

2020 JOINT QDRO PREPARATION CHECKLIST

Use this form when both parties to a divorce action wish to hire us. This usually occurs when the settlement agreement provides that the parties are to share our fee equally. If you have any questions on how you should hire us, you should consult your divorce attorney.

Items Required to Initiate QDRO Process (all items are required)

- ___ Husband's completed Personal Information & Acknowledgment (enclosed)
 - ___ Wife's completed Personal Information & Acknowledgment (enclosed)
 - ___ The parties' settlement agreement
 - ___ Payment of our \$600.00 drafting fee. Payment can be made by check or credit card. Checks can be made out to "KLM Attorneys LLC". Please visit <http://www.klmattorneys.com/make-a-payment> to arrange for credit card payment.
 - ___ A copy of a document or court filing setting forth the **full caption of the case** (including the names of the parties, the court, and the case number)
 - ___ A recent account statement **bearing the precise legal name of the Plan** for each plan requiring a QDRO
 - ___ A completed "Plan Information Summary" (enclosed) for each plan requiring a QDRO
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Instructions

When all items are gathered, forward the completed packet to our office. We will then add your matter to our drafting queue. Please note, the following:

- (1) *Orders are drafted in the order that the completed packet is received by our office. However, we recognize that certain circumstances require more immediate attention. Therefore, we do offer an **expedited preparation service** for an additional fee of \$200.00. Please note that such service is dependent on our availability; if you are interested in this expedited service, please contact one of our attorneys to determine our availability.*
 - (2) *It is the responsibility of the clients to provide us with all requested information. **If the parties are not able to cooperate in providing us with the items we request, a joint engagement may not be appropriate.** A copy of our individual engagement packet can be found at <http://klmattorneys.com/practiceareas/qdro-preparation>.*
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HUSBAND'S Personal Information & Acknowledgment

*To be completed by husband (or former husband) or his attorney. **All information is necessary and must be provided** to avoid delays in the preparation and implementation of the QDRO.*

My Personal Information:

Name: _____
SSN: _____
DOB: _____
Address: _____

Phone: _____
Email: _____

My Attorney:

Name: _____
Address: _____

Telephone #: _____
Telefax #: _____
Email: _____

Marital Info:

Date of Marriage: _____
Date of Separation: _____
Date of Divorce: _____

Primary Contact

Who will be KLM Attorneys LLC's primary contact for you for the purposes of preparing this QDRO?

___ My Attorney ___ Me

Verification and Acknowledgment

I have received a copy and agree to the terms of KLM Attorneys LLC's Engagement Agreement. I understand that I have the option of engaging KLM Attorneys LLC individually and/or on an hourly basis, but choose to use their limited flat-fee joint-preparation service.

Signature of Husband or Husband's Attorney*

Date

*If a party's attorney is signing for them, that Attorney is also certifying that (1) they have the authority to engage KLM Attorneys LLC on behalf of their client and (2) that they have or will provide their client with a copy of KLM Attorneys LLC's Engagement agreement and, (3) if they are to be the primary contact, that they will keep their client informed throughout the course of our drafting efforts.

Return completed paperwork via mail, fax, or email:

KLM Attorneys LLC
213-215 W. Miner Street, 2nd Floor
West Chester, PA 19382
(610) 572-7280 (fax)

intake@klmattorneys.com

KLM ATTORNEYS LLC

WIFE'S Personal Information & Acknowledgment

*To be completed by wife (or former wife) or her attorney. **All information is necessary and must be provided** to avoid delays in the preparation and implementation of the QDRO.*

My Personal Information:

Name: _____
SSN: _____
DOB: _____
Address: _____

Phone: _____
Email: _____

My Attorney Information:

Name: _____
Address: _____

Telephone #: _____
Telefax #: _____
Email: _____

Marital Info:

Date of Marriage: _____
Date of Separation: _____
Date of Divorce: _____

Primary Contact

Who will be KLM Attorneys LLC's primary contact for you for the purposes of preparing this QDRO?

___ My Attorney ___ Me

Verification and Acknowledgment

I have received a copy and agree to the terms of KLM Attorneys LLC's Engagement Agreement. I understand that I have the option of retaining KLM Attorneys LLC individually and/or on an hourly basis, but choose to use their limited flat-fee joint preparation service.

Signature of Wife or Wife's Attorney*

Date

*If a party's attorney is signing for them, that Attorney is also certifying that (1) they have the authority to retain KLM Attorneys LLC on behalf of their client and (2) that they have or will provide their client with a copy of KLM Attorneys LLC's Engagement agreement and, (3) if they are to be the primary contact, that they will keep their client informed throughout the course of our drafting efforts.

