



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 13

MEETING DATE: April 15, 2026

SUBJECT: Marital Dissolution Policy

SUBMITTED FOR: X Action Information

RECOMMENDATION

Approve amendments to the Dissolution of Marriage Documents Policy, rename to Marital Dissolution Policy, and recommend Board of Supervisors adopt Government Code section 31780.2.

PURPOSE/STRATEGIC PRIORITY

This item supports the Strategic Management Plan objectives to sustain board governance effectiveness and equip members with the education they need to make informed decisions that support long-term financial well-being and retirement readiness.

BACKGROUND

In May 2000, the Sacramento County Board of Supervisors adopted the provisions of Article 8.4 of the County Employees' Retirement Law of 1937 (CERL), which authorizes the division of community property interests in retirement benefits when a court order establishes the terms and conditions of a marital dissolution.

Prior to adopting Article 8.4, which was added to the CERL in 1994, SCERS generally divided community property interests using a "time rule" formula based on the court's judgment of dissolution. Under this approach, the nonmember spouse's share was calculated as a proportion of the member's total service earned during the marriage, and payment to the nonmember spouse was deferred until the member retired and began receiving benefits.

Following the adoption and implementation of Article 8.4, SCERS gained the ability to establish a separate account for the nonmember spouse. This allows the nonmember spouse to receive their apportioned benefit independently, including the ability to elect payment timing and benefit options, rather than being contingent on the member's retirement.

To support consistent implementation of these newly-adopted provisions, SCERS and other CERL counties developed model Domestic Relations Orders (DROs), which provide

standardized language and structure for court orders dividing retirement benefits in accordance with the CERL and SCERS' administrative requirements.

DISCUSSION

In 2019, the Board adopted SCERS' Dissolution of Marriage Documents Policy (Policy) to address community property issues associated with member retirement applications. Applications are often delayed because SCERS must obtain and review divorce documents to ascertain the interests of a member and his or her former spouse in the member's retirement account. The Policy establishes deadlines for members to submit timely information and was amended later in 2019 and again in 2022 to reflect various practices that staff developed in response to recurring scenarios faced by members in connection with divorces and the retirement application process.

Pursuant to SCERS' practice of reviewing and refreshing policies every three years, Staff has re-evaluated the Policy to consider whether any amendments are necessary due to legal changes or practical experience. Staff also used this opportunity to review SCERS' procedures and forms when dividing community property interests.

The proposed amendments, including a new title for the Policy – the "Marital Dissolution Policy" – changes the Policy from merely addressing the requirement for submitting divorce documents to SCERS to a more comprehensive set of guidelines SCERS previously included with model DRO information packets.

The model DROs – one for active or deferred members, one for retirees – have not been updated since they were initially created by SCERS more than 20 years ago. As part of this Policy review, the Policy (and the model DROs and the informational guidelines) have been reviewed and revised with the assistance of outside counsel, Nossaman LLP. The proposed renamed Policy is consistent with current law and SCERS' administrative practices in cases where a member has been divorced.

Additionally, Staff is recommending that the Board authorize a request to the Board of Supervisors to adopt Government Code section 31780.2. Section 31780.2 allows for death benefits, reciprocity, optional retirement allowances and survivor allowances accorded to a spouse be similarly afforded to a domestic partner as defined in the California Family Code. Although SCERS' current practices already recognize domestic partnerships in this manner, there is no record of the Board of Supervisors having voted to make Section 31780.2 operative in Sacramento County as required by subsection (c) of the statute, which was adopted by the Legislature in 2001. A request to the Board of Supervisors to adopt Section 31780.2 will remedy this oversight and align with SCERS' current procedures in this regard.

ATTACHMENTS

- Board Order
- Current Dissolution of Marriage Documents Policy
- Proposed Marital Dissolution Policy

Prepared by:

/S/

Jason R. Morrish
General Counsel

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
April 15, 2026

AGENDA ITEM:

Marital Dissolution Policy

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to approve amendments to the Dissolution of Marriage Documents Policy, rename to Marital Dissolution Policy, and recommend Board of Supervisors adopt Government Code section 31780.2.

I HEREBY CERTIFY that the above order was passed and adopted on April 15, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Chris Giboney
Board President

Eric Stern
Chief Executive Officer and
Board Secretary



DISSOLUTION OF MARRIAGE DOCUMENTS POLICY

PURPOSE

The purpose of this policy is to obtain the necessary dissolution of marriage documents for purposes of filing a completed retirement application.

