

Moon, Schwartz & Madden

Marital Property Valuation Consultants

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May 7, 2025

Ms. Joe Smith, Esq.
(via e-mail only)

Re: Marriage of Doe

Dear Attorney:

I have evaluated the State Universities Retirement System of Illinois (SURS) pension benefits for John Doe, as you requested.

Valuation of Benefits

In my opinion, the actuarial present value of the benefits accrued as of 11/27/2017 (the date of his termination of employment) is \$370,742¹. The marital share proportion is .8000, which makes the marital share worth \$296,593.

Characterization determined by the “*Hunt*” Formula²

The marital share was estimated based on 20.00 years of service credit accrued between the date of marriage and the date of termination divided by a total of 25.00 years of service credit accrued as of the date of termination.

Statistical Information and Valuation Assumptions

The amount of the pension benefit accrued as of his date of termination was calculated from the SURS Tier 1 “Portable” formula for general members in the plan booklet, based on salary information provided by your office.³ Mr. Doe’s average salary was estimated to be \$11,190.45 per month between 2015 and 2017.

The valuation and marital share proportion therein were based on the following:

Participant/Member:	John Doe (male)
Date of Birth:	03/03/1964
Date of Certification:	12/06/2010
Date of Marriage:	05/31/2012

¹ All values stated in this report are pre-tax except as noted otherwise.

² *In re Marriage of Hunt*, 78 Ill. App. 3d 653, 397 N.E.2d 511 (Ill. App. Ct. 1979)

³ “General” member assumed as documentation provided did not clarify.

Date of Divorce:	TBD
Date of Termination:	11/27/2017
Date of Valuation:	05/07/2025
Benefit Payable:	\$1,846.42 per month @ 62
Pre-retirement growth:	None
Cost-of-Living:	3.00% (compounded)
Mortality Table:	PubT-2010 mortality, projected generationally for mortality improvement using Scale MP-2021 ⁴

Discount Rate: 5.62% (FTSE Pension Liability Index for April, 2025)

The values stated within this report represent the estimated actuarial present value of the monthly benefit and does not represent an actual lump sum amount payable by the plan. SURS does offer a lump sum which is twice the member contributions and interest (valued at \$229,374.40 as of 10/14/2021).

The values given above are for the Portable defined benefit pension plan only and do not include the value of benefits expected from participation in any other plan (such as the SURS Retirement Savings Plan (RSP)).

This report applies to the above referenced defined benefit pension plan(s) only and does not include the value of benefits expected from participation in any other plan(s) (such as a 401(k), 403(b) or other defined contribution plan).

The findings in this report conform to the Actuarial Standard of Practice (ASOP) Rule #34, "Actuarial Practice Concerning Retirement Plan Benefits in Domestic Relations Actions".

Feel free to call me if you have any questions and thank you for the opportunity to be of service.

Sincerely,

John C. Madden

John C. Madden

Legal Disclaimer: The information provided in this report is not intended to be, does not constitute, and should not be relied upon as legal advice. Moon, Schwartz & Madden ("MSM") does not provide legal advice and our services cannot and should not be relied upon as legal advice.

⁴ Based on 26 CFR 1.430(h)(3)-1 - Mortality tables used to determine present value, and "Actuarial Standard of Practice No. 34" from the Actuarial Standards Board. The Society of Actuaries' Retirement Plans Experience Committee (RPEC) elected not to issue MP-2022 (mortality improvement assumptions for measuring pension obligations) until further data is compiled regarding COVID deaths.

