

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## SECOND REGULAR SESSION-2006

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Legislative Document

No. 1850

H.P. 1290

House of Representatives, January 3, 2006

### **An Act To Clarify the Change of Beneficiary Provision in the Maine State Retirement System Laws**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 28, 2005. Referred to the Committee on Labor pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative MILLETT of Waterford.  
Cosponsored by Representative: DUPREY of Hampden.

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

2  
4       **Sec. 1. 5 MRSA §17805-A, sub-§1**, as amended by PL 2001, c. 118, §7, is further amended to read:

6       **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~~ if the spouse or former spouse who was originally named as retirement beneficiary is the sole beneficiary of the reduced retirement benefit under section 17804, subsection 3, 4, 5-A, 5-B, 5-C, 5-D or 5-E and:

14       ~~A. The spouse or former spouse who was originally named as retirement beneficiary must have been the sole beneficiary of the reduced retirement benefit under section 17804, subsection 3, 4, 5-A, 5-B, 5-C, 5-D or 5-E, and~~

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

28       C. The court-ordered disposition of property specifies that the recipient's service retirement benefit is set apart as the sole and exclusive property of the recipient.

32       **Sec. 2. 5 MRSA §18405-A, sub-§1**, as amended by PL 2001, c. 118, §11, is further amended to read:

36       **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~~ if the spouse or former spouse who was originally named as retirement beneficiary is the sole beneficiary of the reduced retirement benefit under section 18404, subsection 3, 4, 5-A, 5-B, 5-C, 5-D or 5-E and:

44       ~~A. The spouse or former spouse who was originally named as retirement beneficiary must have been the sole beneficiary of the reduced retirement benefit under section 18404, subsection 3, 4, 5-A, 5-B, 5-C, 5-D or 5-E, and~~

2 B. The recipient and the spouse or former spouse who was  
originally named retirement beneficiary must agree to the  
4 change of beneficiary. Prior to this agreement, the  
executive director shall ensure that the spouse or former  
6 spouse who was originally named as retirement beneficiary  
has been counseled by an employee of the retirement system  
8 regarding the financial effect of giving up rights as a  
beneficiary and has signed a statement that the information  
has been received and understood; or

10  
12 C. The court-ordered disposition of property specifies that  
the recipient's service retirement benefit is set apart as  
14 the sole and exclusive property of the recipient.

16 **SUMMARY**

18 This bill allows a retiree under the Maine State Retirement  
System to change the beneficiary of that person in the case of a  
20 divorce if the divorce judgment stipulates the retiree's pension  
rights are set apart as the sole and exclusive property of the  
22 recipient.