

1 **RETIREMENT DEATH BENEFITS AND**
2 **DIVORCE REVISIONS**

3 2008 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Lyle W. Hillyard**

6 House Sponsor: Lorie D. Fowlke



8 **LONG TITLE**

9 **Committee Note:**

10 The Retirement and Independent Entities Interim Committee recommended this bill.

11 **General Description:**

12 This bill modifies the Utah State Retirement and Insurance Benefit Act by allowing
13 certain life insurance benefits to be split in the case of a court order due to a divorce.

14 **Highlighted Provisions:**

15 This bill:

- 16 ▶ defines benefits that are subject to a domestic relations order to include a death
17 benefit provided under a group insurance policy in order to allow the group
18 insurance policy to be split along with other retirement benefits as part of a
19 domestic relations order issued by a court for the division of assets; and

- 20 ▶ makes technical amendments.

21 **Monies Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 AMENDS:

27 **49-11-612**, as last amended by Laws of Utah 2007, Chapter 130



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

Section 1. Section **49-11-612** is amended to read:

49-11-612. Domestic relations order benefits -- Nonassignability of benefits or payments -- Exemption from legal process.

(1) As used in this section, "domestic relations order benefits" means:

(a) an allowance;

(b) a defined contribution account established under Title 49, Chapter 11, Part 8,

Defined Contribution Plans;

(c) a continuing monthly death benefit established under:

(i) Title 49, Chapter 14, Part 5, Death Benefit;

(ii) Title 49, Chapter 15, Part 5, Death Benefit;

(iii) Title 49, Chapter 16, Part 5, Death Benefit;

(iv) Title 49, Chapter 17, Part 5, Death Benefit;

(v) Title 49, Chapter 18, Part 5, Death Benefit; or

(vi) Title 49, Chapter 19, Part 5, Death Benefit;

(d) a death benefit provided under a group insurance policy under:

(i) Title 49, Chapter 12, Part 5, Death Benefit; or

(ii) Title 49, Chapter 13, Part 5, Death Benefit; or

(e) a refund of member contributions upon termination.

~~[(1)]~~ (2) Except as provided in Subsections ~~[(2), (3), and (4)]~~ (3), (4), and (5), the right of any member, retiree, participant, covered individual, or beneficiary to any retirement benefit, retirement payment, or any other retirement right accrued or accruing under this title and the assets of the funds created by this title are not subject to alienation or assignment by the member, retiree, participant, or their beneficiaries and are not subject to attachment, execution, garnishment, or any other legal or equitable process.

~~[(2)]~~ (3) The office may, upon the request of the retiree, deduct from the retiree's allowance insurance premiums or other dues payable on behalf of the retiree, but only to those entities that have received the deductions prior to February 1, 2002.

~~[(3)]~~ (4) (a) The office shall provide for the division of ~~[an allowance, defined contribution account, continuing monthly death benefit, or refund of member contributions~~

59 upon termination to former spouses and family members under an order of a court of
60 competent jurisdiction with respect to domestic relations matters on file with the office]
61 domestic relations order benefits with former spouses and family members under an order of a
62 court of competent jurisdiction with respect to domestic relations matters on file with the
63 office.

64 (b) The court order shall specify the manner in which the [~~allowance, defined~~
65 ~~contribution account, continuing monthly death benefit, or refund of member contributions~~]
66 domestic relations order benefits shall be partitioned, whether as a fixed amount or as a
67 percentage of the benefit.

68 (c) [~~Allowances, continuing monthly death benefits, and refunds of member~~
69 ~~contributions~~] Domestic relations order benefits split under a domestic relations order are
70 subject to the following:

71 (i) the amount to be paid or the period for which payments shall be made under the
72 original domestic relations order may not be altered if the alteration affects the actuarial
73 calculation of the allowance;

74 (ii) payments to an alternate payee shall begin at the time the member or beneficiary
75 begins receiving payments; and

76 (iii) the alternate payee shall receive payments in the same form as allowances received
77 by the member or beneficiary.

78 (d) A court order under this section may not be issued more than 12 months after the
79 death of the member.

80 [~~(4)~~] (5) In accordance with federal law, the board may deduct the required amount
81 from any benefit, payment, or other right accrued or accruing to any member of a system, plan,
82 or program under this title to offset any amount that member owes to a system, plan, or
83 program administered by the board.

84 [~~(5)~~] (6) The board shall make rules to implement this section.

Legislative Review Note
as of 11-14-07 12:59 PM

Office of Legislative Research and General Counsel

S.B. 24 - Retirement Death Benefits and Divorce Revisions

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
