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State of Minnesota  
HOUSE OF REPRESENTATIVES

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HOUSE FILE No. **814**

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The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform,  
Technology and Elections

1.1 A bill for an act  
1.2 relating to retirement; authorizing a bounce-back annuity when marriage  
1.3 dissolution decree revokes joint and survivor annuity form; amending Minnesota  
1.4 Statutes 2008, section 518.58, subdivisions 3, 4; proposing coding for new law in  
1.5 Minnesota Statutes, chapter 356.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. [356.48] REVOCATION OF OPTIONAL ANNUITY DUE TO  
1.8 MARRIAGE DISSOLUTION OR ANNULMENT.

1.9 Subdivision 1. Covered plans. This section applies to the following retirement  
1.10 plans:

1.11 (1) the general employee retirement plan of the Public Employees Retirement  
1.12 Association established under chapter 353;

1.13 (2) the public employees police and fire retirement plan established under chapter  
1.14 353;

1.15 (3) the local government correctional employees retirement plan of the Public  
1.16 Employees Retirement Association established under chapter 353E; and

1.17 (4) the Teachers Retirement Association established under chapter 354.

1.18 Subd. 2. Treatment. (a) The treatment specified in this section applies if, after  
1.19 the accrual date of an annuity or benefit from an applicable plan or plans, a marriage  
1.20 dissolution decree or annulment decree specifies that the designation of an optional annuity  
1.21 must be revoked and if the other requirements specified in this section are satisfied.

1.22 (b) Notwithstanding any law to the contrary, if the applicable pension plan or plans  
1.23 have provisions of law that revise the monthly benefit amount payable to the primary  
1.24 annuitant upon the death of the individual named to the second half of a joint and survivor  
1.25 annuity, the monthly benefit amount must be recomputed as though the individual that

2.1 had been named to receive the second half of the joint and survivor annuity died on the  
 2.2 date a certified copy of the marriage dissolution or annulment decree is received by the  
 2.3 chief administrative officer.

2.4 Subd. 3. **Restrictions.** (a) This section does not apply if the marriage dissolution  
 2.5 decree or annulment decree is not consistent with the requirements under section 518.58.

2.6 (b) The pension plan benefit recipient must not designate, and the court may not  
 2.7 require that the member designate, a subsequent optional annuity beneficiary.

2.8 (c) This section does not apply if more than one surviving individual was named to  
 2.9 share in the second half of the joint and survivor annuity.

2.10 Subd. 4. **Submission of documentation.** To receive the treatment provided in  
 2.11 this section, an eligible retiree or disabilitant must provide, to the chief administrative  
 2.12 officer of the applicable pension plan, a certified copy of the marriage dissolution or  
 2.13 annulment decree. The retiree or disabilitant and the joint annuitant must also submit a  
 2.14 form, prescribed by the chief administrative officer of the applicable pension plan and  
 2.15 signed by both individuals, requesting the annuity bounce back as provided in subdivision  
 2.16 2. The individuals must also provide any other documentation the chief administrative  
 2.17 officer may request.

2.18 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 2.19 and applies retroactively to any marriage dissolution decree or annulment decree requiring  
 2.20 the revocation of an optional annuity form granted within two years prior to the date of  
 2.21 enactment. Payment of any benefit adjustment, if applicable, is prospective only. Payment  
 2.22 of any revised benefit amount relating to any period prior to the day following final  
 2.23 enactment is prohibited.

2.24 Sec. 2. Minnesota Statutes 2008, section 518.58, subdivision 3, is amended to read:

2.25 **Subd. 3. Sale or distribution while proceeding pending.** (a) If the court finds  
 2.26 that it is necessary to preserve the marital assets of the parties, the court may order the  
 2.27 sale of the homestead of the parties or the sale of other marital assets, as the individual  
 2.28 circumstances may require, during the pendency of a proceeding for a dissolution of  
 2.29 marriage or an annulment. If the court orders a sale, it may further provide for the  
 2.30 disposition of the funds received from the sale during the pendency of the proceeding.  
 2.31 ~~If liquid or readily liquidated marital property other than property representing vested~~  
 2.32 ~~pension benefits or rights is available, the court, so far as possible, shall divide the property~~  
 2.33 ~~representing vested pension benefits or rights by the disposition of an equivalent amount~~  
 2.34 ~~of the liquid or readily liquidated property.~~

3.1 (b) The court may order a partial distribution of marital assets during the pendency  
 3.2 of a proceeding for a dissolution of marriage or an annulment for good cause shown or  
 3.3 upon the request of both parties, provided that the court shall fully protect the interests  
 3.4 of the other party.

3.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.6 Sec. 3. Minnesota Statutes 2008, section 518.58, subdivision 4, is amended to read:

3.7 Subd. 4. **Pension plans.** (a) The division of marital property that represents pension  
 3.8 plan benefits or rights in the form of future pension plan payments:

3.9 (1) is payable only to the extent of the amount of the pension plan benefit payable  
 3.10 under the terms of the plan;

3.11 (2) is not payable for a period that exceeds the time that pension plan benefits are  
 3.12 payable to the pension plan benefit recipient;

3.13 (3) is not payable in a lump-sum amount from defined benefit pension plan assets  
 3.14 attributable in any fashion to a spouse with the status of an active member, deferred  
 3.15 retiree, or benefit recipient of a pension plan;

3.16 (4) if the former spouse to whom the payments are to be made dies prior to the end  
 3.17 of the specified payment period with the right to any remaining payments accruing to an  
 3.18 estate or to more than one survivor, is payable only to a trustee on behalf of the estate or  
 3.19 the group of survivors for subsequent apportionment by the trustee; and

3.20 (5) in the case of defined benefit public pension plan benefits or rights, may not  
 3.21 commence until the public plan member submits a valid application for a public pension  
 3.22 plan benefit and the benefit becomes payable.

3.23 (b) The individual retirement account plans established under chapter 354B may  
 3.24 provide in its plan document, if published and made generally available, for an alternative  
 3.25 marital property division or distribution of individual retirement account plan assets. If an  
 3.26 alternative division or distribution procedure is provided, it applies in place of paragraph  
 3.27 (a), clause (5).

3.28 (c) If liquid or readily liquidated marital property other than property representing  
 3.29 vested pension benefits or rights is available, the court, so far as possible, shall divide the  
 3.30 property representing vested pension benefits or rights by the disposition of an equivalent  
 3.31 amount of the liquid or readily liquidated property.

3.32 (d) If sufficient liquid or readily liquidated marital property other than property  
 3.33 representing vested pension benefits or rights is not available, the court may order the  
 3.34 revocation of the designation of an optional annuity beneficiary in pension plans specified  
 3.35 in section 356.48 or in any other pension plan in which plan-governing law or governing

4.1 documents allow revocation of an optional annuity in marital dissolution or annulment  
4.2 situations.

4.3 **EFFECTIVE DATE.** (a) This section is effective the day following final enactment.

4.4 (b) This section applies retroactively, for plans specified in section 1, to any marriage  
4.5 dissolution decree or annulment decree requiring the revocation of an optional annuity  
4.6 form granted within two years prior to the date of enactment.