

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1072

S.P. 396

Received by the Secretary, March 11, 1991

Referred to the Committee on Aging, Retirement and Veterans and 1400 ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator CAHILL of Sagadahoc

Cosponsored by Senator CLARK of Cumberland, Senator WEBSTER of Franklin and Representative AULT of Wayne.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act Regarding Survivor Benefits in the Event of Divorce and Remarriage.



Be it enacted by the People of the State of Maine as follows:

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5 MRSA §17805-A is enacted to read:

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§17805-A. Divorce after retirement

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If the recipient of a reduced service retirement benefit under section 17804, subsection 3, 4 or 5 is granted a divorce the following provisions apply.

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

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A. The original spouse must have been the sole beneficiary of the reduced retirement benefit under section 17804, subsection 3, 4 or 5; and

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B. The recipient and the original spouse must both agree to the change of beneficiary. Prior to this agreement, the executive director shall see that the original spouse is informed of the financial effect of giving up rights as a beneficiary and shall obtain a signed statement from that spouse that this information has been provided and is understood.

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

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

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B. Submitting evidence of the divorce.

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3. Amount of benefit. The amount of the benefit payable under the option elected is the actuarial equivalent, at the date of the beginning of payment of benefits under this section, of the amount of reduced retirement benefit the recipient has been receiving.

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

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STATEMENT OF FACT

4 Under current law, when a retiree divorces, the retiree is
6 unable to remove the divorced spouse as the retirement survivor
8 benefit beneficiary. This bill allows a retiree to change
beneficiaries with the agreement of the original spouse, either
as part of a divorce agreement or at a later time.