

Salt Lake City 401(k) Retirement Investments Lawyer

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For many couples, 401(k)s and other retirement/investment accounts may be the most valuable asset that needs to be divided during the property division element of a divorce. The fact that these funds need to be divided can sometimes be a surprise to people. Many feel that they worked for that money, and it should be theirs. You do get to keep contributions from before the marriage. However, funds added to an account during the marriage are considered the product of the marriage and could be divided in half. When you are facing divorce and you are concerned about the division of retirement and investment accounts, ***having an experienced attorney as your guide can be the best step you can take toward making sure that you are able to effectively pursue the resolution you need.*** Come to the Law Office of David Pedrazas for help from a [Salt Lake City divorce lawyer](#) with 15 years of experience.

Types of Retirement Accounts

Retirement accounts are usually defined benefit plans or defined contribution plans. In a defined benefit plan, the employer agrees to pay a specified benefit when an employee retires or leaves the company. Usually, an employee must stay a specified period before the employee is entitled to receive the benefit.

In a defined contribution plan, the employee contributes to the plan and, at some specified time (usually retirement age), the employee withdraws monthly payments from the plan. Employees can take any contributed money with them when they go. However, if the employer provides matching funds, the matching funds may be subject to some duration requirement.

Common Defined Contribution Retirement Plans Include:

- **Individual Retirement Account (IRA).** An IRA lets you contribute pre-tax dollars that earn interest tax-free. You pay tax on withdrawn money.
- **Roth IRAs.** You can contribute post-tax dollars to a Roth IRA, and the money earns interest tax-free. You do *not* pay taxes on money you withdraw.
- **401(k).** A 401(k) plan is a defined contribution plan for employees of for-profit businesses.
- **403(b).** A 403(b) plan is a defined contribution plan for government employees and employees of non-profit organizations.

Deferred Compensation Plans

- **457.** A 457 plan is deferred compensation plan for government employees and other non-profit employees. The employer pays some or all of the employee's compensation directly into the plan, where it earns interest tax-free until the employee withdraws it.
- **Supplemental Executive Retirement Plan (SERP).** A SERP is a deferred compensation plan offered to a business's key employees, such as executives.

Factors That Affect the Division of 401(k) and Other Retirement Plans:

The courts seek an equitable division of property, not necessarily an equal one. Therefore, it is difficult to make accurate predictions. However, **the courts generally exclude from division any funds contributed to a plan before the marriage. The courts also tend to leave a retirement plan with the party who contributed to it and use other marital property to cure remaining inequities.** The Salt Lake City, Utah courts may also consider when the couple separated and whether one of the parties has done something unreasonable, like

destroying, spending, or giving away marital property.

Dividing Retirement Accounts Requires What is Known as a QDRO or Qualified Domestic Relation Order

If the court divides a pension or retirement account, the court will issue a special order called a Qualified Domestic Relations Order, or QDRO. ***The QDRO orders and authorizes the plan administrator to disburse the funds to someone other than the named beneficiary, such as the other spouse.*** The QDRO must explain to the plan administrator precisely how to divide the funds, who receives each portion, and how to distribute each portion.

Experienced Salt Lake City Family Law Representation Dedicated To Protecting Your Rights And Best Interests

At the Law Office of David Pedrazas, PLLC, hidden assets ***attorney David Pedrazas provides the experienced representation you need to ensure that all aspects of dividing a retirement or investment account are done properly so that you receive your fair share of any accounts.*** With more than 15 years of experience and having helped clients through more than 1,000 divorce and family law cases, David Pedrazas understands what is important to his clients. He knows how important these financial issues can be, and he will work to ensure you are treated fairly. ***Turn to the Law Office of David Pedrazas in Salt Lake City Utah, for the skill and experience you need. To schedule a free initial consultation, call 801-263-7078 or [contact us online](#).***