert Opinion Letters, Limited Scope Consulting QDRO Attorney)
- \$350 Ex Parte Preparation (For Entry of QDRO/DROs only)
- \$350 Notice Of Submission/Request for Order Preparation (Opposing Party Fails to Sign)
- \$300 Post Judgment Modification Preparation (Stipulations to Waive Interest, Additional Awards Per Agreement of Parties)
- \$150 Joinder Preparation (Parties may elect to use QDRO Division's free online joinder generator to avoid joinder fee)
- Varies Separate Property Trace Preparation depends on volume of records. (Parties may elect to use QDRO Division's free online separate property tracing calculator to avoid separate property tracing fees.)

Sincerely,

DAVID T. RUEGG

1 ADDENDUM

2 DO NOT FILE WITH COURT

3 Petitioner Information:

Accounts in Petitioner's Name To Divide:

4 Name: \_\_\_\_\_

Plan 1: \_\_\_\_\_

5 Date of Birth: \_\_\_\_\_

Plan 2: \_\_\_\_\_

6 Social Security Number: \_\_\_\_\_

Plan 3: \_\_\_\_\_

7 Address: \_\_\_\_\_

Plan 4: \_\_\_\_\_

8 \_\_\_\_\_

Retired Already? ☐ Yes ☐ No

9 Phone: \_\_\_\_\_

Remarried? ☐ Yes ☐ No

10 E-Mail: \_\_\_\_\_

Any separate property claims? ☐ Yes ☐ No

11 Respondent Information:

Accounts in Respondent's Name To Divide:

12 Name: \_\_\_\_\_

Plan 1: \_\_\_\_\_

13 Date of Birth: \_\_\_\_\_

Plan 2: \_\_\_\_\_

14 Social Security Number: \_\_\_\_\_

Plan 3: \_\_\_\_\_

15 Address: \_\_\_\_\_

Plan 4: \_\_\_\_\_

16 \_\_\_\_\_

Retired Already? ☐ Yes ☐ No

17 Phone: \_\_\_\_\_

Remarried? ☐ Yes ☐ No

18 E-Mail: \_\_\_\_\_

Any separate property claims? ☐ Yes ☐ No

19  
20 Are there any children from THIS marriage? ☐ Yes ☐ No

21  
22 Date of Marriage: \_\_\_\_\_

23 Date of Separation: \_\_\_\_\_

24 Superior Court Case # \_\_\_\_\_

25 \*Please note-contact information listed here will be provided to both parties.

26 If you wish to keep your address private, you must provide an alternate  
27 address for this process. You will have an opportunity to update your  
28 address privately with the Plan upon completion of the QDRO/DRO  
process.\*



CREDIT CARD AUTHORIZATION FORM

OR Pay Online Here: <https://secure.lawpay.com/pages/qdrodivision/operating>  
(OPTIONAL-CHECK OR CASH ALSO ACCEPTED)

I: \_\_\_\_\_, as the card holder, hereby authorize the following credit card to be  
charged \$\_\_\_\_\_ on \_\_\_\_\_ (Date).

Name as it appears on the Card:

\_\_\_\_\_

Type of Card: ☐ VISA ☐ MASTERCARD ☐ DISCOVER

Credit Card Number \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Expiration Date \_\_\_\_/\_\_\_\_

Security Code BACK of Card (3 Numbers) \_\_\_\_\_

Credit Card Billing Address: Street: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone: \_\_\_\_\_

☐ I also hereby authorize this card to be used for recurring charges as follows (installment payments):

\_\_\_\_\_

\_\_\_\_\_

Please sign below for authorization:

Cardholder Signature: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

This Authorization may be returned as follows:

Mail: 19510 Van Buren Blvd. Ste 488, Riverside, California 92508;

Fax: 855-880-0098;