MOON, SCHWARTZ & MADDEN

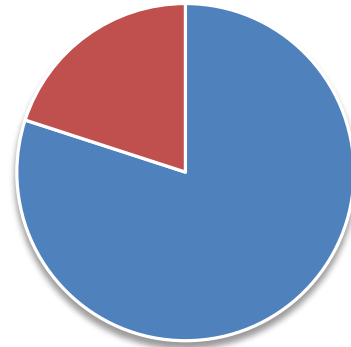
Summary Table

Participant: John Doe
 Plan Name: SURS - Tier 1
 Participant DOB: 3/3/64
 Gender: Male
 Mortality Table: PubG-2010 (Healthy)
 Mortality Improvement Scale: MP-2021 (Generational)
 COLA: 3.00%
 Valuation Date: 5/7/25

Marital Percentage: 80.000%

Total Value: \$380,228
 Non-Marital Value: \$76,046
 Marital Value: \$304,183

Characterization



■ Marital ■ Non-Marital

Characterization as of: 11/27/17

Year	Age	Annual Benefit	Probability of Survival	Actuarial Present Value	Year	Age	Annual Benefit	Probability of Survival	Actuarial Present Value
2026	62-63	\$22,212	0.995	\$20,464	2055	92-93	\$53,915	0.356	\$3,309
2027	63-64	\$22,879	0.990	\$19,824	2056	93-94	\$55,533	0.317	\$2,866
2028	64-65	\$23,565	0.984	\$19,195	2057	94-95	\$57,199	0.279	\$2,458
2029	65-66	\$24,272	0.978	\$18,577	2058	95-96	\$58,915	0.243	\$2,087
2030	66-67	\$25,000	0.971	\$17,968	2059	96-97	\$60,682	0.210	\$1,755
2031	67-68	\$25,750	0.964	\$17,369	2060	97-98	\$62,503	0.179	\$1,459
2032	68-69	\$26,523	0.956	\$16,777	2061	98-99	\$64,378	0.152	\$1,201
2033	69-70	\$27,318	0.948	\$16,193	2062	99-100	\$66,309	0.127	\$977
2034	70-71	\$28,138	0.939	\$15,615	2063	100-101	\$68,298	0.105	\$786
2035	71-72	\$28,982	0.928	\$15,042	2064	101-102	\$70,347	0.085	\$626
2036	72-73	\$29,852	0.917	\$14,474	2065	102-103	\$72,458	0.069	\$493
2037	73-74	\$30,747	0.905	\$13,910	2066	103-104	\$74,632	0.055	\$384
2038	74-75	\$31,670	0.892	\$13,348	2067	104-105	\$76,870	0.044	\$296
2039	75-76	\$32,620	0.878	\$12,788	2068	105-106	\$79,177	0.034	\$226
2040	76-77	\$33,598	0.862	\$12,227	2069	106-107	\$81,552	0.027	\$170
2041	77-78	\$34,606	0.844	\$11,666	2070	107-108	\$83,998	0.020	\$128
2042	78-79	\$35,644	0.825	\$11,103	2071	108-109	\$86,518	0.016	\$95
2043	79-80	\$36,714	0.804	\$10,537	2072	109-110	\$89,114	0.012	\$70
2044	80-81	\$37,815	0.781	\$9,969	2073	110-111	\$91,787	0.009	\$51
2045	81-82	\$38,950	0.756	\$9,396	2074	111-112	\$94,541	0.007	\$37
2046	82-83	\$40,118	0.729	\$8,819	2075	112-113	\$97,377	0.005	\$27
2047	83-84	\$41,322	0.699	\$8,239	2076	113-114	\$100,299	0.004	\$20
2048	84-85	\$42,561	0.667	\$7,657	2077	114-115	\$103,307	0.003	\$14
2049	85-86	\$43,838	0.633	\$7,076	2078	115-116	\$106,407	0.002	\$10
2050	86-87	\$45,153	0.597	\$6,497	2079	116-117	\$109,599	0.002	\$8
2051	87-88	\$46,508	0.559	\$5,925	2080	117-118	\$112,887	0.001	\$6
2052	88-89	\$47,903	0.519	\$5,363	2081	118-119	\$116,273	0.001	\$4
2053	89-90	\$49,340	0.479	\$4,816	2082	119-120	\$119,762	0.001	\$3
2054	90-91	\$50,820	0.438	\$4,288	2083	119-120	\$119,762	0.001	\$3

* MSM does not provide financial, legal or tax advice and our valuations are based on our understanding of valuation principals and plan provisions. The simplified summary table provided above is for illustration purposes only and does not reflect the complete actuarial present value of the monthly benefits.