POLICY

An application for service retirement must be complete before a member may retire and receive retirement benefits. A complete application for service retirement benefits includes any marriage dissolution documents in any pending marital dissolution or legal separation action before the courts. If a joinder or other court order has been served on SCERS, or if the member states that a marital dissolution or legal separation with the non-member spouse is pending, then the member may submit a pending or incomplete application for service retirement, but the application will not be deemed complete until necessary marriage dissolution documents are received by SCERS.

A member who files an incomplete service retirement application has six (6) months to perfect or complete the application by submitting the necessary marriage dissolution documents. If the retirement application is not made complete within six (6) months of the initial filing, then the application will be canceled, and the member will have to file a new application. If the member files a subsequent application for retirement, the effective date of retirement must be no sooner than the date the subsequent application was filed with SCERS and cannot be retroactive to the requested effective retirement date in the prior incomplete retirement application.

The member may request in writing to the SCERS Chief Executive for a 60-day extension before the expiration of the 6-month grace period described above. No further extensions of the grace period will be granted after expiration of the 60-day extension. However the member may appeal to the Board of Retirement for a further extension pursuant to Sections E, F, and G of the Appeal of SCERS' Administrative Decisions Policy.

APPLICATION

1. Through notification in the retirement application materials, as well as inquiry from SCERS staff, SCERS is given notice of a prior dissolved marriage (divorce).
2. SCERS staff will request in writing (via written letter or email) the dissolution documents. The written request will inform the member that the retirement process cannot be completed without receipt, review, and approval of the necessary documents. The necessary dissolution documents include, but are not limited to, any one or a combination of the following:

- Judgment of Dissolution (court order dissolving the marriage);
- Joinder (court order including SCERS in the underlying dissolution case);
- Domestic Relations Order (DRO) setting forth how SCERS is to administer the benefit between the member and ex-spouse; or
- Marital Settlement Agreement that sets forth the terms of the divorce – child support, spouse support, community property, debts, property, etc.

In any dissolution proceeding in which the non-member spouse intends to claim a community property interest in assets or benefits from a SCERS account, the parties should obtain a joinder and DRO from the court. In the absence of a joinder and DRO, the non-member spouse runs the risk that SCERS may administer such assets and benefits as the member's sole and separate property.

3. Even in the absence of a joinder and DRO, however, if the potential community property interest in the assets or benefits is substantial, and if the available dissolution documents do not clearly deem such assets or benefits the separate property of the member, SCERS may, in its discretion, take steps to inquire into the rights of the non-member spouse before disbursing assets or benefits. Specifically, SCERS may (without limitation) require the member to:
 - Sign a declaration stating that the member and non-member spouse have previously agreed the account assets or benefits are to be the member's sole and separate property;
 - Sign a statement indemnifying SCERS from any loss or liability should the non-member spouse later assert an interest to account assets or benefits;
 - Obtain the non-member spouse's signature on a written waiver of interest in the account assets or benefits;
 - Sign a declaration stating that the member has no means of contacting the non-member spouse; or
 - Sign any other declaration explaining why it is legal, fair, and equitable that SCERS should administer the account assets or benefits as member's sole and separate property.

All of the above shall be considered dissolution documents necessary to the processing of the retirement application.

4. If no documents have been received within five (5) months, SCERS will send written notice to the applicant stating that the application will be canceled unless the necessary divorce documents are received within 6-months of the initial application, and the applicant will also be advised that a written request can be made to the Chief Executive for an additional 60-days.
5. A 60-day written request for extension will be automatically granted.
6. If no documents have been received after the 60-day extension, SCERS will notify the applicant in writing that the retirement application is canceled and that the member may appeal this decision within 30 days to the Board of Retirement pursuant to Sections E, F, and G of the Board Appeal of SCERS' Administrative Decisions Policy.

BACKGROUND

Article 8.4 of the County Employees Retirement Law of 1937 (CERL) governs the division of community property interests of a member's retirement benefits in SCERS after a marital dissolution or legal separation. If SCERS is properly served with a joinder in a marital dissolution or legal separation of a member, then SCERS must ascertain the community property interests of the non-member spouse as directed by a subsequent court order. SCERS is unable to complete the calculation of retirement benefits if the member's marital dissolution or legal separation is pending, and so the member cannot be retired until SCERS receives the necessary marriage dissolution documents.

