

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 04/14/15

Action: Do Pass With Amendments. (Printed A-Eng.)

Meeting Dates: 02/04, 04/13, 04/14

Vote:

Yeas: 5 - Burdick, Gelser, Kruse, Prozanski, Thatcher

Prepared By: Laura Handzel, Administrator

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. 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. Limits application to benefits that accrue on behalf of member who dies on or after effective date. States amendments to ORS 237.620 do not affect any collective bargaining agreements entered into before 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 and frequency of occurrence
- Equitability of dividing benefits when anomaly exists
- Comparisons to provisions of federal Employee Retirement Income Security Act
- Definitions of "surviving spouse" and "alternate payee"
- Tracking of marital status
- Whether the bill creates a new benefit or addresses an existing benefit
- Fiscal impact
- Work group discussions and additional amendments

EFFECT OF COMMITTEE 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 to ORS 237.620 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. 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-A 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. Senate Bill 370-A additionally addresses divisions between a member's current and former spouse, as well as dependent children. The bill limits application to benefits accruing on behalf of a member who dies on or after the effective date and explicitly states it does not affect any collective bargaining agreements entered into before its effective date. Senate Bill 370-A declares an emergency and is effective upon passage.