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QDRO and Valuation Consultants

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CURRICULUM VITAE FOR JOHN C. MADDEN

EDUCATION

- BA in Finance/Real Estate, Temple University, Philadelphia, 1994

STOCK OPTIONS AND FINANCE EXPERIENCE

- Held Series 7 & 63 Licenses.
- Stock, Bond and Mutual Fund sales 1994
- Interest calculations/Mortgage refinancing 1994-1995
- Stock Option valuations since 1995
- Professional market maker in stock options, Philadelphia/Pacific Stock Exchange '95-99

CONSULTING EXPERIENCE

- Partner with Moon, Schwartz & Madden since 2004, Associate 1999-2003
- QDRO and Pension Valuation preparation since 1999.
- Executive Committee Member of the Qualified Domestic Relations Order National Education Society ("QDRONES"), an organization of attorneys and valuation experts who specialize in issues related to the division of retirement benefits.
- Founding member of **QDRO Counsel™**, a legal services company providing online preparation of QDROs and valuation reports.
- Member of the American Academy of Economic and Financial Experts (AAEFE)
- Volunteer with the Western States Pension Assistance Project
- Board of Directors / Wayne Thiebaud Foundation (2022)

COURT QUALIFIED EXPERT WITNESS

- Qualified as an expert witness in actuarial pension valuations, annuities, stock options and (Q)DROs in the following counties:

California: Alameda, El Dorado, Los Angeles, Marin, Sacramento, Santa Clara, San Diego, San Mateo, Solano, Sutter, Placer and Contra Costa counties.

Illinois: Cook County – pension valuations, survivor benefits and annuities

New Mexico: Santa Fe, Valencia counties - pension valuations, survivor benefits and annuities

Magistrates Court of Western Australia: Admitted as Single Expert Witness pursuant to Part 15 Division 5, Subdivisions 4, 5 and 6, of the Family Court Rules 2021 (WA), for the valuation of Federal Employees' Retirement System (FERS) and Thrift Savings Plan (TSP) benefits.

PUBLICATIONS

- “It’s a simple 401(k) QDRO, what could go wrong?” – *Los Angeles Family Law Section*, Fall 2020 Issue, Volume 18, Number 3.
- “How to correctly value the community property interest in a public retirement plan such as SBCERS, CalPERS or CalSTRS” – *Santa Barbara Lawyer*, April 2020, Issue 571.
- “Marital Property in Illinois Public Pension Plans (Parts I&II): Actuarial Valuation, QILDROs and the QILDRO Discount” – *Illinois State Bar Association Family Law Newsletter*, April/May 2024, Vol 67, No 8 and No. 9.
- “A closer look at *In Re Marriage of Zamudio* and the potential impact on the allocation of early retirement subsidies in divorce (Parts I & 2) (*In Re Marriage of Zamudio*, 2019 IL 124676)” – *Illinois State Bar Association Family Law Newsletter*, October/December 2024, Vol 68, No 3 and No. 5.

(M)CLE SPEAKING ENGAGEMENTS

American Academy of Matrimonial Lawyers (AAML) Symposium
The Rutter Group, Retirement Plan Seminar
Association of Certified Family Law Specialists (ACFLS)
Continuing Education of the Bar – California (CEB)
Collaborative Practice California Annual Conference
Financial Planning Association of Northern California
Sacramento Collaborative Practice Group
Southern California Mediation Association (SCMA)
Family Mediation Institute Alameda County
Estate Planning Council of Diablo Valley
Co-Presentation with CalSTRS Community Property Manager, Valerie Kingdom
Sacramento Law Library
University of the Pacific, McGeorge School of Law
Law Offices of Jeffery M. Leving, Ltd. (Illinois)

As well as presentations to the following Bar Associations:

Contra Costa County
Alameda County
Fresno County
Marin County
Napa County
Orange County
Placer County
Sacramento County
San Francisco County
San Joaquin County
San Mateo County

Stanislaus County
Santa Clara County
Solano County
Riverside County
North County San Diego
Los Angeles County
Long Beach
Beverly Hills
South Bay
Chicago Bar Assoc.-Young Lawyers Section
Illinois Paralegal Association-Family Law