

October 01, 2013 /**24-7PressRelease**/ -- Keeping track of all your retirement accounts can become complicated. For example, what happened to a 401(k) from a prior employer? Did a spouse work enough years to vest in a state-employee pension? The one employer, 30-year career model is no longer as common as in past years.

In Ohio, retirement benefits acquired during a marriage are marital property and divided equitably or fairly between the spouses. To ensure a fair [property division](#), it is important to itemize all retirement savings accounts.

Types of retirement benefits

Retirement accounts come with many tax savings and defer wages for future use during retirement. Employers generally provide either a defined contribution plan (i.e. 401(k), 403(b) or 457 accounts) or a defined benefit plan, also referred to as a pension (examples include, the State Teachers Retirement System, Federal Employees Retirement System and Military Benefits). Few private companies offer pensions with defined monthly benefits anymore. However, many government employers offer both a pension and a 401(k)-style savings account.

Private plans augment employer-provided accounts. These include traditional IRAs, Roth IRAs and self-employed retirement plans.

The value and division of accounts

A 401(k) statement provides the value of an account as of a given date. Determining the present value of monthly retirement benefits for a pension is much more difficult. Adding to the complexities, any contributions made to an account before marriage and the appreciation are premarital. This portion of the account is not divided.

A pension could be divided so that each spouse receives one-half of the defined monthly benefit. Another method of division is for one spouse to keep several smaller accounts, while the other spouse keeps a larger account. In some cases, a larger award of a retirement account will offset a separate asset of a similar value - for instance, the equity in the home.

Ohio divorce planning must include a review of retirement accounts

Written by Australian Business

An Ohio Division of Property Order or a Qualified Domestic Relations Order (QDRO) may be needed to transfer interests in retirement plans. The Ohio specific order will transfer an interest in a state pension plan. The QDRO tells a federal "qualified" plan administration how to divide an account. These forms have complicated requirements that an experienced Ohio family law attorney can explain. Taxes and early withdrawal penalties can reduce the value of the account if not transferred correctly.

Reviewing beneficiary designations of all retirement accounts is important. Often these take precedence over a will or trust.

Military pensions

In a [military divorce](#) , pensions often come with additional considerations. Those who have served in the uniformed services for 20 years often can receive retired pay. Under the Uniformed Services Former Spouses' Protection Act, state courts can divide a military pension. A typical share to a former spouse is often one-half. However, any portion of nontaxable VA disability pay is not divided. This is just one potential difference from a state or federal pension.

Retirement accounts build in value over the years. Once a year or quarterly review may mean they are not at the top of your mind. It is easy to make mistakes when dealing with retirement accounts during a divorce. A forgotten account or improper transfer can prove costly. An Ohio family law attorney can guide you through the process of dividing retirement accounts.

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