

1 **RETIREMENT SYSTEMS PAYMENTS TO SURVIVORS**

2 **AMENDMENTS**

3 2017 GENERAL SESSION

4 STATE OF UTAH

5

6 **LONG TITLE**

7 **General Description:**

8 This bill modifies the Utah State Retirement and Benefit Insurance Act by amending
9 provisions relating to retirement beneficiary designations.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ provides that the divorce or annulment of a member's marriage revokes any
- 13 beneficiary designation naming the divorced member's former spouse;
- 14 ▶ specifies the methods for reviving a former spouse as a member's designated
- 15 beneficiary in certain circumstances; and
- 16 ▶ makes technical changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 This bill provides a special effective date.

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **49-11-609**, as last amended by Laws of Utah 2016, Chapter 227

24

25 *Be it enacted by the Legislature of the state of Utah:*

26 Section 1. Section **49-11-609** is amended to read:

27 **49-11-609. Beneficiary designations -- Revocation of beneficiary designation --**
28 **Procedure -- Beneficiary not designated -- Payment to survivors in order established**
29 **under the Uniform Probate Code -- Restrictions on payment -- Payment of deceased's**
30 **expenses.**

31 (1) As used in this section, "member" includes a member, retiree, participant, covered

32 individual, a spouse of a retiree participating in the insurance benefits created by Sections
33 49-12-404 [~~and~~], 49-13-404, 49-22-307, and 49-23-306, or an alternate payee under a domestic
34 relations order dividing a defined contribution account.

35 (2) [~~The~~] (a) Except as provided under Subsections (2)(b) or (c), the most recent
36 beneficiary designations signed by the member and filed with the office, including electronic
37 records, at the time of the member's death are binding in the payment of any benefits due under
38 this title.

39 (b) (i) The divorce or annulment of a member's marriage shall revoke the member's
40 former spouse as a beneficiary from any of the member's beneficiary designations.

41 (ii) A revocation of a former spouse as a beneficiary in accordance with Subsection
42 (2)(b)(i) does not revoke any other beneficiaries named on the member's beneficiary
43 designations.

44 (c) A former spouse whose beneficiary designation is revoked solely under Subsection
45 (2)(b) shall be revived on the member's beneficiary designations by:

46 (i) the member's remarriage to the former spouse; or

47 (ii) a nullification of the divorce or annulment.

48 (d) A revocation under Subsection (2)(b) does not apply to a former spouse named as a
49 beneficiary in a beneficiary designation signed by the member and filed with the office after the
50 date of the divorce or annulment.

51 (e) The office is not liable for having made a payment of any benefits to a beneficiary
52 designated in a beneficiary designation affected by a divorce, annulment, or remarriage before
53 the office received written notice of the divorce, annulment, or remarriage.

54 (3) (a) Except where an optional continuing benefit is chosen, or the law makes a
55 specific benefit designation to a dependent spouse, a member may revoke a beneficiary
56 designation at any time and may execute and file a different beneficiary designation with the
57 office.

58 (b) A beneficiary designation or change of beneficiary designation shall be completed
59 on forms provided by the office.

60 (4) (a) All benefits payable by the office may be paid or applied to the benefit of the
61 [~~surviving next of kin of the deceased~~] descendent's heirs in the order of precedence established
62 under Title 75, Chapter 2, Intestate Succession and Wills, if:

63 (i) no beneficiary is designated or if all designated beneficiaries have predeceased the
64 member;

65 (ii) the location of the beneficiary or secondary beneficiaries cannot be ascertained by
66 the office within 12 months of the date a reasonable attempt is made by the office to locate the
67 beneficiaries; or

68 (iii) the beneficiary has not completed the forms necessary to pay the benefits within
69 six months of the date that beneficiary forms are sent to the beneficiary's last-known address.

70 (b) (i) A payment may not be made to a person included in any of the groups referred
71 to in Subsection (4)(a) if at the date of payment there is a living person in any of the groups
72 preceding it.

73 (ii) Payment to a person in any group based upon receipt from the person of an
74 affidavit in a form satisfactory to the office that:

75 (A) there are no living individuals in the group preceding it;

76 (B) the probate of the estate of the deceased has not been commenced; and

77 (C) more than 30 days have elapsed since the date of death of the decedent.

78 (5) Benefits paid under this section shall be:

79 (a) a full satisfaction and discharge of all claims for benefits under this title; and

80 (b) payable by reason of the death of the decedent.

81 Section 2. **Effective date.**

82 This bill takes effect on July 1, 2017.