



**QDRO**  
**Consultants**

your partner in QDRO and QMCSO services



## **Service Disclosure Guide for Plan Sponsors**

[qdros.com](http://qdros.com)

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## **QDRO Consultants is here to help!**

Interested in learning more about our services? Ask to speak to a member of our Onboarding Team at 800-527-8481, or send an email to [onboarding@qdros.com](mailto:onboarding@qdros.com), Monday through Friday 8:30 am to 5:00 pm (ET).

**Note:** The discussions and interpretations in this brochure of ERISA and the regulations promulgated by the Department of Labor are ours. We are not offering legal advice. That is the province of your legal counsel. Instead, we are offering our perspective on how we help plan sponsors fulfill their fiduciary duties in selecting and monitoring service providers regarding the quality of services provided and the reasonableness of fees.



## Section One: Firm Profile



Plan sponsors and recordkeepers typically view the complex world of qualified order review and determination as burdensome. They assess that the significant time and resources spent developing sufficient expertise in an esoteric area of the law as financially inefficient and a diversion from the primary, value-added services they provide. They also recognize how demanding it is to service plan participants during an especially stressful period in their lives.

The search for a quality order service provider at the ERISA-mandated “reasonable” fee has become commonplace. This due diligence obligation has thrust QDRO Consultants to the forefront as the qualified order service provider of choice for thousands of plan sponsors.

QDRO Consultants provides services for more than 3,000 plan sponsors and dozens of Fortune 500 companies. These organizations wish to have their employees benefit from the personalized professional help we provide in dividing retirement assets.

A little background: Founded in 1985, the company’s staff members have authored eight of the leading legal texts in the field over the last several decades. This unsurpassed subject matter knowledge has been translated into clear, efficient systems as well as the largest, most experienced and well-trained staff in the country. Our staff, for example, average over a decade in the field. Our “high touch” servicing model has been developed and refined over more than two-decades.

We pride ourselves in offering a servicing model where all involved parties have phone and email access to a dedicated team member familiar with their case. Contrast that to others in the field who restrict all communication to writing, or utilize call centers where the parties cannot speak to the person reviewing their order or others who just ignore ERISA and DOL guidelines by refusing to respond to anyone other than a Plan participant or a subpoena.

Our flat-rate fee structure is benchmarked well below all national competitors and a stark contrast to “two tier” service providers, i.e those who charge one fee for processing model orders and another fee, sometimes four times as much, for processing a lawyer-crafted order.



## Section Two: Mission and Values

### Mission

We provide world-class QDRO & QMCSO leadership for our plan sponsors & their employees, that helps families—in a challenging time, move forward.

### Values



#### HUMAN TOUCH

Everyone deserves a friendly, helpful person on the other end of the phone, email or letter. Each interaction is an opportunity to problem-solve, to teach, and to learn. We're always available to give all inquiries our undivided attention until they are resolved--regardless of complexity.



#### DEEP EXPERTISE

Our confidence is built on our expertise from decades in the field. We keep our focus narrow, and our passion high. There are no limits to our commitment to remain at the forefront of expertise in the industry.



#### CANDID & CLEAR

The quality of our relationships is determined by how we communicate. Clarity and candor are the most direct, efficient path toward the best possible outcome. Everyone deserves context, and the right information at the right time.



#### SELF-REFLECTIVE

Our success comes from finding a better way to do things. We pause and reflect before making the next big push. We find time to assess what is working and what isn't, then swiftly set a new course.



#### BUILT TO GROW

A healthy business is made up of growth-oriented individuals. We stay focused on providing resources and development that foster growth. Our continued success requires adaptive performance--our ability to deviate from the plan and grow as a result.



## Section Three: Competitive Advantage

QDRO Consultants has become the qualified order service provider of choice for thousands of plan sponsors, third party recordkeepers and benefit administrators for three straightforward reasons:



**Our superior servicing model:** Unlike so many service providers that require all inquiries be made in writing, our knowledgeable team members are empowered to address questions by phone and email. This reduces legal fees for all parties involved and employee anxiety.



**Our reasonable fee:** Our fee is the same reasonable review and determination fee whether the order submitted utilizes the Plan model or is crafted by an attorney. Plan fiduciaries don't have to worry that excessive fees are assessed for reviewing orders. In fact, our fee is significantly less than all major competitors. We never pressure your Plan participants to use the Plan models by charging three to four times as much when the order is tailored by an attorney to reflect the agreement or the judgment entry as is common in the field. This also helps the Plan avoid the adverse publicity that such a practice engenders in the legal community and amongst divorcing parties.



