



A QDRO can help these people...

A QDRO is short for a Qualified Domestic Relations Order. This is an order that allows you transfer either portions or a whole retirement account between you and your spouse without either 1) the taxes being paid upon transfer and 2) penalty free. It's very common in Minnesota Divorces to do a QDRO (Hint: we divorce lawyers typically pronounce it as one word a QWAD-RO), but this little beauty is often not talked about very often and many people going through a divorce don't really understand the mechanism of how retirement money will be divided. My goal is to pull back the curtain on this topic.

Does A QDRO Mean I Get The Money Tax Free?

No, not really. All that a QDRO does is give you the ability to transfer any amount of your spouse's retirement account to your retirement account. There are very strict regulations about where it goes, how soon it must be deposited and into what accounts it must go. It doesn't mean that you get to take the money and convert it to cash in your pocket penalty or tax free. This is a confusing distinction as many people want to be able to use the money immediately to set up a new home or purchase a car because cash is almost always tight when getting divorced and your [credit score](#) will probably suffer.

Can I Do A QDRO Myself?

Hmmm, well can you physically attempt to type the order and comply with IRS and Minnesota State regulations? Yes, I suppose you can but I've never seen a *pro se* (what we call a person without an attorney) successfully complete a QDRO. QDRO's and the interplay with Minnesota divorce and tax law can be the most confusing and technical part of a divorce, if you have the money in a retirement account spend a small fraction of it on a good divorce lawyer who will ensure that the transfer is done the proper way.

How Long Does A QDRO Take To Complete?

As is always the case with Minnesota Court it takes a long time. 2-3 months is very standard for a QDRO to be conceived, agreed upon, approved by the retirement entity, approved by all parties and lawyers, sent to the Court Administrator, signed by the Judge, returned to each party and finally, filed with the retirement entity. If you are planning to use that money for something, be sure to factor in the months it will take to actually get the cash in your hand or your retirement account (and don't forget penalties!).

Who Actually Drafts The QDRO?

The lawyer does, but a good money saving tip is to have your spouse's lawyer draft it! A difficult QDRO can cost well over \$1,000 if the retirement entity is being particularly difficult, so a tip at mediation is to ask the other side to draft the QDRO.

A QDRO is an essential tool and one that you should ask about when looking for a [divorce lawyer](#), ask them if they experience with a QDRO or DRO (a very similar concept), if not move on. As always, if you have any comments or questions about what a QDRO is and how it interplays with your Divorce, feel free to email me at Jkohlmeier@rokolaw.com or call me at:

Rosengren Kohlmeier
Law Office Chtd.
Mankato, Minnesota
507-625-5000

©2012 Roko Law Inc. Originally published at [my divorce blog](#).