

REVENUE: Revenue statement issued  
FISCAL: No fiscal impact

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Action: Do Pass  
Vote: 4 - 0 - 1  
Yeas: Avakian, Gordly, Monroe, Prozanski  
Nays: 0  
Exc.: Beyer  
Prepared By: Anna Braun, Administrator  
Meeting Dates: 3/7

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**WHAT THE MEASURE DOES:** Allows public employee's deferred compensation plan payments as part of a divorce judgment or order to a spouse, former spouse, child or dependent of a member to begin earlier than the date the employee would be eligible to receive payments. Modifies tax reporting requirements.

**ISSUES DISCUSSED:**

- Provisions of the measure

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The Public Employees Retirement System (PERS) is the administrator of a deferred compensation program for PERS members who wish to participate in the program. An alternate payee is a spouse, former spouse, child or other dependent of a PERS deferred compensation program participant. Presently an alternate payee's eligibility to commence payments is tied to the participant's eligibility to commence payments. HB 2286 allows a judgment or order to de-couple those requirements to bring the statute into agreement with federal tax law.

For tax reporting purposes, the statute currently requires any payment made to an alternate payee to be reported as a payment to the deferred payment participant. To establish consistency with current federal tax law, HB 2286 would retain this requirement only if the alternate payee is a child or dependent of the participant, but a payment to an alternate payee who is the spouse or former spouse of the participant would be reported as a payment to the alternate payee.