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*Authors of the Qualified
Domestic Relations Order
Handbook (A Panel Publication)*

Sample "Interpretation Letter" for a Defined Benefit Plan

[Date]

John Smith
Attorney at Law
100 North Main Street
Hometown, OH 44444

Re: Jones v. Jones - Qualified Domestic Relations Order ("QDRO")

Dear Mr. Smith:

The ABC Company utilizes the services of QDRO Consultants Co. for the review and administration of Qualified Domestic Relations Orders pertaining to their ERISA-governed qualified retirement plans. We are writing to let you know that the plan administrator of the ***ABC Corporation Pension Plan for Salaried Employees*** has completed its review of the domestic relations order that was submitted in the subject case, dated October 31, 2000, and has determined that it does **qualify** as a QDRO under applicable Federal pension law.

The terms of the QDRO will be interpreted as follows:

1. Sarah Jones, as alternate payee, is entitled to **Fifty Percent (50%)** of the "marital portion" of Mark Jones' accrued benefit calculated as of his date of retirement or Ms. Jones' benefit commencement date, if earlier. For purposes of calculating the marital portion of the accrued benefit, the numerator of the applicable coverture fraction will be based on Mr. Jones' credited service earned under the Plan from **February 14, 1963 to September 30, 2000**, and the denominator will represent his total credited service earned under the Plan as of his date of retirement or Ms. Jones' benefit commencement date, if earlier.

2. If Mr. Jones predeceases Ms. Jones **before** her benefit commencement date, Ms. Jones will be treated as a surviving spouse with respect to any pre-retirement survivor annuity benefits that may become payable under the Plan, if any, but only to the extent of her assigned interest. If Mr. Jones predeceases Ms. Jones **after** her benefit commencement date, her assigned share of the benefits will not be affected by his death.

3. In accordance with the terms and provisions of this “Separate Interest” QDRO, Sarah Jones’ assigned share of the benefits set forth in item 1 above will be “actuarially adjusted” to her own life-expectancy. Ms. Jones’ share of the benefits will also incorporate any applicable early retirement reduction factors in the event she commences benefits before Mark Jones’ normal retirement age.

4. If Ms. Jones predeceases Mr. Jones **before** her benefit commencement date, her share of the benefits will automatically revert to Mr. Jones. This is required under applicable federal law. However, when Ms. Jones commences benefits, she may elect to receive her payments in any one of the Plan options available to her, one of which may include survivor benefits to her designated beneficiary.

5. In accordance with the terms of the QDRO, Ms. Jones will be entitled to a “pro-rata” share of any Cost-of-Living Adjustments (“COLA”) and early retirement subsidies that may be provided to Mr. Jones under the Plan on or after his date of retirement.

If you, or any party to this proceeding, do not agree with our interpretation of the QDRO as set forth above, please respond, in writing, within 30 days following the date of this letter. If we do not hear from you within such time period, the QDRO will be administered in accordance with its terms.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

Krystal Lendon
QDRO Administration

cc: Mark Jones
Sarah Jones
ABC Company