**The most experienced and knowledgeable staff in the country:** Staff members have authored eight leading legal texts in the field over the last 22 years including *Dividing Pensions in Divorce: Negotiating and Drafting Safe Settlements with QDROs and Present Values, Third Edition* and *Value of Pensions in Divorce, Fifth Edition*. This unsurpassed technical knowledge of QDROs and QMCSOs is coupled with the most experienced staff in the field.

Of course, these are only three of our advantages. Consider some of the following advantages as well to understand how we have become the compelling choice when quality service, cost and employee satisfaction are paramount.

- Our single low, flat-rate fee per order. This means that a single fee is assessed regardless of how many draft or executed orders are submitted for review in a particular order.
- Quick and accurate reviews utilizing our customized and proprietary qualification software system.
- Participants, involved parties and their counsel have easy access to Plan Procedures and Guidelines through our Q-Hub online portal.
- Client access to our Qualified Order Database via our secure, web-based application.
- Huge down-the-road plan savings because a Processing Form (or your recordkeeper's preferred form) is generated upon the approval of every order, eliminating the need for your recordkeeper or actuary to reread and reinterpret the Order upon implementation.
- Instant access to many of the most knowledgeable and experienced qualified order experts in the country to help resolve even the most challenging case.



## Section Four: Understanding Services and Related Fees

The Employee Retirement Income Security Act (ERISA) and the Department of Labor (DOL) are clear that a plan sponsor is a fiduciary and ERISA Section 404(a) makes clear that a “fiduciary shall discharge their duties with respect to a plan solely in the interest of the participants and beneficiaries.” Of course, hiring a service provider is a central fiduciary task and those “who do not follow the basic standards of conduct may be personally liable to restore any losses to the plan.”

In other words, we are acutely aware of the gravity of your choice of a service provider. You will see evidence of that deep understanding in chapters of books authored by our staff. A review of “Understanding the QDRO Administrator” by our corporate counsel in the *Value of Pensions in Divorce, Fifth Edition* will be reassuring. You will see how statutory obligations guide the structuring of fees and services, especially two basic DOL directives that QDRO procedures **be in writing** and be **reasonable**.

Our written procedures, services and fees are clearly **reasonable**. They are the result of our experience in the review and determination process for QDROs and QMCSOs for more than 3,000 plans --

including many of the largest plans in the country. Our fees are benchmarked to remain significantly below all national competitors all while providing a “high touch” servicing model where all parties can easily reach a knowledgeable team member familiar with their case by phone or email.

**What is the added value provided by our high-touch servicing model?** The QDRO Consultants superior servicing model is your insurance policy that your Plan participants come first. That your concern for your Plan participants is not just lowering direct Plan expenses but extends to lowering the anxiety (and legal expenses) of participants and their families with quick, accurate, personal answers.

The information that follows is focused on your basic ERISA fiduciary duties, especially those dealing with the quality of services provided, the fees charged and the ongoing duty to monitor performance of each service provider. In addition, we will put the rules and regulations promulgated by the Department of Labor into our review of the services we provide the parties, the services provided to you as the plan sponsors and the fees associated with each.

## 4.1 Compensation: How we stack up against the competition

QDRO Consultants' fees are benchmarked below other national providers in the qualified order review and determination field. Our reasonable fees are coupled with our superior high-touch servicing model, delivered by the most experienced team in the country. Moreover, QDRO Consultants only receives "Direct Compensation" and no "Indirect Compensation" as the term is used in the regulations promulgated under ERISA Section 408(b)(2).



You can find additional information about the fee regulations and the importance of understanding fees in the US Department of Labor (DOL) publication "**Understanding Retirement Plan Fees.**"

Our fee is the same whether your participant utilizes the Plan's model order or an attorney crafted order. After all, the Plan's model is just that -- a model. Keep in mind that a model may not always effectively provide for the intended division of the benefit. Other providers dramatically increase the fee for review of lawyer crafted orders -- in some case more than triple the fee.

Direct access when they need it. Your participants and other involved parties are free to submit orders directly to their designated team member via email, fax, or mail. QDRO Consultants aims to make their lives easier, not more difficult during a challenging time. In the event that the parties have a question, they will have direct access by phone or email to the team member reviewing their case. No need to spend time navigating a call center or phone tree.

## 4.2 Fiduciary Responsibility

QDRO Consultants does not act in the capacity of a plan fiduciary. The IRS makes clear that a plan fiduciary is: “Anyone who exercises discretionary authority or discretionary control over management or administration of the plan, exercises any authority or control over management or disposition of plan assets, or gives investment advice for a fee or other compensation with respect to assets of the plan.”

