

BENEFICIARY DESIGNATION OF FORMER SPOUSE

1999 GENERAL SESSION

STATE OF UTAH

Sponsor: Karen Hale

AN ACT RELATING TO HUSBAND AND WIFE; PROVIDING FOR THE AUTOMATIC REVOCATION OF ANY BENEFICIARY DESIGNATION FOR THE FORMER SPOUSE UPON FINAL DECREE OF DIVORCE; AND PROVIDING FOR EXCEPTIONS.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

30-3-7.5, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **30-3-7.5** is enacted to read:

30-3-7.5. Revocation of death benefits by divorce or annulment.

(1) Upon the entry of a decree of annulment or divorce on and after May 3, 1999, any revocable beneficiary designation contained in a then existing written contract owned by one party that provides for the payment of any death benefit to the other party is revoked. A death benefit prevented from passing to a former spouse by this section shall be paid as if the former spouse had predeceased the decedent. The payor of any death benefit shall be discharged from all liability upon payment in accordance with the terms of the contract providing for the death benefit, unless the payor receives written notice of a revocation under this section prior to payment.

(2) The term "death benefit" includes any payments under a life insurance contract, annuity, § ~~[retirement arrangement]~~ **QUALIFIED RETIREMENT PLAN OR INDIVIDUAL RETIREMENT ACCOUNT** § , compensation agreement, or other contract designating a beneficiary of any right, property, or money in the form of a death benefit.

(3) This section does not apply:

(a) to the extent a decree of annulment or divorce from the bond of matrimony, or a written agreement of the parties provides for a contrary result as to specific death benefits; or

28 (b) to any trust or any death benefit payable to or under any trust.

Legislative Review Note
as of 2-1-99 1:48 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel