

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 752

H.P. 561

House of Representatives, February 4, 1997

An Act to Include in the Legislative and Judicial Retirement Systems the Same Provisions for Post-retirement Divorce That Are in the Maine State Retirement System.

Submitted by the Maine State Retirement System pursuant to Joint Rule 204.
Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative HATCH of Skowhegan.
Cosponsored by Senator CATHCART of Penobscot and
Representatives: JOY of Crystal, SAMSON of Jay.

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

4 **Sec. 1. 3 MRSA §860** is enacted to read:

5 **§860. Divorce**

6
7 If a retiree who is the recipient of a reduced service
8 retirement allowance under section 857 is granted a divorce
9 either after retirement or before a retirement beneficiary is
10 named, the provisions of Title 5, section 17805-A apply on the
11 same basis as for members of the Maine State Retirement System.

12 **Sec. 2. 4 MRSA §1361** is enacted to read:

13 **§1361. Divorce**

14
15 If a retiree who is the recipient of a reduced regular
16 retirement allowance under section 1357, subsection 2, paragraph
17 B, C or D is granted a divorce either after retirement or before
18 a retirement beneficiary is named, subsections 1 to 4 apply.

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

23 **A.** The spouse or former spouse who was originally named as
24 retirement beneficiary must have been the sole beneficiary
25 of the reduced retirement benefit under section 1357,
26 subsection 2, paragraph B, C or D; and

27 **B.** The recipient and the spouse or former spouse who was
28 originally named retirement beneficiary must agree to the
29 change of beneficiary. Prior to this agreement, the
30 executive director shall ensure that the spouse or former
31 spouse who was originally named as retirement beneficiary
32 has been counseled by an employee of the retirement system
33 regarding the financial effect of giving up rights as a
34 beneficiary and has signed a statement that the information
35 has been received and understood.

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

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

39 **B.** Submitting evidence of the divorce.

2 3. Amount of benefit. The amount of the benefit payable
3 under the option elected is the actuarial equivalent, at the date
4 of the beginning of payment of benefits under this section, of
5 the amount of reduced retirement benefit the recipient has been
6 receiving, plus the amount expected to be paid to the original
7 spouse after the recipient's death.

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

14

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SUMMARY

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19 The law governing the Maine State Retirement System includes
20 provisions that enable retirees and their spouses who divorce
21 after retirement to agree to change the retiree's retirement
22 beneficiary. A change can be made only if the former spouse is
23 in agreement, and the former spouse must be counseled by
24 retirement system staff as to the financial effect of giving up
25 beneficiary status and rights. This bill enacts parallel
26 provisions in the laws governing the Maine Legislative Retirement
27 System and the Maine Judicial Retirement System.