E-mail: david@qdrodivision.com

# MY QDRO/DRO CHECKLIST

## 1. RETAINING OUR OFFICE

### a. RETAINER AGREEMENT

- i. Completed, Signed, Dated, and Returned to Attorney

\_\_\_\_\_

### b. PAYMENT

- i. Check mailed, Card Authorization returned, or pay online

\_\_\_\_\_

### c. ADDENDUM

- i. Filled out completely and returned to Attorney

\_\_\_\_\_

### d. JUDGMENT

- i. Copy of Judgment (all pages) provided to office

\_\_\_\_\_

### e. PETITION/RESPONSE FOR DISSOLUTION

- i. Copy of all pages provided to office

\_\_\_\_\_

### f. NAME OF PARTICIPANT'S EMPLOYER

- i. For each plan dividing, if different

\_\_\_\_\_

### g. STATEMENTS

- i. For each plan

- 1. Date of Marriage

- 2. Date of Separation

- 3. Current

\_\_\_\_\_

- Our office is not considered retained until all documents/payments have been received.

## 2. DRAFT QDRO/DRO (4 weeks)

- a. Reviewed

\_\_\_\_\_

- b. Set telephone conference to get answers to questions

\_\_\_\_\_

- c. Signed and Returned to Attorney

\_\_\_\_\_

- d. Other parties signature received

\_\_\_\_\_

## 3. PRE-APPROVAL LETTER FROM PLAN (2-3 months)

\_\_\_\_\_

## 4. QDRO/DRO SUBMITTED TO COURT

\_\_\_\_\_

## 5. QDRO/DRO FILED BY COURT (3-4 months)

\_\_\_\_\_

## 6. CERTIFIED COPY OF QDRO/DRO REQUESTED

\_\_\_\_\_

## 7. CERTIFIED COPY RECEIVED AND SENT TO PLAN

\_\_\_\_\_

## 8. LETTER FROM PLAN ACKNOWLEDGING RECEIPT (2-3 months)

\_\_\_\_\_



RE: Common Questions and Answers

Dear Client:

Thank you for considering my office for your QDRO/DRO needs. I know this is a very important matter to you and I hope you will be very satisfied with the service I provide. This letter answers the most common questions I receive from my clients. If after reading this letter you have additional questions, please contact me so I can answer all of your questions.

**TIME LINES: How long is this going to take?**

The QDRO/DRO process typically takes between 8 and 10 months to finish. However, the process can be shorter or longer depending on the cooperation of the parties, the efficiency of the courthouse your case is located, and the Plan Administrator processing the QDRO/DRO. The timeline works out something like this:

- 2-4 Weeks to draft the QDRO/DRO-assuming all the information I have requested has been provided by the parties.
- 4 Weeks to obtain signatures from both parties (typically). Once signatures are received the QDRO/DROs are sent to court.
- 3-4 Months to receive the QDRO/DROs back from court. Some courts take longer than others. (Some as long as 6-8 months)
- 3-4 Months for Plan Administrator to process the QDRO/DRO. Some take longer-up to 8-10 months.

**COOPERATION: What if my Ex doesn't cooperate?**

While most parties cooperate with the QDRO/DRO process, occasionally, an ex-spouse wants to be difficult and just doesn't cooperate or sign the QDRO/DRO. In most cases-the QDRO/DRO can be filed anyway with a declaration regarding efforts to work with the difficult party. However, some judges will require a fully noticed motion-meaning you have to go back to Court to get the QDRO/DRO filed if your ex decides not to sign.

## **CASHING OUT-Common Questions Regarding Cashing Out from Defined Contribution Plans**

I have bills to pay. Can I cash out my interest in my former spouse's 401(k)/403(b)/457(b) Plan via QDRO?

Yes, usually you can.

If I cash out my interest and I am under the age of 59 ½ will I have to pay the 10% federal tax penalty I have heard about?

No. Under Internal Revenue Code 72(t)(2)(c) QDRO payments are an exception to the normal penalty rules.