Return completed paperwork via mail, fax, or email:

KLM Attorneys LLC
213-215 W. Miner Street, 2nd Floor
West Chester, PA 19382
(610)572-7280 (fax)

intake@klmattorneys.com

Plan Information Summary

This form should be completed by the party who is the current plan participant. If multiple plans are being divided, please print multiple copies of this page and complete one page for *each* plan being divided

Full and Accurate Plan Name: _____
(If you do not know this information, please consult the benefits or human resources department of the plan sponsor).

| | |
|---|--|
| <p><u>Type of Plan</u></p> <p><input type="checkbox"/> Defined Benefit (Pension) Plan</p> <p><input type="checkbox"/> Defined Contribution Plan (e.g. 401k)</p> <p><input type="checkbox"/> IRA (If the plan being divided is an IRA, a QDRO or DRO may not be necessary; the IRA account holder should confirm with the IRA custodian that a QDRO or DRO is actually going to be required, <i>before engaging KLM Attorneys</i>)</p> <p><input type="checkbox"/> Other. Specify: (_____)</p> | <p><u>Participant/Service Information</u></p> <p>Participant is: <input type="checkbox"/> Husband <input type="checkbox"/> Wife</p> <p>In what year did the participant first begin contributing to (or accruing benefits) in the Plan? _____</p> <p>Is Participant currently employed by this employer? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If not, when did the Participant leave employment? _____</p> <p>Is the Participant receiving benefits from the plan? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |
|---|--|

Plan Sponsor/Employer Information

Name: _____
Telephone #: _____
H.R. Contact Name: _____
H.R. Telephone #: _____

I, the undersigned Participant, duly authorize the retirement plan named above, and any other retirement plan in which I have an interest to furnish Attorney Matthew Morley and/or his agents of KLM Attorneys LLC with any and all information that he/they may request concerning my retirement benefits. This authorization shall apply equally to the plan sponsor and any third party providers hired to assist in the administration of the plan. Further, I authorize the provision of this information by phone (610-650-0439), mail (KLM Attorneys LLC, 213-215 W. Miner Street, 2nd Floor, West Chester, Pennsylvania, 19382), email (morley@klmattorneys.com), or fax (610-572-7280). This authorization shall remain in effect until revoked by written notice.

Participant Signature: _____ Date: _____

Participant Name (print): _____

OUR QDRO PROCESS

STEP ONE – ENGAGEMENT & INFORMATION GATHERING

Without accurate information from our clients about themselves, the plan, and their intended distribution, we simply cannot prepare an acceptable work product. Our clients provide us with the information by completing our intake forms and providing the other documentation requested on the QDRO Preparation Checklist.

STEP TWO – PLAN INVESTIGATION, DRAFT PREPARATION, AND PREAPPROVAL

Once we have received all items requested on the QDRO Preparation Checklist, we will begin preparing our draft. This is a multi-step process that involves reaching out to the plan administrator, reviewing prior QDROs we have prepared for the plan at issue or similar plans we have worked with in the past, and reviewing the published standards of the plan (if any).

Once our initial draft has been prepared, we typically send a copy to the plan administrator for preapproval. In this review, we ask the plan administrator to raise any issues that would prevent the plan from complying with the QDRO's terms, if it were entered as a Court Order. **This predetermination review process can take anywhere from a few days to several months.** However, it is our experience that dealing with potential issues before the QDRO is entered as a Court Order actually expedites the process in the majority of cases.

Unfortunately, it is sometimes impossible or impractical for us to have the plan administrator provide this predetermination review; some plan administrators simply will not review Orders in draft form; others are so backlogged that the predetermination review process would lead to unacceptable delay.

When we send our draft Order to the plan administrator, we will contemporaneously forward a copy to each party's Primary Contact. This is the best time for the parties and their attorneys to review our work product. If the parties find any errors or have any questions, we encourage them to discuss our draft QDRO with their attorneys.

STEP THREE – EXECUTING THE QDRO, FILING WITH COURT, AND TRANSMITTING TO THE PLAN

Once we have heard back from the plan administrator, we will make any necessary changes, prepare a copy of the QDRO for execution by the parties and send it to the parties' Primary Contacts.

