

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
SENATE  
115TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A " to S.P. 396, L.D. 1072, Bill, "An Act Regarding Survivor Benefits in the Event of Divorce and Remarriage"

Amend the bill by adding after the title and before the enacting clause the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the changes proposed by this legislation make available to divorcing spouses additional options for allocation of state retirements benefits; and

Whereas, these changes should be made available immediately to divorcing persons who must allocate resources before this legislation would otherwise become effective; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

Further amend the bill in the first line after the enacting clause (page 1, line 3 in L.D.) by inserting at the beginning the following: 'Sec. 1.'

Further amend the bill in that part designated "S17805-A." in subsection 1 by striking out all of paragraph B (page 1, lines 20 to 26 in L.D.) and inserting in its place the following:

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2 'B. The recipient and the original spouse must agree to the  
3 change of beneficiary. Prior to this agreement, the  
4 executive director shall ensure that the original spouse has  
5 been counseled by an employee of the retirement system  
6 regarding the financial effect of giving up rights as a  
7 beneficiary and has signed a statement that the information  
8 has been received and understood.'

9  
10 Further amend the bill in that part designated "§17805-A."  
11 in subsection 3 in the last line (page 1, line 39 in L.D.) by  
12 striking out the following: "receiving," and inserting in its  
13 place the following: 'receiving, plus the amount expected to be  
14 paid to the original spouse after the recipient's death.'

15  
16 Further amend the bill by inserting at the end before the  
17 statement of fact the following:

18 'Sec. 2. 5 MRSA §18405-A is enacted to read:

19 §18405-A. Divorce after retirement

20  
21 If the recipient of a reduced service retirement benefit  
22 under section 18404, subsection 3, 4 or 5 is granted a divorce,  
23 the following provisions apply.

24  
25 1. Election of benefit for different beneficiary. The  
26 recipient may elect to have the reduced retirement benefit paid  
27 under the same option to a different beneficiary under the  
28 following conditions:

29  
30 A. The original spouse must have been the sole beneficiary  
31 of the reduced retirement benefit under section 18404,  
32 subsection 3, 4 or 5; and

33  
34 B. The recipient and the original spouse must agree to the  
35 change of beneficiary. Prior to this agreement, the  
36 executive director shall ensure that the original spouse has  
37 been counseled by an employee of the retirement system  
38 regarding the financial effect of giving up rights as a  
39 beneficiary and has signed a statement that the information  
40 has been received and understood.

41  
42 2. Time and manner of election. The recipient may make the  
43 election at any time after the divorce is granted by:

44  
45 A. Sending a written request to the executive director; and

46  
47 B. Submitting evidence of the divorce.

48  
49 3. Amount of benefit. The amount of the benefit payable  
50 under the option elected is the actuarial equivalent, at the date  
51 of the beginning of payment of benefits under this section, of  
52

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2 the amount of reduced retirement benefit the recipient has been  
3 receiving, plus the amount expected to be paid to the original  
4 spouse after the recipient's death.

6 4. Effective date of coverage of new beneficiary. The  
7 effective date of the designation of the recipient's new  
8 beneficiary is the date the request is received. The recipient's  
9 retirement benefit must be adjusted on the first day of the month  
10 following the effective date of the new designation of  
11 beneficiary.

12 **Emergency clause.** In view of the emergency cited in the  
13 preamble, this Act takes effect when approved.

16 **FISCAL NOTE**

17 The Maine State Retirement System will be able to provide  
18 the additional services for divorcing spouses with existing staff  
19 and resources. No additional contributions for benefits or  
20 administration will be required.  
21

24 **STATEMENT OF FACT**

25 This amendment requires the Executive Director of the Maine  
26 State Retirement System to ensure that a spouse is counseled by  
27 an employee of the retirement system prior to agreeing to give up  
28 the right to a retirement benefit. The amendment changes the  
29 formula for calculation of the new beneficiary's benefit to be  
30 actuarially equivalent to the prior benefit. The amendment adds  
31 the provisions of the bill to the laws relating to participating  
32 local districts. The amendment also adds an emergency preamble  
33 and clause and a fiscal note to the bill.  
34  
35  
36

Reported by Senator McCormick for the Committee on Aging, Retirement  
and Veterans. Reproduced and Distributed Pursuant to Senate Rule 12.  
(5/15/91) (Filing No. S-161)