RESPONSIBILITIES

Executive Owner: General Counsel

POLICY HISTORY

Date	Description
09-21-2022	Board approved amendments to policy
12-18-2019	Board approved amendments to policy
05-15-2019	Board adopted policy



MARITAL DISSOLUTION POLICY

PURPOSE

The purpose of this policy is to provide SCERS members with guidelines and direction with respect to the impact of dissolution of marriage, legal separation and termination of domestic partnership proceedings on SCERS' administration of benefits.

POLICY

As a general rule, SCERS benefits are only payable to Members, their survivors, and beneficiaries. However, the law recognizes an exception to this general rule in cases involving the dissolution of a Member's marriage. A Nonmember former spouse has a community property interest in a Member's account accumulated during the marriage and SCERS is obligated to preserve and ascertain that interest as directed by the courts. SCERS cannot complete any calculation of retirement benefits while a marital dissolution or legal separation is pending and, as such, a Member cannot be retired until SCERS receives the necessary marital dissolution documents.

SCERS extends to a Member's eligible registered domestic partner the same benefits that SCERS affords to a Member's spouse under this policy and applicable provisions of the County Employees' Retirement Law of 1937 (CERL) to the extent permitted by law. As a condition of this extension of rights, SCERS may require that the Member and the Member's domestic partner have a current Affidavit of Domestic Partnership, in the form adopted by the Sacramento County Board of Supervisors, on file with the County for at least one year prior to the Member's retirement or death prior to retirement.

SCERS will administer the termination of a domestic partnership in the same manner as a dissolution of marriage under this policy. Accordingly, unless this policy expressly provides otherwise, the same procedures, requirements and forms apply to a domestic partner and the termination of a domestic partnership. For purposes of this policy, the term "spouse" includes a domestic partner. References in this policy (and any related documents) to "marriage," "dissolution of marriage" or "judgment of dissolution" include the analogous domestic partnership terms, including termination of domestic partnership and judgment of dissolution or nullity of domestic partnership as applicable.

APPLICATION

1. Required Dissolution Documents

Through notification in the retirement application materials, as well as inquiry from SCERS staff, SCERS may be given notice of a prior dissolved marriage or domestic partnership (divorce). SCERS will request the dissolution documents in writing (via written letter or

email). The written request will inform the Member that the retirement process cannot be completed without receipt, review, and approval of the necessary documents.

The necessary dissolution documents include, but are not limited to, any one or a combination of the following:

- Judgment of Dissolution (court order dissolving the marriage);
- Joinder (court order including SCERS in the underlying dissolution case);
- Domestic Relations Order (“DRO”) setting forth how SCERS is to administer the benefit between the Member and former spouse; or
- Marital Settlement Agreement that sets forth the terms of the divorce (child support, spouse support, community property, debts, property, etc.).

In any dissolution proceeding in which a Nonmember intends to claim a community property interest in assets or benefits from a SCERS account, the parties should obtain a joinder and DRO from the court. In the absence of a joinder and DRO, the Nonmember runs the risk that SCERS may administer such assets and benefits as the Member’s sole and separate property.

Even in the absence of a joinder and DRO, however, if the potential community property interest in the assets or benefits is substantial, and if the available dissolution documents do not clearly deem such assets or benefits the separate property of the Member, SCERS may, in its discretion, take steps to inquire into the rights of the Nonmember spouse before disbursing assets or benefits. Specifically, SCERS may (without limitation) require the Member to:

- sign a declaration stating that the Member and Nonmember spouse have previously agreed that the account assets or benefits are to be the Member’s sole and separate property;
- sign a statement indemnifying SCERS from any loss or liability should the Nonmember spouse later assert an interest in account assets or benefits;
- obtain the Nonmember spouse’s signature on a written waiver of interest in the account assets or benefits;
- sign a declaration stating that the Member has no means of contacting the Nonmember spouse; or
- sign any other declaration explaining why it is legal, fair, and equitable that SCERS should administer the account assets or benefits as the Member’s sole and separate property.

All of the above shall be considered dissolution documents necessary to the processing of the retirement application. SCERS’ Legal Division will assist the Benefits Division with review and approval of the dissolution documents.

