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TO: Legislative Commission on Pensions and Retirement

FROM: James E. Heidelberg, Assistant Director 

RE: Summaries of Legislation Enacted in 1987 Regular Session

DATE: June, 1987

I. Provisions Applying to All Public Employee Pension Plans

A. Laws 1987, Chapter 372 (HF 1159)

Article 6, Sections 1 and 2, provides that all money held or credited to a plan as assets, including contributions, state aid, appropriations from the state or a governmental subdivision, and accrued investment earnings constitute a dedicated fund that can be used only for the payment of benefits and reasonable administrative expenses. No assets may be loaned or transferred to the state or a governmental subdivision or be used to amortize an unfunded actuarial accrued liability of another public pension plan. The provisions apply to all public employee pension plans in the state, including supplemental retirement plans and volunteer firefighter plans.

Article 10, Sections 1 and 2, authorize a public pension fund to request opinions from the attorney general.

B. Laws 1987, Chapter 157 (HF 940)

The act provides for a division of pension rights as marital property in a marriage dissolution action. The present value of the accrued pension benefit is included in marital property and can be divided up by the court with other marital property. A pension fund must write separate annuity checks to a divorced spouse in the event that there are insufficient other liquid assets to divide up at the time of the dissolution. Benefit payments to a divorced spouse do not start until the member retires. Each pension fund assumes a new administrative task of keeping track of spouses as well as members.

C. Laws 1987, Chapter 284 (HF 1213)

Article 2, Sections 3 and 4, amend the general statutory provisions concerning the wages, conditions, and hours of employment in the state. The sections limit the application of the mandatory retirement provision to private sector employers by removing reference to public sector employers, and they delete obsolete language.

