DISCLAIMER

The South Carolina Legislative Council is offering access to the unannotated South Carolina Code of Laws on the Internet as a service to the public. The unannotated South Carolina Code on the General Assembly's website is now current through the 2014 session. The unannotated South Carolina Code, consisting only of Code text, numbering, and history may be copied from this website at the reader's expense and effort without need for permission.

The Legislative Council is unable to assist users of this service with legal questions. Also, legislative staff cannot respond to requests for legal advice or the application of the law to specific facts. Therefore, to understand and protect your legal rights, you should consult your own private lawyer regarding all legal questions.

While every effort was made to ensure the accuracy and completeness of the unannotated South Carolina Code available on the South Carolina General Assembly's website, the unannotated South Carolina Code is not official, and the state agencies preparing this website and the General Assembly are not responsible for any errors or omissions which may occur in these files. Only the current published volumes of the South Carolina Code of Laws Annotated and any pertinent acts and joint resolutions contain the official version.

Please note that the Legislative Council is not able to respond to individual inquiries regarding research or the features, format, or use of this website. However, you may notify the Legislative Services Agency at [LSA@scstatehouse.gov](mailto:LPITS@scstatehouse.net) regarding any apparent errors or omissions in content of Code sections on this website, in which case LSA will relay the information to appropriate staff members of the South Carolina Legislative Council for investigation.

CHAPTER 18

Qualified Domestic Relations Orders

**SECTION 9‑18‑10.** Definitions.

As used in this chapter:

(1) “Administrator” means the director of the retirement systems.

(2) “Alternate payee” means a spouse or former spouse of a member or retired member who is recognized by a domestic relations order as having a right to receive all or a portion of the benefits payable by a retirement system with respect to such member or retired member.

(3) “Board” means the Board of Directors of the South Carolina Public Employee Benefit Authority.

(4) “Death benefit” means any benefit payable upon the death of a member under Sections 9‑1‑1650, 9‑1‑1660, 9‑8‑110(1), (3), or (4), 9‑9‑100(1), (2), or (3), 9‑11‑110, or 9‑11‑130. The term ‘death benefit’ does not include any optional form death benefit or any benefit payable under life insurance maintained by a retirement system, by this State or any of its agencies, or by a political subdivision of this State.

(5) “Disability benefit” means any benefit payable to a member or retired member on account of his disability under Sections 9‑1‑1540, 9‑8‑60, 9‑9‑65, or 9‑11‑80.

(6) “Domestic relations order” means any judgement, decree, or order, including approval of a property settlement agreement, which relates to the provision of alimony payments or marital property rights to a spouse or former spouse of a member or retired member, and is made pursuant to a domestic relations law, including a law of this State or of another state.

(7) “Member” means any person included in the membership of the retirement system.

(8) “Optional form death benefit” means any periodic benefit payable upon the death of a member or retired member on account of the member’s selection of an optional form of allowance under Sections 9‑1‑1620, 9‑8‑70, 9‑9‑70, or 9‑11‑150.

(9) “Qualified domestic relations order” means a domestic relations order which creates or recognizes the existence of an alternate payee’s right, or assigns to an alternate payee the right, to receive all or a portion of a benefit payable with respect to a member or retired member under a retirement system, which directs that retirement system to disburse benefits to the alternate payee, and which meets the requirements of this chapter.

(10) “Retirement benefit” means any benefit payable to a retired member and which is based on the member’s age, service, pay, or accumulated contributions. “Retirement benefit” does not include any optional form death benefit.

(11) “Retirement System” or “system” means the South Carolina Retirement System, Retirement System for Judges and Solicitors of the State of South Carolina, Retirement System for Members of the General Assembly of the State of South Carolina, or South Carolina Police Officers Retirement System.

HISTORY: 1995 Act No. 38, Section 1, eff July 1, 1995 (became law without the Governor’s signature on April 27, 1995); 2012 Act No. 278, Pt IV, Subpt 2, Section 58, eff July 1, 2012.

**SECTION 9‑18‑20.** Payment of benefits by retirement system pursuant to qualified domestic relations order; requirements for qualified domestic relations order; grounds upon which system may reject order.

(A) Sections 9‑1‑1680, 9‑8‑190, 9‑9‑180, or 9‑11‑270 apply to the creation, assignment, recognition, or enforcement of a right to any benefit payable under a retirement system with respect to a member or retired member pursuant to a domestic relations order unless the order is determined to be a qualified domestic relations order. A qualified domestic relations order may order that all or any part of any (1) retirement benefit, (2) withdrawal or refund of contributions, (3) disability benefit, or (4) death benefit that becomes payable under the retirement system on account of the member or retired member, instead be paid by the system to the alternate payee. No other benefits provided under the retirement system may be paid to an alternate payee. A domestic relations order constitutes a qualified domestic relations order if it orders the payment of only those types of benefits described in clauses (1) through (4) of this subsection and meets the requirements set forth in subsection (B).

