

How do Qualified Domestic Relations Orders (QDROs) work?

The term Qualified Domestic Relations Order (QDRO) means any judgment, decree or order that creates or recognizes the existence of an alternate payee's right to receive all or a portion of the benefits payable with respect to a participant under the plan. In order for the Domestic Relations Order to be considered "qualified" certain requirements must be clearly specified in the order.

QDROs are very complex in nature and different procedures govern each situation. If you, as the Plan Administrator, receive a QDRO, please contact our Plan Consultant. The general process is described below.

- Sentinel receives notification of QDRO from the plan participant. A Participant may contact our Service Center for a template to assist them in drafting a DRO.
 - Sentinel freezes participant's account, provides written notification confirming receipt and providing a copy of the DRO to the plan participant, Plan Sponsor and alternate payee.
 - Sentinel's ERISA Consulting Group reviews and qualifies the DRO.
 - Sentinel provides summary and checklist to you for sign off. The checklist is signature ready and provides assurance that the fiduciaries followed a process to qualify the DRO. This aligns with best practices.
 - Sentinel calculates QDRO, splits accounts, establishing an account for the alternate payee.
 - Upon approval, Sentinel will process the alternate payee's distribution. The Plan's paying agent issues payment to the alternate payee or rollover institution, remitting federal/state withholding and prepares Form 1099-R. The alternate payee may also elect to keep their funds within the Plan.
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