

REVENUE: No revenue impact  
FISCAL: May have fiscal impact, statement not yet issued  
SUBSEQUENT REFERRAL TO: None.

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**Action:**

**Vote:**

**Yeas:**

**Nays:**

**Exc.:**

**Prepared By:** Laura Handzel, Administrator

**Meeting Dates:** 2/4, 4/13

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**WHAT THE MEASURE DOES:** Allows certain death benefits available to members of Public Employees Retirement System and other public employer retirement plans to be paid to a former spouse as provided in judgment of annulment, dissolution of marriage, or separation. Limits application to benefits that accrue on behalf of member who dies on or after effective date. Declares emergency, effective upon passage.

**ISSUES DISCUSSED:**

- 2007 Oregon Court of Appeals case, *Rose v. Board of Trustees for Portland Fire Police Disability and Retirement Fund for City of Portland*
- Anomaly existing in current law regarding former spouse
- Frequency of anomaly's occurrence
- Equitability of dividing benefits when anomaly exists
- Comparisons to provisions of federal Employee Retirement Income Security Act
- Definition of "surviving spouse"
- Definition of "alternate payee"
- Tracking of marital status
- Whether Senate Bill 370 creates a new benefit or addresses an existing benefit
- Fiscal impact
- Work group discussions
- Additional amendments

**EFFECT OF COMMITTEE AMENDMENT:** Proposed -5 amendment clarifies language and makes more concise. Adds provisions to address divisions between spouse and former spouse of member. Specifies when public employer must provide retirement benefits to former spouse and/or dependent child in the event of member's death. States amendments do not affect any collective bargaining agreements entered into before effective date.

**BACKGROUND:** Current Oregon law states that payment of any death benefit under any public employer retirement plan that would otherwise be made to a person entitled to benefits under the plan shall be paid, in whole or in part, to an alternate payee if and to the extent expressly provided for in the terms of any court decree. ORS 237.600(1). Former spouses of plan members have been denied benefits on the grounds that they were not a "surviving spouse" as defined by fund provisions and consequently could not be considered an "alternate payee" under ORS 237.600(1) regardless of the terms of a court decree.

Senate Bill 370 allows certain death benefits to be paid to the former spouse of a public employer retirement plan member as provided in a judgment of annulment or dissolution of marriage or of separation. It additionally mandates that benefits be available to the former spouse after the effective date of any judgment of annulment or dissolution of marriage or of separation.

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***This summary has not been adopted or officially endorsed by action of the committee.***