Will I have to pay any taxes on the money?

Yes. You must pay ordinary taxes based on your own personal tax bracket. The Plan Administrator will withhold 20% of the funds payable to you for estimated taxes. Your actual taxes will be determined after you file your tax return. Depending on your own personal income tax bracket, the 20% may be an overestimate or underestimate-resulting in a refund or additional tax liability.

Can I do a partial cash out? I don't want to cash out the entire account.

Yes. Once you cash out your portion of the funds, you will have to roll over the portion you would like to keep tax deferred within 60 days into another tax deferred account, such as a traditional IRA. This is a hard deadline by the IRS. You should consult with a financial advisor and make sure you have all the accounts lined up before you start this process.

I am the account holder. Can I cash out my interest via QDRO and avoid the 10% penalties?

Yes and No. You cannot 'pay yourself' via the QDRO process, however, if your former spouse is cooperative, you can award your former spouse more than he/she is entitled to under the judgment, with a promise that your former spouse return that money to you, less the tax liability.

Can I cash out my interest from my former spouse's Individual Retirement Account (IRA) and avoid the 10% federal tax penalty?

No. under Internal Revenue Code 72(t)(3)(A) the QDRO tax exception does not apply to IRA accounts. Talk to your CPA to find out if other exceptions apply, such as the first time homebuyers or higher education expense exceptions.

**FINANCIAL PLANNING: Is it a good idea to cash out my interest to pay down my bills?**

David T. Ruegg is an attorney, not a financial advisor. Seek advice from a financial professional before deciding what to do with your money. If you do not already have a financial advisor, you can call one of these financial advisors:

**ORANGE COUNTY**

Daniel Jordan | Private Client Advisor  
JPMorgan Chase Bank  
1000 Irvine Ave. Newport Beach, CA  
92660  
Phone: 949.629.9004 Fax: 844.344.6589  
daniel.jordan@jpmorgan.com

**ORANGE COUNTY**

John C. Fleishman, CRPC®  
Financial Advisor  
Chartered Retirement Planning Counselor  
The Rogers Group of Raymond James  
20 Pacifica, Suite 560  
Irvine, CA 92618  
Direct: (949) 447-2103  
Toll Free: (844) 811-7727  
Facsimile: (949) 944-2149  
John.Fleishman@RaymondJames.com  
CA License #0H92216

**LOS ANGELES COUNTY**

Benjamin S. Britt CLU®  
Financial Advisor CA License# 0H05819  
Northwestern Mutual  
11111 Santa Monica Blvd, Suite 300  
Los Angeles, CA 90025  
(310) 903-5072 – office  
(310) 510-6846 – fax  
benjamin.britt@nm.com  
<http://www.benjamin-britt.com>

**LOS ANGELES COUNTY**

Kimberlea Archer  
BNY Mellon Wealth Management  
10250 Constellation Blvd., Suite 2100  
Los Angeles, CA 90067  
T (310) 551-7670 | C (310) 848-5861  
F (310) 551-7605  
kim.archer@bnymellon.com  
[www.bnymellonwealth.com](http://www.bnymellonwealth.com)

**SAN DIEGO COUNTY**

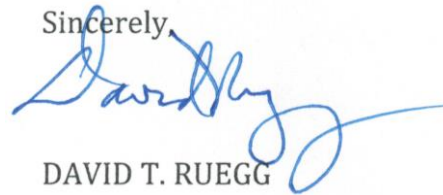
Elaine Kaminski Leach, Wealth Director  
BYN Mellon  
12265 El Camino Real  
Suite 170 San Diego, CA 92130  
Office (858)350-3326| Mobile (858)449-5173| Fax (858)350-3316  
[bnymellonwealthmanagement.com](http://bnymellonwealthmanagement.com)  
[elaine.leach@bnymellon.com](mailto:elaine.leach@bnymellon.com)



**TAX PLANNING: I have tax issues unrelated to the QDRO process. Who should I call?**

If you do not already have a CPA you work with, David T. Ruegg recommends this CPA:

David F. Prenovost, CPA  
(909) 628-3945  
dfprenovost@gmail.com

Sincerely,  
  
DAVID T. RUEGG

Enclosure: QDRO Checklist

## Defined Contribution QDRO Division Flowchart-NO Premarital

Employee marries and during the course of the marriage purchases 100 shares of Green stock at \$5 a share.