When both parties have signed the QDRO, it is the responsibility of the parties or their attorneys to file with the appropriate Court and send a court-certified copy of the QDRO to us after it has been signed by a judge. Finally, we will transmit the returned court-certified copy of the QDRO to the plan administrator for qualification and implementation. Some plan administrators will reply within days; others will take months to reply.

Timing:

Generally, we work on a first come, first serve basis. This means that, with the exception of orders accepted for expedited service, all orders are drafted in the order in which the completed packet is received.

Our normal turnaround time from receipt of the **completed** packet to transmittal of our draft to the plan administrator is a little less than one month, but depending on the complexity of the order, the number of orders in front of yours, and the cooperativeness of the plan administrator, it can take longer.

If this turnaround time does not work within the context of your divorce, you should consider hiring us to prepare the order on an expedited basis.

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STEP FOUR – QUALIFICATION AND/OR REVISIONS

The final step in our process should be receipt of a “qualification letter” by the plan administrator. Receipt of this letter means that the Order is deemed to be a Qualified Domestic Relations Order under federal law and that the plan administrator will comply with its terms.

In some cases, the QDRO may be deemed “not qualified” by the plan administrator, and we will need to prepare an amended QDRO and resubmit to the court and the plan administrator. However, this is a rare occasion, because we strive wherever feasible to have the plan administrator review our QDRO in draft form prior to presentation as a certified Court Order (step two).

Upon notice that the Order has been qualified, our involvement in the case is concluded. At this point, the alternate payee has a recognized right under federal law to the plan assets assigned in the QDRO. The plan administrator will usually reach out to the alternate payee directly to arrange for payment of benefits or provide their contact information in the notice of qualification.

Note: This process is designed for the majority of the Orders we are asked to draft, which are for ERISA qualified plans. Our process may differ slightly depending on the type of plan and the plan’s QDRO administrator. This is especially true for IRAs, executive compensation plans, and plans for federal, state, and municipal employees.

JOINT ENGAGEMENT QDRO PREPARATION TERMS

1. **Purpose and Scope.** The purpose of KLM Attorneys LLC’s engagement in this matter is to secure the “qualification” or approval by the plan administrator of a Qualified Domestic Relations Order (“QDRO”) or similar order that facilitates the intent of the parties or the Court, as represented to KLM Attorneys by the parties or their attorneys.

1.1 **Joint Engagement as Third-Party Experts.** Unless we are instructed otherwise, we will work for both parties to the divorce action. Therefore, we strive to maintain a non-adversarial and neutral position.

1.1.1. **No Privity.** Our engagement in this matter is of a limited scope and we do not represent you as your divorce counsel. Rather, we serve as third-party experts. **You should, therefore, continue to consult an independently retained attorney throughout our engagement.**

1.1.2. **Correspondence.** In our effort to maintain a neutral position, it is our policy to “carbon copy” both sides on written correspondence and we ask that our clients do the same. This policy promotes transparency and helps ensure that our work-product is agreeable to both parties.

1.1.3. **Confidential and Privileged Information.** Normal rules governing attorneys require attorneys to protect the confidences of their clients and protect that information from legal processes. However, these rules are modified in joint engagements. While the normal rules of confidentiality and the attorney client privilege apply to third parties, they do not apply among joint clients. Please keep in mind this limitation when discussing sensitive matters with our office. To the extent we determine necessary to achieve the objectives of our engagement, you authorize us to disclose your confidential information.

1.2 **Independent Legal Advice.** Most agreements entered into prior to the drafting of a QDRO do not discuss all of the issues that our QDRO will address. Where we deem appropriate, KLM Attorneys LLC will draft provisions that fill these gaps. In most cases, we will not include provisions in the QDRO that substantially affect the rights of the parties without consulting you, unless that provision is required under federal law, state law, or the applicable plan’s governing rules. **However, it is your responsibility to review our work prior to executing it for entry as a Court Order. You should also consider reviewing our work with your independently retained attorney.**

2. **Fees.** We strive to provide an exceptional value to our clients and, therefore, charge a “limited flat fee” for all QDROs.

2.1 **Current Drafting Fees.** Our current limited flat fee is \$600.00 per QDRO. **This includes up to three hours of attorney time.** If more time is needed to complete your QDRO, our time will be billed at our regular hourly rates, as follows:

| | | |
|-------------------------|------------------|----------------|
| Matthew Morley, Esquire | <i>Partner</i> | \$350 per hour |
| Alissa McGrory, Esquire | <i>Associate</i> | \$225 per hour |

It is our experience that the majority of QDROs can be completed within the allotted three hours of attorney time. If the allotted three hours has been expended, we shall notify you prior to taking any further action on your matter.

