

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

SECOND REGULAR SESSION-2008

Legislative Document

No. 1996

S.P. 790

December 18, 2007

An Act To Allow Changes of Beneficiaries under the Maine Public Employees Retirement System

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

Received by the Secretary of the Senate on December 18, 2007. Referred to the Committee on Labor pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BENOIT of Sagadahoc.

Cosponsored by Representative PRESCOTT of Topsham and Senator: SNOWE-MELLO of Androscoggin, Representatives: GILES of Belfast, STRANG BURGESS of Cumberland.

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

2 **Sec. 1. 4 MRSA §1357, sub-§3**, as enacted by PL 1999, c. 744, §2, is amended to
3 read:

4 **3. Change of beneficiary.** If the recipient of a service retirement benefit has elected
5 an optional method of payment under subsection 2, paragraphs B to H, and has
6 designated someone other than a spouse or ex-spouse as sole beneficiary, the recipient is
7 ~~permitted a one-time~~ may change ~~in~~ the designated beneficiary, but may not ~~in~~ change the
8 already elected payment option or ~~in~~ the amount of the benefits under that option, by
9 filing a written designation of the new beneficiary, duly notarized, with the executive
10 director on a form provided or specified by the Maine Judicial Retirement System. The
11 change of beneficiary permitted by this subsection may only be made prior to the death of
12 the prior designated beneficiary.

13 A. The benefit payable to the recipient and the new beneficiary must be paid under
14 the same payment option. The amount of the recipient's benefit may not change, and
15 the amount of the new beneficiary's benefit must be the same as the amount of the
16 prior beneficiary's benefit.

17 B. The effective date of the designation of the new beneficiary is the date the
18 designation is received by the executive director. As of the first day of the month
19 following the effective date of the designation of the new beneficiary, the prior
20 beneficiary is no longer entitled to any benefit payment and, if concurrent payment
21 under subsection 2, paragraph E has been elected, the new beneficiary's benefit must
22 become effective on the same date.

23 C. The new beneficiary's entitlement to benefits ceases on the earlier of:

24 (1) The ~~date~~ of the new beneficiary's death; or

25 (2) The date established when the amount of the prior beneficiary's benefit was
26 established, which is the initial commencement date of benefits to the retiree
27 increased by the life expectancy of the prior beneficiary computed in years and
28 months using actuarial equivalence assumptions recommended by the system's
29 actuary.

30 Payment of benefits to the new beneficiary must cease as of the first day of the month
31 following the earlier of subparagraph (1) or (2).

32 **Sec. 2. 5 MRSA §17804, sub-§5-F**, as amended by PL 1999, c. 790, Pt. K, §1
33 and affected by §5, is further amended to read:

34 **5-F. Change of beneficiary.** If the recipient of a service retirement benefit has
35 elected an optional method of payment under subsection 3, 4, 5, 5-A, 5-B, 5-C, 5-D or 5-
36 E, and has designated someone other than a spouse or ex-spouse as sole beneficiary, the
37 recipient is ~~permitted a one-time~~ may change ~~in~~ the designated beneficiary, but may not
38 ~~in~~ change the already elected payment option or ~~in~~ the amount of the benefits under that
39 option, by filing a written designation of the new beneficiary, duly notarized, with the
40 executive director on a form provided or specified by the retirement system. The change

1 of beneficiary permitted by this subsection may only be made prior to the death of the
2 prior designated beneficiary.

3 A. The benefit payable to the recipient and the new beneficiary must be paid under
4 the same payment option. The amount of the recipient's benefit may not change, and
5 the amount of the new beneficiary's benefit must be the same as the amount of the
6 prior beneficiary's benefit.

7 B. The effective date of the designation of the new beneficiary is the date the
8 designation is received by the executive director. As of the first day of the month
9 following the effective date of the designation of the new beneficiary, the prior
10 beneficiary is no longer entitled to any benefit payment and, if concurrent payment
11 under subsection 5-B has been elected, the new beneficiary's benefit must become
12 effective on the same date.

13 C. The new beneficiary's entitlement to benefits ceases on the earlier of:

14 (1) The date of the new beneficiary's death; or

15 (2) The date established when the amount of the prior beneficiary's benefit was
16 established, which is the initial commencement date of benefits to the retiree
17 increased by the life expectancy of the prior beneficiary computed in years and
18 months using actuarial equivalence assumptions recommended by the system's
19 actuary.

20 Payment of benefits to the new beneficiary must cease as of the first day of the month
21 following the earlier of subparagraph (1) or (2).

22 **Sec. 3. 5 MRSA §18404, sub-§5-F, as amended by PL 1999, c. 790, Pt. K, §2**
23 **and affected by §5, is further amended to read:**

24 **5-F. Change of beneficiary.** If the recipient of a service retirement benefit has
25 elected an optional method of payment under subsection 3, 4, 5, 5-A, 5-B, 5-C, 5-D or 5-
26 E, and has designated someone other than a spouse or ex-spouse as sole beneficiary, the
27 recipient is ~~permitted a one-time~~ may change in the designated beneficiary, but may not
28 ~~in change~~ the already elected payment option or ~~in~~ the amount of the benefits under that
29 option, by filing a written designation of the new beneficiary, duly notarized, with the
30 executive director on a form provided or specified by the retirement system. The change
31 of beneficiary permitted by this subsection may only be made prior to the death of the
32 prior designated beneficiary.

33 A. The benefit payable to the recipient and the new beneficiary must be paid under
34 the same payment option. The amount of the recipient's benefit may not change, and
35 the amount of the new beneficiary's benefit must be the same as the amount of the
36 prior beneficiary's benefit.

37 B. The effective date of the designation of the new beneficiary is the date the
38 designation is received by the executive director. As of the first day of the month
39 following the effective date of the designation of the new beneficiary, the prior
40 beneficiary is no longer entitled to any benefit payment and, if concurrent payment
41 under subsection 5-B has been elected, the new beneficiary's benefit must become
42 effective on the same date.

- 1 C. The new beneficiary's entitlement to benefits ceases on the earlier of:
2 (1) The date of the new beneficiary's death; or
3 (2) The date established when the amount of the prior beneficiary's benefit was
4 established, which is the initial commencement date of benefits to the retiree
5 increased by the life expectancy of the prior beneficiary computed in years and
6 months using actuarial equivalence assumptions recommended by the system's
7 actuary.
- 8 Payment of benefits to the new beneficiary must cease as of the first day of the month
9 following the earlier of subparagraph (1) or (2).

10

SUMMARY

11 Current law allows a retiree to make a one-time change of the retiree's previously
12 designated beneficiary for retirement benefits without the permission of the beneficiary if
13 the beneficiary is not the spouse or former spouse of the retiree. This bill would allow a
14 retiree to change a previously designated beneficiary more than once.