

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 990
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Jurisprudence
3/22/2007
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 79th Legislature, Regular Session, 2005, amended Section 3.007, Family Code, to provide definitions for separate and community property with defined benefit plans. These definitions may not cover all of the property involved in the defined benefit plans.

C.S.S.B. 990 restores the historical application of separate and community property law principles in defined benefit plans, both in the formation and interpretation of qualified domestic relations orders and in the portions of divorce decrees relating to defined benefit plans.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 3.007(d), Family Code, as follows:

(d) Provides that the numerator in the fraction used to calculate the separate property interest of a spouse who was granted before marriage an employer-provided restricted stock option plan or employer-provided restricted stock plan that required continued employment during marriage and following the date of dissolution of the marriage before the grant could be exercised or the restriction removed, is the period from the date of dissolution of the marriage until the date the grant could be exercised or the restriction removed. Provides the method for calculating the separate property interest, if the option or stock was granted to the spouse during the marriage but required continued employment following the date of dissolution of the marriage, rather than after marriage, before the grant could be exercised or the restriction removed. Deletes existing text regarding the numerator being the period from the date of termination of the marriage.

SECTION 2. Repealer: Section 3.007(a) (providing that a spouse who is a participant in a defined benefit retirement plan has a separate property interest in the monthly accrued benefit the spouse had a right to receive on normal retirement age, as defined by the plan, as of the date of marriage, regardless of whether the benefit had vested), Section 3.007(b) (relating to community property in a defined benefit plan), and Section 3.007(f) (regarding recalculation of the marital property interest in an option or restricted stock), Family Code.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or September 1, 2007.