(B) A domestic relations order is a qualified domestic relations order only if the order:

(1) clearly specifies the retirement system to which it applies;

(2) clearly specifies the name, social security number, and last known mailing address of the member or retired member and the name, social security number, and mailing address of the alternate payee covered by the order, and states the date of marriage;

(3) clearly specifies the types of benefits described in subsection (A) to which the order applies;

(4) clearly specifies the amount or percentage of each benefit to be paid by the retirement system to the alternate payee or the manner in which the amount or percentage is to be determined;

(5) clearly specifies the number of payments or the period to which the order applies;

(6) clearly specifies whether the alternate payee is to share proportionately in benefit increases due to cost‑of‑living adjustments;

(7) does not require the retirement system to pay any benefit at a time or in an amount that would not otherwise have been payable at the time or in such an amount;

(8) does not require the retirement system to provide any benefit or option not otherwise provided under the provisions of law governing the system;

(9) does not require the retirement system to provide the alternate payee optional payment forms;

(10) does not require the retirement system to provide increased benefits determined on the basis of actuarial value;

(11) does not require the payment of benefits to the alternate payee which is required to be paid to another alternate payee under another order previously determined to be a qualified domestic relations order;

(12) does not require the payment of benefits to the alternate payee before the retirement of a member, the distribution of a withdrawal of contributions to a member, or other distribution to a member, retired member, or beneficiary;

(13) does not require that the alternate payee be provided the right to designate a beneficiary to receive benefits after the alternate payee’s death;

(14) does not require that a member, retired member, or beneficiary elect a particular optional payment form or make any other election, except for the designation of the alternate payee as a recipient of death benefits; and

(15) does not require a member to terminate employment, to withdraw contributions, or to apply for retirement.

(C) The retirement system may reject a domestic relations order as a qualified domestic relations order if the order:

(1) does not provide for a proportional reduction of the amount awarded to the alternate payee if payment of benefits commences before the member attains normal retirement age;

(2) does not provide clearly for each possible benefit distribution permitted under the provisions of the retirement system;

(3) requires any action on the part of the retirement system that is contrary to any provision of law;

(4) makes the award of an interest contingent on any condition other than those conditions resulting in the liability of the retirement system for payments under its provisions;

(5) awards any future benefit increases that are provided or required by law, other than ordinary cost‑of‑living adjustments; or

(6) does not provide for a proportional reduction of the amount awarded to the alternate payee if benefits available to the member or retired member are reduced by law.

HISTORY: 1995 Act No. 38, Section 1, eff July 1, 1995 (became law without the Governor’s signature on April 27, 1995).

**SECTION 9‑18‑30.** Determination of whether domestic relations order is qualified domestic relations order; procedure; payment of benefits upon order; exclusion of retirement system from liability for making payments of benefits; liability of individual for costs and attorney’s fees.

(A) The administrator of the retirement system or his designee has exclusive authority to determine whether or not a domestic relations order is a qualified domestic relations order. For purposes of this chapter only, the administrator of the retirement system or his designee is considered a single hearing officer within the meaning of Section 1‑23‑600(B) and, as such, appeals from their determination are to the Administrative Law Judge Division under its applicable procedures.

(B) The administrator of the retirement system or his designee upon receipt of a certified copy of a domestic relations order, shall determine whether the order is a qualified domestic relations order and shall notify the member or retired member and the alternate payee of the determination. If the order is determined to be a qualified domestic relations order, the retirement system shall pay benefits in accordance with the order. If the order is determined not to be a qualified domestic relations order, the member or retired member or alternate payee named in the order may appeal the administrator’s determination in the manner specified in subsection (A) of this section and may petition the court which issued the order to amend the order so that it will be qualified. The court which issued the order or which would otherwise have jurisdiction over the matter has jurisdiction to amend the order so that it will be qualified even though all other matters incident to the action or proceeding have been fully and finally adjudicated.

(C) During any period in which the issue of whether or not a domestic relations order is a qualified domestic relations order is being determined by the administrator, his designee, a court of competent jurisdiction, or the retirement system, the retirement system shall separately account for the amounts which would have been payable to the alternate payee during the period if the order had been determined to be a qualified domestic relations order. These separately accounted amounts are “segregated amounts” for purposes of this section.

(D) If a domestic relations order is determined to be a qualified domestic relations order, then the retirement system shall pay the segregated amounts without interest to the person or persons entitled thereto and shall thereafter pay benefits pursuant to the order.

(E) If a domestic relations order is determined not to be a qualified domestic relations order or if within eighteen months of the date a domestic relations order is received by the retirement system the issue as to whether the order is a qualified domestic relations order is not resolved, then the retirement system shall pay the segregated amounts without interest to the person or persons who would have been entitled to the amounts if there had been no order. This subsection must not be construed to limit or otherwise affect any liability, responsibility, or duty of a party with respect to any other party to the action out of which the order arose.

(F) Any determination that an order is a qualified domestic relations order which is made after the close of the eighteen‑month period must be applied prospectively only.