2. Time to Complete Retirement Application

A Member who files an incomplete service retirement application has six (6) months to perfect or complete the application by submitting the necessary marriage dissolution documents. If the retirement application is not made complete within six (6) months of the initial filing, then the application will be canceled, and the Member must file a new application.

If the Member files a subsequent application for retirement, the effective date of retirement must be no sooner than the date the subsequent application was filed with SCERS and cannot be retroactive to the requested effective retirement date in the prior incomplete retirement application.

If no documents have been received within five (5) months, SCERS will send written notice to the applicant stating that the application will be canceled unless the necessary divorce documents are received within six (6) months of the initial application, and the applicant will also be advised that a written request can be made to SCERS Chief Executive Officer for an additional sixty (60) days. Said request will be automatically granted, but no further extensions will be considered. However, the Member may appeal to the Board of Retirement for a further extension pursuant to Sections 5-7 of SCERS' Administrative Appeals Policy.

If no documents have been received after the sixty (60) day extension, and no appeal to the Board of Retirement for a further extension is filed, SCERS may notify the applicant in writing that the retirement application is canceled. The Member may appeal this decision to the Board of Retirement pursuant to Sections 5-7 of SCERS' Administrative Appeals Policy.

3. Dividing a Retirement Account

The law allows the court to provide for the allocation of a Member's SCERS retirement benefits at the time of dissolution in accordance with the principles discussed in the Policy. SCERS will make sample DRO forms and informational guidelines available to Members upon request and on the SCERS website.

- If the Member is not already retired, model Domestic Relations Order "A" splits the account proportionally based on the terms of the underlying Judgment of Dissolution and allows each party to make an independent decision on how to handle the account.
- If the Member is already retired, model Domestic Relations Order "D" divides the Member's retirement allowance proportionally based on the terms of the underlying Judgment of Dissolution.
 - When a Member's former spouse or partner is receiving or is entitled to receive payments from SCERS pursuant to an order of the court dividing the community property interest in the Member's retirement allowance, and the Member already has retired and is receiving retirement allowance payments from SCERS, the former spouse may designate one or more beneficiaries who shall receive those payments following the death of the former spouse until the death of the Member. If there is no designated beneficiary, payment shall be made to the estate of the former spouse. Those payments shall terminate upon the death of the Member.
 - Consistent with those policies, SCERS will not accept or implement any order (including a judgment or marital settlement agreement incorporated into a judgment) which provides that the Nonmember's community property interest

in a Member's retirement allowance terminates upon the Nonmember's death or automatically "reverts" to the Member if the Nonmember predeceases the Member, unless the Nonmember also is ordered to, and does, identify the Member as the Nonmember's beneficiary.

- o Nothing in this policy prevents a Nonmember former spouse or partner from designating the Member as a beneficiary. SCERS does not administer automatic reversion provisions that operate without a beneficiary designation.

Each party to the DRO gains sole control over his or her separate account. Unless specified otherwise in the DRO, neither party has a right to any other information regarding the other party's actions relative to their separate account, and such actions shall be deemed confidential. However, SCERS is authorized to advise: (a) the Member if the Nonmember withdraws or dies; and (b) the Nonmember if the Member retires or dies before the Nonmember.

Members and Nonmembers are not required to use SCERS' guidelines or model orders. The guidelines and model language are intended to provide the parties with reasonable flexibility, while facilitating the drafting of DROs that can be uniformly implemented by SCERS. Members and Nonmembers are encouraged to provide DROs to SCERS' Legal Division prior to filing with the court to assure administrative feasibility and compliance with the CERL and the California Family Code.

AUTHORITY

California Government Code Sections 31685 *et seq.*
 California Family Code Sections 297 *et seq.*, 2060 *et seq.*, 2610

RESPONSIBILITIES

Executive Owner: General Counsel

POLICY HISTORY

Date	Description
04-15-2026	Board renamed policy "Marital Dissolution Policy" and approved amendments
09-21-2022	Board approved amendments to policy
12-18-2019	Board approved amendments to policy
05-15-2019	Board adopted Dissolution of Marriage Documents Policy
05-23-2000	County Board of Supervisors adopted Article 8.4 of the CERL (California Government Code Sections 31685 <i>et seq.</i>)