



Recent Changes Impacting Pension Division

New Challenges to Dividing Military Retired Pay

NDAA17: Effective December 23, 2016, Congress amended the definition of Disposable Retired Pay in 10 U.S. Code §1408(a)(4) eliminating the ability to use the time-rule or traditional coverture method to divide military benefits for those divorced after the effective date. The Defense Finance and Accounting Service has posted a [notice](#) related to the change.

Howell v. Howell: This [US Supreme Court case](#) decided on May 15, 2017 reaffirms the federal preemption set out in *Mansell v. Mansell*. Basically, a state court is limited to considering the Disposable Retired Pay as marital property and may not force a service member to indemnify a former spouse upon election of disability benefits.

Our legal team has developed model language which explains and addresses these new challenges. We can even tailor the language to your specific needs.

[Download Military Language](#)

COLA Reductions for Ohio Public Plans

STRS: The Board of the State Teachers Retirement System of Ohio recently voted to reduce its annual cost of living adjustment (COLA) to 0% effective July 1, 2017. The [Board News posted on April 21, 2017](#) indicated an agreement to evaluate whether a COLA increase might be possible sometime in the next five years. You can read more about it [here](#).

SERS: At its September 15, 2016 board meeting, the School Employees Retirement System approved a plan to seek legislative changes to its COLA. The proposal includes changes that will tie COLA to CPI-W and suspend or delay COLA for three years. Since these changes require legislative approval, an effective date has not yet been determined. SERS has posted [details of the proposed changes](#) on its website.

Our actuarial team has made changes to the assumptions used in valuing these plans. We are happy to discuss the impact of these changes on your case.

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