2.2 **Multiple QDROs/Volume Discounts.** Unfortunately, we recognize no effective economies of scale by preparing multiple QDROs in the same matter. Therefore, we are unable to offer a “volume discount” in such situations.

2.3 Payment. Payment of our limited flat fee is expected prior to the commencement of our drafting efforts. This allows us to keep our drafting fees reasonable, as we rarely devote our time and resources to collections matters. Once received, your fee is held in our IOLTA (“Interest on Lawyer Trust Account”) until we have prepared a draft of your QDRO, at which point the fee is deemed “earned” and transferred into our firm account. While our co-clients may agree to divide our fee in any way they choose, the parties are jointly and severally liable for all fees and costs incurred. Unless additional charges are owed pursuant to 2.3.1, below, you will not receive any invoices from KLM Attorneys LLC.

2.3.1 Payment for Time in Excess of Allotted Three Hours. If your allotted three hours of attorney time have expired and you wish for us to continue our work, you shall be invoiced on a monthly basis. Payment of our invoice is expected upon receipt.

2.3.2 Services Contingent upon Payment. All services provided by KLM Attorneys LLC are contingent upon payment. All clients agree to pay invoices promptly upon receipt and KLM Attorneys LLC shall be required to take no action on behalf of a client with a balance outstanding for more than 30 days, except as required by the Rules of Professional Conduct or other laws governing the legal profession.

2.4 Fees Imposed by Other Entities. The fees discussed in this Section 2 are the fees charged by KLM Attorneys LLC. Other entities involved in the QDRO process may charge a fee in connection with the implementation of the QDRO. The most common instance of such a fee is a fee imposed by a plan administrator or recordkeeper to implement or process the QDRO. These fees are charged by other entities and are in addition to our drafting fees. KLM Attorneys LLC is in no way responsible for such fees. Further, KLM Attorneys LLC is not responsible for the work of your independently engaged attorneys to review our work on your behalf or to negotiate or implement the QDRO.

2.5 Termination of engagement. KLM Attorneys LLC reserves the right to terminate our engagement for any reasons permitted under the Rules of Professional Conduct. If our engagement is terminated (by the client or by KLM Attorneys LLC), you are entitled to a refund of your drafting fee. However, you will be billed at our current hourly rates for any time spent on your matter to date. Once an Order has been drafted, the drafting fee is considered earned and no refund will be paid.

3. Allocation of Responsibilities.

3.1 Provision of information and documents. We rely on you to provide us with the information we need to prepare your Order. This information is initially gathered in our “QDRO Checklist.” We will notify you if we need any further information. It is your responsibility to provide us with accurate information in a timely manner.

3.2 Plan administrator contact. KLM Attorneys LLC is the primary contact with the plan administrator. We will contact the plan administrator to obtain any written plan procedures and protocols and, if feasible under the circumstances, we will submit a draft Order for the plan administrator to review.

3.3 Execution of Documents. It is the duty of each party to execute all documents requested and return same to KLM Attorneys LLC, within a reasonable period of time. However, each party should take time to carefully review the documents (either personally or with the assistance of their independently retained counsel) prior to execution.

3.4 Court filings; transmittal to plan administrator. The parties or their independent divorce counsel will be responsible for filing the executed QDRO with the appropriate court, obtaining a certified copy of the QDRO, and transmitting same to KLM Attorneys LLC. We will then transmit the certified copy of the QDRO to the plan administrator to ensure that it is deemed “qualified”.

