



Fact Sheet: Dividing Community Property

Will a divorce impact my pension?

Upon a divorce or divorce filing, it is essential that all members notify MCERA as soon as possible. If not, you could face long delays in the payment of your future or current retirement benefits, including contribution refunds upon termination of employment. Pursuant to California law, if you are a member of MCERA while you are married or partnered, your retirement benefits may be considered community property and your spouse/partner may be entitled to an interest in the community property portion of your retirement benefit.

To avoid any potential delays and nonpayment, take the following steps:

1 Submit a copy of your judgment of dissolution of marriage and property settlement agreement.

As soon as you receive a completed judgment of dissolution of marriage and/or property settlement agreement from your divorce proceedings, please submit a copy to MCERA. The judgment will undergo a detailed internal review by MCERA legal counsel to assess whether you are entitled to your retirement, including the community property portion, as your separate property, or whether your spouse is entitled to an interest in the community property portion of your retirement benefit as determined by the court. All pages of this document, including any attachments, will be required and it must contain a court's file stamp and the judge's signature. Please note: it is extremely important that the language in your judgment is clear. It's best if the judgment specifically mentions MCERA and clearly states what you and your former spouse are entitled to.

2 File a joinder.

Joinder means that MCERA is joined in the divorce proceeding and will require a court-filed order before dividing and distributing any of your retirement benefits to you and/or your former spouse or partner.

3 Obtain a domestic relations order (DRO).

After filing a joinder, you may also be required to file a DRO. This is a court order that provides MCERA with detailed instructions regarding how the retirement benefits are to be divided. In order for MCERA to honor the orders of a DRO, it must be compliant with the 1937 Act and other applicable laws pertaining to pensions.

4 Inform MCERA of any other orders.

Please be sure to provide MCERA with any additional orders or documents pertaining to your divorce case that may affect your retirement benefits.

5 Change your beneficiary.

Upon completion of your divorce, please be sure to complete and submit a Change of Beneficiary Designation form. If you are adding a new spouse or partner, MCERA will require you to submit a copy of your government-issued marriage license. If you will no longer be nominating a spouse, you will also need to complete a Justification for Non-Signature of Spouse form. Both forms should be returned to MCERA as soon as possible.

Please remember that you should not rely solely on this information. In the event of any discrepancy between the information provided in this fact sheet and state and federal law, the state and federal law will govern. MCERA staff is unable to address specific legal questions. If you have legal questions about your retirement, you should consult your own legal counsel. ■