

## **The Woodlands Firefighters' Retirement System**

### ***Procedures for Approval of Qualified Domestic Relations Orders***

The Woodlands Firefighters' Retirement System (the "System") has elected to be subject to Texas Government Code Section 804 (the "QDRO Statute") and its requirements and procedures relating to the approval of a domestic relations order as a qualified domestic relations order under a public retirement system. Pursuant to Section 804.003(n) of the QDRO Statute, the Board of Trustees of the System (the "Board") has adopted these procedures to ease in the administration of the QDRO approval process. Additionally, the Board has adopted a model domestic relations order pursuant to Section 804.003(g)(9) of the QDRO Statute (the "Model DRO"). These procedures are intended to supplement the procedures set forth in the QDRO Statute and shall be interpreted to be consistent with such statute. In the event of any conflict between the terms of these procedures and the QDRO Statute, the QDRO Statute shall control. The procedures are as follows:

#### ***Proposed Domestic Relations Orders***

1. Upon the request or inquiry of a Member or his or her spouse regarding the division of benefits under the System, the System will provide parties with a Model DRO and a copy of these procedures. A proposed domestic relations order may be provided to the System for an initial review prior to court approval. If a proposed order is submitted for initial review, the administrator of the System (the "System Administrator") will (1) notify the member or retiree and each named alternate payee (the "Interested Parties") that it has received such domestic relations order and will be making a determination as to whether such proposed order would satisfy the requirements for a QDRO if approved by the court, (2) provide all interested parties with a copy of these procedures and (3) inform for review of the proposed order, the parties that they will be charged a deposit of \$1,000.00 to be held by the fund until the final invoice is provided to the parties. A proposed domestic relations order submitted to the System may be withdrawn at any time, but the individual may still be subject to expenses incurred by the System as described immediately above.

2. A proposed domestic relations order submitted to the System will be reviewed by the System Administrator, with assistance from the System's attorney, to determine whether such proposed order would satisfy the requirements for a QDRO if approved by a court of competent jurisdiction. The System Administrator will make such determination within 90 days after receipt of the proposed domestic relations order and payment of the deposit. Once the determination has been made, the System Administrator will notify all Interested Parties of (i) its determination and, if an adverse determination, an explanation as to the reasons for the adverse determination and (2) any extraordinary expenses that give rise to additional charges. The determination made by the System Administrator with respect to a proposed order is not subject to the appeal process described in Section 6 below. The System Administrator will refuse to review a proposed order if such order is not based on the Model DRO. All proposed domestic relations orders are still subject to final review and approval after being entered by a court of competent jurisdiction as described below.

#### ***Court-Approved Domestic Relations Orders***

3. Within 30 days of receipt of a certified copy of domestic relations order entered by a court of competent jurisdiction, the System Administrator will (i) notify the Interested Parties that it has received such domestic relations order and will be making a determination as to whether such order is a QDRO, (ii) provide all interested parties with a copy of these procedures and (iii) inform the parties of the deposit required with the understanding that all parties will receive a final statement with a copy of all legal fees incurred. Any remaining funds will be refunded back to the paying parties should fees not exceed the

deposit. If the domestic relations order has already been pre-approved by the System as described above and has not changed substantially, the System Administrator may simply notify the Interested Parties that the order will be submitted to the Board for approval pursuant to paragraph 5. A submitted domestic relations order that is not based on the Model DRO provided by the System will be rejected prior to review.

4. The System Administrator, with assistance from the System's attorney, will review the court-approved domestic relations order and notify all Interested Parties of its initial determination with respect to a submitted domestic relations order within 90 days after receipt of order and payment of the deposit (the "Initial Determination"). The System Administrator will also notify the parties of any extraordinary expenses involved in the review to be paid by the parties. A domestic relations order submitted to the System may be withdrawn at any time prior to the Initial Determination, but the individual may still be subject to expenses incurred by the System as described immediately above.

### ***Board Approval and Appeal***

5. If the Initial Determination provides that the submitted domestic relations order is satisfactory, the domestic relations order will be submitted to the Board for approval as a QDRO no later than the first monthly board meeting following the month in which the 90-day period described above expires. All Interested Parties will be notified of the Board's decision within 15 days after the relevant meeting. An Interested Party may appeal a decision of the Board to not approve the submitted domestic relation order within 30 days after the date of the meeting during which the Board made such decision by providing written notice of its intent to appeal the decision. Such notice of appeal should include, if desired, a request for a hearing in front of the Board and all relevant information and materials for Board consideration upon appeal. Failure to file a timely notice of appeal will render the decision of the Board final.

6. If the Initial Determination provides that the submitted domestic relations order is not satisfactory, such order will not be submitted to the Board for approval, and the System Administrator will provide an explanation as to reasons for the adverse determination in its notification to the Interested Parties. Any Interested Party may appeal an adverse Initial Determination described in this Paragraph 6 with the Board within 30 days after receipt of the notification of the Initial Determination. Such notice of appeal should include, if desired, a request for a hearing in front of the Board and all relevant information and materials for Board consideration upon appeal. Failure to file a timely notice of appeal will render the Initial Determination final, and such Initial Determination will be treated as a final decision of the Board.

### ***Miscellaneous***

7. For purposes of Section 804.003(i) of the QDRO Statute, the period during which the "segregated amounts" will be separately accounted for will begin upon the receipt of any proposed domestic relations order or the certified copy of the domestic relations order and end upon the final approval or disapproval of the QDRO by the Board.

8. Parties may be charged for any extraordinary expenses related to the review of a domestic relations order as described in these procedures in addition to the required deposit.