Total Dollar Value of \$500 at time of purchase.

Employee separates from spouse and at the time of separation the 100 shares of Green stock have increased in value to \$10/share.

Total Dollar Value of \$1,000 at separation.

The parties litigate for 2 years before getting around to completing the QDRO. During this time, Employee purchases 25 more Green stock and the value of the Green Stock increases from \$10 a share to \$20 a share.

Total Dollar Value of \$2,500 at time of QDRO.

Former Spouse receives 50 community property Green stocks. 50 shares at \$20/share = \$1,000 in investments at QDRO time.

Employee receives: 50 community property Green stocks and 25 separate property Green stocks. 75 shares at \$20/share = \$1,500 in investments at QDRO Time.



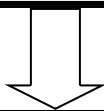
Phone (Riverside/Main): (951) 523-7376

Facsimile: (855) 880-0098

david@qdrodivision.com

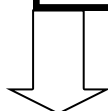
## Defined Benefit QDRO Division Flowchart-For most cases

Employee works 30 years and is entitled to \$3,000/month at the time of retirement from pension. During 20 of those 30 years Employee was married to Former Spouse.

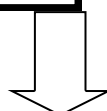


Since Employee was married to Former Spouse for 2/3 the length of employment, 2/3 of the \$3,000/month is community property. (meaning \$2,000/month belongs to the marriage)

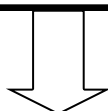
\$3,000/month paid by pension for 30 years of service.



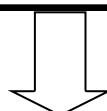
\$2,000/month community property for the 20 years worked during married.



\$1,000/month separate property for the 10 years worked before the date of marriage and/or after the date of separation



Former Spouse receives 1/2 the community property  
Interest = \$1,000/month



Employee receives 1/2 the community interest \$1,000/month + \$1,000/month separate property interest = \$2,000/month



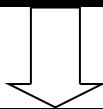
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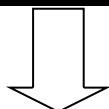
## Defined Contribution QDRO Division Flowchart-WITH Premarital

Employee works before marriage and purchases 100 shares of Gold Stock in a retirement account at a price of \$1/share. (New Investments \$100)

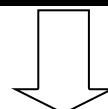


Employee marries and during the course of the marriage 80 additional shares of Gold stock are purchased at a price of \$2/share. Employee also purchases 50 shares of Silver stock, at a price of \$1/share. (New Investments \$210)

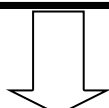
Employee separates from spouse. The 401(k) has 180 shares of Gold stock with a new current value of \$3/share and 50 shares of Silver Stock with a new current value of \$2/share. (\$640 Total Value)



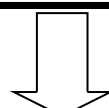
80 Gold stock and 50 Silver stock shares purchased during marriage belong to the community. Gold stock is \$3/share and Silver stock is \$2/share. (\$340 Total Value)



100 shares of Gold stock shares are the separate property of Employee from before marriage. Gold stock is valued at \$3/share. (\$300 Total Value)



Former Spouse receives 1/2 the community: 40 Gold stocks (valued at \$120) and 25 Silver Stocks (valued at \$50).  
Total value: \$170



Employee receives: 40 community property Gold stocks (valued at \$120), 100 separate property Gold stocks (Valued at \$300), and 25 Silver Stocks (valued at \$50) Total value: \$470



Phone (Riverside/Main): (951) 523-7376

Facsimile: (855) 880-0098

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