

HB 1783 with HCA 1, HCA 2 and HCA 3 -- RETIREMENT BENEFITS

SPONSOR: Barnes

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Civil and Criminal Proceedings by a vote of 7 to 4.

This bill specifies that a court may issue a domestic relations order dividing county employee's retirement benefits between the parties to a dissolution of marriage action if the court finds that requiring one of the parties to the marital dissolution to make an equalization payment to reflect the value of the benefits would work an undue hardship on such party and the order complies with rules adopted by the board relating to the division of benefits pursuant to a marital dissolution.

The bill specifies that any local government employees' retirement system pension, annuity, life allowance, benefit, or right is marital property and after January 1, 2017, a court may divide the pension, annuity, life allowance, benefit, or right between the parties to any action for dissolution of marriage. A division of benefits order under these provisions must follow specifications outlined in the bill.

A system established by the provisions must provide the court with information necessary to issue a division of benefits order concerning a member of the system upon written request from the court, the member, or the member's spouse, which cites these provisions and identifies the case number and parties.

Any retirement plan otherwise exempt from a qualified domestic relations order under federal law and not included in the provisions of this section must, beginning January 1, 2017, recognize qualified domestic relations orders issued by a court of competent jurisdiction in the state in the same manner as nonexempt retirement plans.

HCA#1: This amendment exempts teacher retirements from the provisions of the bill.

HCA#2: This amendment exempts MOSERS from the provisions of the bill.

HCA#3: This amendment specifies the court must find the QDRO (qualified domestic relations order) is in the best interests of at least one of the parties.

PROPONENTS: Supporters say that this bill deals with the division of pension benefits in a divorce. Under current law, all pensions

are subject to a QDRO; this does not apply to all public pensions. If one of the parties to a divorce is not subject to a QDRO, then the court must order an equalization payment, which can cripple the party that must make that payment.

Testifying for the bill were Representative Barnes and Carla Holste.

OPPONENTS: Those who oppose the bill say that they object to the bill as is; there is an existing policy that creates a separation for nonsocial security plan members. This bill should not apply to the Public School Retirement System; Section 169.572, RSMo, is the statute that currently exempts out teacher pensions.

Testifying against the bill were Missouri National Education Association; Missouri State Teachers Association; and Jim Kreider, Missouri Retired Teachers Association.

OTHERS: Others testifying on the bill say MODOT already has a system to deal with the division of these benefits and would like to be exempted; MOSERS already has a division of benefits plan in place, and wants to be exempted.

Testifying on the bill were Missouri Department Of Transportation and Missouri State Employees Retirement System.