(G) The retirement systems, the board, and officers and employees of each retirement system are not liable to any person for making payments of any benefits in accordance with a qualified domestic relations order in a cause in which a member or a retired member was a party or for making payments in accordance with subsections (D) and (E) of this section.

(H) A court does not have jurisdiction over a retirement system with respect to a divorce or other domestic relations action in which an alternate payee’s right to receive all or a portion of the benefits payable to a member or retired member under the retirement system is created or established. A party to such an action who attempts to make the retirement system a party to the action contrary to the provision of this subsection is liable to the retirement system for its costs and attorney’s fees.

HISTORY: 1995 Act No. 38, Section 1, eff July 1, 1995 (became law without the Governor’s signature on April 27, 1995).

**SECTION 9‑18‑40.** Authorization of board to prescribe rules and promulgate regulations.

The board, as the governing body of the retirement system, may prescribe rules and promulgate regulations as it considers necessary to implement the provisions of this chapter.

HISTORY: 1995 Act No. 38, Section 1, eff July 1, 1995 (became law without the Governor’s signature on April 27, 1995).

**SECTION 9‑18‑50.** Death of alternate payee; effect.

The death of the alternate payee terminates any interest the alternate payee has in any retirement system and which is on account of a qualified domestic relations order. Upon proof of death of the alternate payee, the member, retired member, or beneficiary is entitled to receive the full amount of benefits payable in the future to the member, retired member, or beneficiary without reduction for the amount previously paid to the alternate payee.

HISTORY: 1995 Act No. 38, Section 1, eff July 1, 1995 (became law without the Governor’s signature on April 27, 1995).

**SECTION 9‑18‑60.** Maintenance by alternate payee of current residence address on file with retirement system; payment of benefits by system when alternate payee cannot be located.

(A) An alternate payee is responsible for maintaining a current residence address on file with the retirement system. The retirement system has no duty to locate any alternate payee other than by sending written notice to the last known address on file with the system.

(B) If the retirement system cannot locate an alternate payee when a benefit becomes payable, the retirement system shall hold the amount payable to the alternate payee and make payment without interest to the alternate payee if the payee is located within the following one hundred eighty days. If the alternate payee is not located within one hundred eighty days from the date the benefit became payable, the retirement system shall pay the amount held to the person who would have received the payment but for the qualified domestic relations order. If the alternate payee is subsequently located, the retirement system shall pay subsequent benefits in accordance with the qualified domestic relations order but the alternate payee’s interest in any amount already paid is extinguished.

HISTORY: 1995 Act No. 38, Section 1, eff July 1, 1995 (became law without the Governor’s signature on April 27, 1995).

**SECTION 9‑18‑70.** Right of retirement system to recoup mistaken payment.

If the retirement system determines that it has mistakenly paid amounts to an alternate payee or other person, it may recoup the mistaken payment by deducting the amount from future payments to be made to the alternate payee or the other person.

HISTORY: 1995 Act No. 38, Section 1, eff July 1, 1995 (became law without the Governor’s signature on April 27, 1995).

**SECTION 9‑18‑80.** Termination of membership in retirement system; effect on qualified domestic relations order.

If a member terminates membership in a retirement system by withdrawal of contributions, the retirement system shall pay all or a portion of the amount withdrawn to any alternate payee as directed by a qualified domestic relations order. Any qualified domestic relations order previously accepted with respect to the member’s benefits under that system is thereafter void. If the former member later resumes membership in the retirement system, no portion of any benefits subsequently payable on account of the member must be paid to the alternate payee, even if those benefits result in part from reinstatement of service credit initially credited during the marriage, unless the retirement system receives a qualified domestic relations order specifically requiring it to make the payments to the alternate payee.

HISTORY: 1995 Act No. 38, Section 1, eff July 1, 1995 (became law without the Governor’s signature on April 27, 1995).

**SECTION 9‑18‑90.** Reinstatement of service credit; deposit of entire amount withdrawn or refunded required.

A member who is reinstating service credit under a retirement system by depositing amounts previously withdrawn or refunded shall deposit the entire amount withdrawn or refunded, regardless of whether a portion or all of the amount was paid to an alternate payee.

HISTORY: 1995 Act No. 38, Section 1, eff July 1, 1995 (became law without the Governor’s signature on April 27, 1995).

**SECTION 9‑18‑100.** Administration of domestic relations order accepted by retirement system prior to effective date of chapter.

A domestic relations order accepted by the retirement system before July 1, 1995, must be administered by the retirement system in accordance with the provisions of the order and must not be rereviewed by the system for compliance with Section 9‑18‑20 unless the system is requested to do so by the court having jurisdiction over the matter. The retirement system, however, in its sole discretion, may require that any amendment of an accepted order that is received after June 30, 1995 meet the requirements of Section 9‑18‑20. For purposes of this section, an order is an “accepted order” only if the retirement system provided before July 1, 1995, written notice of its acceptance of the order to the member or retired member, and the alternate payee.

HISTORY: 1995 Act No. 38, Section 1, eff July 1, 1995 (became law without the Governor’s signature on April 27, 1995).