

Legislative Analysis



ELIGIBLE DOMESTIC RELATIONS ORDER: MODIFY DEFINITION

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House Bill 5682
Sponsor: Rep. Kurt Heise
Committee: Judiciary

Complete to 9-12-12

A SUMMARY OF HOUSE BILL 5682 AS INTRODUCED 5-29-12

The bill would amend the definition of "eligible domestic relations order" pertaining to pension rights in public retirement systems during divorce proceedings in order to allow a period of time for a domestic relations order determined not to be an EDRO to be corrected.

The Eligible Domestic Relations Order Act applies to the payment of public employee retirement system assets to alternate payees, such as a former spouse, child, or dependent of a participant or spouse under a judgment of separate maintenance. Under the act, a domestic relations order must be filed *before* the participant's retirement allowance effective date. If a public retirement system determines that a domestic relations order is not an EDRO (for example, one or more of the required elements to be an eligible EDRO is not met), the retirement system must promptly notify the participant and the alternate payee of that determination and the reasons why it is not an EDRO. The participant, alternate payee, or court may file an amended domestic relations order with the retirement system.

House Bill 5682 would modify the definition of "eligible domestic relations order" or "EDRO" contained in the act (MCL 38.1702) to specify that *if* the domestic relations order is filed *before* the participant's retirement allowance effective date, *but* the retirement system determined the order failed to qualify as an EDRO, there would be a 60-day period from the date that the retirement system notified the parties during which the parties could file an amended domestic relations order that would qualify as an EDRO. During that 60-day time period, the participant's retirement allowance effective date would not occur. Further, the 60-day period would not limit the parties from filing an EDRO at any time before the participant's retirement effective date.

FISCAL IMPACT:

The bill would have no fiscal impact on state or local government.

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