

1 **RETIREMENT SYSTEMS PAYMENTS TO SURVIVORS**

2 **AMENDMENTS**

3 2017 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Margaret Dayton**

6 House Sponsor: Keith Grover

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies the Utah State Retirement and Benefit Insurance Act by amending
11 provisions relating to retirement beneficiary designations.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ provides that the divorce or annulment of a member's marriage revokes any
- 15 beneficiary designation naming the divorced member's former spouse;
- 16 ▶ specifies the methods for reviving a former spouse as a member's designated
- 17 beneficiary in certain circumstances; and
- 18 ▶ makes technical changes.

19 **Money Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 This bill provides a special effective date.

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **49-11-609**, as last amended by Laws of Utah 2016, Chapter 227

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

28 Section 1. Section **49-11-609** is amended to read:

29 **49-11-609. Beneficiary designations -- Revocation of beneficiary designation --**

30 **Procedure -- Beneficiary not designated -- Payment to survivors in order established**
31 **under the Uniform Probate Code -- Restrictions on payment -- Payment of deceased's**
32 **expenses.**

33 (1) As used in this section, "member" includes a member, retiree, participant, covered
34 individual, a spouse of a retiree participating in the insurance benefits created by Sections
35 [49-12-404](#) ~~[and]~~, [49-13-404](#), [49-22-307](#), and [49-23-306](#), or an alternate payee under a domestic
36 relations order dividing a defined contribution account.

37 (2) ~~[The]~~ (a) Except as provided under Subsection (2)(b) or (c), the most recent
38 beneficiary designations signed by the member and filed with the office, including electronic
39 records, at the time of the member's death are binding in the payment of any benefits due under
40 this title.

41 (b) (i) The divorce or annulment of a member's marriage shall revoke the member's
42 former spouse as a beneficiary from any of the member's beneficiary designations.

43 (ii) A revocation of a former spouse as a beneficiary in accordance with Subsection
44 (2)(b)(i) does not revoke any other beneficiaries named on the member's beneficiary
45 designations.

46 (c) A former spouse whose beneficiary designation is revoked solely under Subsection
47 (2)(b) shall be revived on the member's beneficiary designations by:

48 (i) the member's remarriage to the former spouse; or

49 (ii) a nullification of the divorce or annulment.

50 (d) A revocation under Subsection (2)(b) does not apply to a former spouse named as a
51 beneficiary in a beneficiary designation signed by the member and filed with the office after the
52 date of the divorce or annulment.

53 (e) The office is not liable for having made a payment of any benefits to a beneficiary
54 designated in a beneficiary designation affected by a divorce, annulment, or remarriage before
55 the office received written notice of the divorce, annulment, or remarriage.

56 (3) (a) Except where an optional continuing benefit is chosen, or the law makes a
57 specific benefit designation to a dependent spouse, a member may revoke a beneficiary

58 designation at any time and may execute and file a different beneficiary designation with the
59 office.

60 (b) A beneficiary designation or change of beneficiary designation shall be completed
61 on forms provided by the office.

62 (4) (a) All benefits payable by the office may be paid or applied to the benefit of the
63 [~~surviving next of kin of the deceased~~] descendent's heirs in the order of precedence established
64 under Title 75, Chapter 2, Intestate Succession and Wills, if:

65 (i) no beneficiary is designated or if all designated beneficiaries have predeceased the
66 member;

67 (ii) the location of the beneficiary or secondary beneficiaries cannot be ascertained by
68 the office within 12 months of the date a reasonable attempt is made by the office to locate the
69 beneficiaries; or

70 (iii) the beneficiary has not completed the forms necessary to pay the benefits within
71 six months of the date that beneficiary forms are sent to the beneficiary's last-known address.

72 (b) (i) A payment may not be made to a person included in any of the groups referred
73 to in Subsection (4)(a) if at the date of payment there is a living person in any of the groups
74 preceding it.

75 (ii) Payment to a person in any group based upon receipt from the person of an
76 affidavit in a form satisfactory to the office that:

77 (A) there are no living individuals in the group preceding it;

78 (B) the probate of the estate of the deceased has not been commenced; and

79 (C) more than 30 days have elapsed since the date of death of the decedent.

80 (5) Benefits paid under this section shall be:

81 (a) a full satisfaction and discharge of all claims for benefits under this title; and

82 (b) payable by reason of the death of the decedent.

83 **Section 2. Effective date.**

84 This bill takes effect on July 1, 2017.