



HOUSE BILL 469: Amend Equitable Distribution Laws.

2019-2020 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	April 8, 2019
Introduced by:	Rep. Stevens	Prepared by:	Wendy Ray
Analysis of:	PCS to First Edition H469-CSSU-16		Staff Attorney

OVERVIEW: *House Bill 469 modifies the law pertaining to equitable distribution of pension, retirement, and deferred compensation benefits.*

The PCS makes technical corrections to the bill.

CURRENT LAW: G.S. 50-20.1 governs the way pension, retirement, and deferred compensation benefits are treated in actions for equitable distribution of marital property.

BILL ANALYSIS: House Bill 469 changes the law on equitable distribution of pension, retirement, and deferred compensation benefits in the following ways:

- Makes clarifying changes by replacing the term "plan" with "plan, program, system or fund" and by specifying the benefits distributed are "marital" benefits.
- Defines and uses the term "participant-spouse" as a spouse who is a participant in a plan, program, system, or fund.
- Clarifies the permissible methods for distribution of vested and nonvested benefits.
- Prohibits a court from ordering the administrator of a plan to distribute funds to a nonparticipant spouse except as permitted by the plan.
- Provides a formula to determine the marital portion of the benefits subject to distribution by the court and relieves the parties and the court of having to establish present value of monthly pension benefits.
- Provides a rebuttable presumption that the court use a "separate interest" approach in division of benefits if the applicable plan allows it. If the "separate interest" approach is not used, allows the court to award all or a portion of a survivor annuity to the nonparticipant spouse.
- If a plan deems a distribution order unacceptable, allows a court to clarify or correct the order, upon motion of a party, to comply with any specific technical requirements of the plan.
- Allows parties the ability to file a claim for the entry of an order enforcing the terms of a valid written agreement providing for the distribution of pension, retirement, or deferred compensation benefits, regardless of whether a claim for equitable distribution has been filed.

EFFECTIVE DATE: This act becomes effective October 1, 2019, and applies to distributions on or after that date.

Tawanda Foster, counsel to the House Judiciary Committee, substantially contributed to this summary.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578