- 3.4.1 Right to change procedure.** While KLM Attorneys LLC intends to continue to transmit certified copies of QDROs to the plan administrators, we reserve the right to alter this procedure at any time. Our obligation to transmit the certified copy of the QDRO can otherwise be satisfied by providing the parties with appropriate contact information and instructions for transmitting the order to the plan administrator, themselves.
- 3.5 Represented parties.** We shall deal with you directly if you so indicated on your Personal Information and Acknowledgment Form. Conversely, if you indicated on your Personal Information and Acknowledgment Form that your attorney is to be your Primary Contact, we will send all correspondence directly to your Attorney. **If you wish to change the primary contact election, please notify us in writing or via email. Please copy your attorney on this writing.** Additionally, please note that KLM Attorneys LLC reserves the right to contact your divorce attorney, even if you elected to be the primary contact on your Personal Information and Acknowledgment.
- 3.5.1 Contact between KLM Attorneys LLC and represented parties.** Even if a client's attorney is to be our Primary Contact, the Rules of Professional Conduct which govern the legal profession in Pennsylvania do not permit us to ignore requests for information from clients. KLM Attorneys LLC expressly reserves the right to deal with represented parties who are also our clients.
- 3.6 Contact with third parties.** If you wish us to discuss your matter with individuals or entities that are not directly involved with your matter (including, but not limited to, family members, financial advisors and other investment professionals), you will need to complete an "Authorization and Agreement for Release of Information," which is available on our website. It is expressly understood that time spent dealing with third parties is not included in the "limited flat fee" and that KLM Attorneys LLC will charge at the hourly rates discussed above for such time.
- 4. Conflicts.** We have performed an initial conflict-of-interests check within our office; apart from the conflicting interests inherent in any joint engagement, we have found no conflicts.
- 4.1 Informed consent.** Because of the potential of conflicting interests between parties in a joint engagement, we ask our clients to provide their informed consent to our engagement notwithstanding these conflicts. By retaining KLM Attorneys LLC, you acknowledge that you have a right to independent counsel and that you are not required to retain KLM Attorneys LLC in a joint capacity.
- 4.2 Additional conflicts.** If we become aware of any additional conflicts, we will discuss them with you. We specifically reserve the right to withdraw from any engagement if we feel that we cannot properly achieve the purpose of our engagement. Likewise, should we at any time during the engagement determine that our continued engagement would conflict with a previous engagement, or previous relationship with other clients relative to your matter, we do reserve the right, after discussion with you, and at our sole discretion, to withdraw from this matter.
- 5. Timing.** Unless we have committed to prepare a QDRO on an expedited basis, we make no commitments regarding the timing for preparing our draft of your order. A surcharge of \$200.00 is applied to all orders accepted on an expedited basis. Even if a QDRO is accepted for preparation on an expedited basis, KLM Attorneys LLC cannot control the timing of other parties (e.g. the plan administrator, the court, etc.). Further, since we are involved in each case in such a limited manner, it is not KLM Attorneys LLC's responsibility to ensure that the QDRO process is initiated in a timely manner or to coordinate the entry of the QDRO with other aspects of the divorce process (e.g. entry of the divorce decree, changing of beneficiaries, etc.).
- 6. Holds, Benefit Freezes, etc.** While the QDRO is being prepared, the plan *may* limit the Participant's ability to withdraw benefits. This is a policy adopted by each plan, on a plan-by-plan basis and cannot be avoided. Further, if the Plan does not impose a hold on a Participant's account and/or the Participant removes or moves his or her funds from the Plan, KLM Attorneys LLC cannot be held responsible for such actions of the Participant and, in the event

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that an additional QDRO is needed, the parties understand that KLM Attorneys LLC will charge additional fees for such work.

7. **QDRO Terminology.** While we use the term QDRO in this agreement, this agreement shall apply to our engagement to prepare any Order to divide retirement assets, which may or may not be actually technically considered a QDRO.
8. **Current Terms.** These terms apply to engagements commenced in 2020. In the event that a party or their attorney utilizes this 2020 Engagement Packet in a year subsequent to 2020, the terms of our engagement in that subsequent year shall apply. Our current paperwork can always be accessed on our website (<http://klmattorneys.com/practiceareas/qdro-preparation>).
9. **Document Retention.** We maintain a hard copy of your file while our case is open. When we close your file, however, that hard copy file will be destroyed. An electronic copy of your file will be maintained for at least four years after your file is closed. You can always request a copy of your hard copy file, if available, and/or your electronic file, but you will be responsible for all costs of producing same, including staff time utilized in reproducing your file, photocopies, and electronic media utilized to store your copy of our file.
10. **Abusive Communication.** If, in the discretion of KLM Attorneys LLC, either party to this joint engagement behaves abusively to any attorney or other staff member at KLM Attorneys LLC, KLM Attorneys LLC has the right to immediately terminate the engagement. In such circumstances, the parties will not be entitled to a return of their fees for work performed but any unused retainer deposit will be refunded.
11. **Whole agreement.** This agreement represents the entire understanding of the parties regarding the terms of KLM Attorneys LLC engagement to prepare a QDRO.
12. **Commencement.** KLM Attorneys, LLC's engagement shall begin upon receipt of all items requested on the Joint QDRO Preparation Checklist. Prior to receipt of these items, KLM Attorneys LLC shall have no responsibilities towards the parties.