Instead, QDRO Consultants’ services are ministerial, following the elections of the

Plan Sponsor in reviewing and qualifying orders. More to the point: We rely solely on the terms and provisions of these procedures and guidelines for the qualified order approval process. We provide QDRO and QMCSO procedures and guidelines based on best practices for Plan Sponsors to consider in electing procedures to a particular plan, but ultimately it’s a Plan Sponsor’s decision on the adoption of plan procedures for QDROs and QMCSOs.



For more information about plan fiduciary obligations, check out the DOL resource **“Meeting Your Fiduciary Responsibilities.”**



## Section Five: Service Summary

### QDRO

Service	Description
<b>Implementation</b>	Prepare customized plan specific QDRO Procedures and Guidelines and model language. The QDRO Procedures shall document all of the Client's QDRO review and determination procedures, contain model language and shall address all default procedures.
<b>Review &amp; Determination Service</b>	<ul style="list-style-type: none"><li>• Handle all correspondence to and from involved parties and attorneys, including phone, email and other written communication.</li><li>• Send QDRO Procedures and Guidelines and model QDRO language to involved parties and attorneys.</li><li>• Following receipt of a DRO, request a hold on the Participant's benefit and confirm applicable benefit information.</li><li>• Acknowledge receipt of the DRO and review the DRO to determine whether the order meets the requirements of applicable federal law and satisfies the requirements contained in the Plan's adopted QDRO Procedures and Guidelines.</li><li>• After review of a DRO, prepare and distribute approval, pre-approval or denial letters to the involved parties and attorneys.</li><li>• Following approval, prepare a QDRO Processing Form for use by the Plan's recordkeeper.</li></ul>

## QMCSO/NMSN

Service	Description
<b>Implementation</b>	Prepare customized plan specific QMCSO Procedures and Guidelines and model order language. The QMCSO Procedures shall document all of the Client's QMCSO and NMSN procedures, contain model QMCSOs and shall address all default procedures.
<b>Review &amp; Determination Service</b>	<ul style="list-style-type: none"> <li>• Handle all correspondence to and from involved parties and attorneys, including phone, email and other written communication.</li> <li>• Send QMCSO Procedures and model QMCSO language to all involved parties (attorneys, plan participants and custodial parents).</li> <li>• Following receipt of a QMCSO/NMSN, review the terms of the QMCSO/NMSN to determine whether the Order is consistent with federal law and specific plan provisions.</li> <li>• Prepare and distribute approval or denial letter along with completing the necessary Plan Administrator response, if applicable to all involved parties (attorneys, plan participants, custodial parents and State IV-D Agencies).</li> <li>• Following approval, prepare a QMCSO Processing Form for use by the Plan's benefit administrator.</li> <li>• Direct benefit administrator to enroll dependent, as applicable, and place appropriate QMCSO flag.</li> </ul>
<b>Termination Notices</b>	<ul style="list-style-type: none"> <li>• Following receipt of a Termination Notice, QDRO Consultants will review the notice to see if the court ordered obligation can be released.</li> <li>• After review of the Termination Notice, prepare and distribute approval or denial letter to employee, custodial parent, and State IV-D Agency.</li> <li>• Following approval, prepare Processing Form for use by the Plan's benefit administrator.</li> <li>• Benefit administrator removes flag from employee's healthcare. The dependent will not automatically be removed from coverage -- the employee must elect to remove the dependent.</li> </ul>
<b>Healthcare Verification Forms</b>	<ul style="list-style-type: none"> <li>• Upon receipt of a State IV-D Agency Healthcare Verification Form, confirm applicable participant benefit information and complete form.</li> <li>• Forward completed form to the issuing agency.</li> </ul>



## Section Six: Data Security



### Zealous Focus on Data Security

We take the trust plan sponsors place in us seriously.

IT security infrastructure is a top organizational priority at QDRO Consultants -- and it has been for years. Our data security efforts are led up by a talented, experienced and credentialed team of professionals that stay on the cutting edge of industry trends and best practices.

### Approach

We run a tight IT ship. Consider this: All electronic data is both encrypted at rest and anytime electronic PII leaves our network. We maintain a locked down infrastructure. What does this mean? It means that we have no wireless network, no laptops, no personal devices and no external or remote network access. Further, we contract a third party infosec firm to perform an annual penetration test on our network. Our internal IT team also conducts quarterly vulnerability scans.

Perhaps most importantly, we recognize the importance of a robust data security culture among staff. After all, so many breaches involve human error. To mitigate this risk, we hold frequent staff trainings to keep our team vigilant in looking for the latest security threats.

Additionally, while we are big believers in our systems, policies, and security-conscious culture, we understand the need for third party verification of these practices. QDRO Consultants will therefore procure annual SOC 2 audits beginning in 2019.

### Snapshot

Take a look at our IT data security practices (keep in mind that these are constantly evolving):

- Locked down machines with standard hardened image only;
- Windows 10 App Locker allows only 12 applications to run on our domain;
- No wireless networks;
- No external access;
- No remote workers or VPN connections
- All employees are full-time staff and undergo the same background check, employment verification, and educational check. No third party contractors or temp employees;
- No laptops;
- Use of removable media is disabled by policy and technical controls;
- Default deny all rule makes all incoming ports appear dead to the world;
- Outgoing ports locked down;
- Untangle NG Firewall configured to scan all traffic. Traffic is passed through the following modules: Intrusion Prevention, Web Filter, Virus Blocker, Application Control, Firewall.



## Section Seven: Onboarding & Implementation

With QDRO Consultants' deep expertise, a member of our Onboarding Team is ready to discuss the intricate details of the qualified order review and determination process as well as walk you through the seven simple steps to implement service:



**Step 1: Plan Due Diligence** – Hiring a plan service provider is a fiduciary function. Our Service & Fee Disclosure Guide for Plan Sponsors provides a comprehensive overview of the services we provide and the associated fees.



**Step 2: Execute Service Agreement** – Which includes a Statement of Work and Data Security Practices. This step may not be necessary if your Plan recordkeeper subcontracts the qualified order review and determination process to QDRO Consultants.



**Step 3: Complete Implementation Checklist** – The Plan provides critical information which enables QDRO Consultants to develop proposed plan specific procedures and model orders.



**Step 4: Submit the requested Plan Documents** – Summary Plan Description, Plan Amendments, Existing Qualified Order Procedures and a current Plan Document.

Once the Plan has completed Steps 2-4, QDRO Consultants will prepare plan specific procedures and model language that leverage best practices in the industry, for the Plan to review. Plans should allow one to two weeks for preparation.



**Step 5: Plan reviews and considers customized plan procedures and model orders** – QDRO Consultants provides procedures and guidelines based on best practices in the industry for the Plan to consider in electing procedures, but ultimately it is the Plan's decision whether to elect to adopt the procedures.



**Step 6: Execute Plan Adoption Acknowledgment** – The Plan memorializes their adoption of the procedures and model language by executing the Plan Adoption Acknowledgment and returning to QDRO Consultants. We are ready to get started!



**Step 7: Kick-Off Conference Call with Team QDRO Consultants** – A quick review and discussion on the day-to-day logistics.

### What's the average length of time for a Plan to complete the onboarding process?

It depends. The timeline for onboarding is largely in the hands of the Plan Sponsor. Keep in mind that each of the steps detailed above must be completed in order for QDRO Consultants to commence services. As a general rule, plans should allow for a minimum of at least one month lead-up time, prior to the desired effective date of service, to finalize this checklist of pre-service work.

Visit our [Plan Sponsor](#) page for more information about our services. | [Plan Onboarding Overview](#) | [Onboarding Videos](#)



## Section Eight: What They're Saying

“ See this is why I really like you guys over there. Even though you have gotten larger than you used to be, you are one of only a couple of third party administrators that actually thoroughly train your staff to understand the specifics of the plans. You would be surprised how many third party administrators I call that have no clue how a plan works. ”

“ I am an attorney in Connecticut who drafts over 1,500 QDROs each year. I interact with hundreds of plan administrators. QDRO Consultants is one of the best ever. The staff is knowledgeable and efficient. I wish more companies would outsource to them! ”

“ I'm always a bit reluctant to give 5-Star reviews as this should be reserved for only stellar performance. As a family law attorney I deal with numerous QDROs every year. QDRO Consultants is easily the most helpful, prompt and courteous of administrator services. It is always a pleasure processing QDROs through QDRO Consultants. ”

“ Over the past couple of months, I have been going through the QDRO process for my 401k distribution due to a divorce settlement. The process has went seamlessly due to the AWESOME assistance of Renee. She has helped guide me and dragged me at times to the finish line. Without her assistance, I'm sure we would still be months away from being complete. I just want everyone there at your Company to know about the quality of assistance and the care that Renee has provided to us... I could not have done it without her! ”

“ I had the pleasure of working with Christina when I was going through tough times. She was prompt, committed to excellence, sensitive to my needs, and highly knowledgeable about the content. She always followed through on all of the deliverables. I think very highly of QDRO primarily because of my experience with Christina. She is top notch. ”



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