

## **THE SPOUSAL RIGHTS PROVISIONS OF THE RESTORING PENSION PROMISES TO ALL WORKERS ACT WOULD INCREASE WOMEN'S RETIREMENT SECURITY**

Because women are more likely than men to be dependent upon their spouses' pension benefits, strong spousal pension protections are essential to women's retirement security. Many important advances in protecting spousal rights to public and private pension benefits were adopted in the 1980s, including the Civil Service Retirement Spouse Equity Act of 1984 and the Retirement Equity Act of 1984. Last year, Congress also took steps to improve spousal protections in private pensions and in the Railroad Retirement System in the Pension Protection Act. Despite passage of these improvements, many gaps in protection remain. **The Restoring Pension Promises to All Workers Act of 2007 would close several longstanding loopholes that deny spouses of federal employees access to pension benefits.**

**The Act would prevent widows and divorced widows from losing survivor annuities they are due.** Currently, under the Civil Service Retirement System (CSRS), if a civil service-covered employee dies while still employed, or leaves the federal government but then dies after retirement, the surviving spouse (or surviving former spouse if a divorce court order so provides) collects a CSRS survivor annuity. However, if an employee leaves federal employment and then dies before retirement, no survivor annuity is payable to the employee's surviving spouse, or to a former surviving spouse even if such benefits were awarded by a divorce court. This provision would permit spouses and former spouses to collect a CSRS survivor annuity to which they are otherwise entitled, no matter when the former employee dies.

**The Act would allow divorced spouses to collect their court-ordered share of retirement benefits when the employee-spouse becomes eligible to retire.** Under both CSRS and the Federal Employees Retirement System (FERS), a divorced spouse of a federal government employee may be awarded a share of the employee's retirement annuity by a divorce court. However, payments to the divorced spouse cannot begin until the employee retires and begins collecting. This makes the divorced spouse's access to court-ordered benefits dependent on the employee's decisions about retirement. This provision would permit former spouses who have been awarded a share of the retirement annuity to begin collecting it when the employee-spouse becomes *eligible* to retire.

**The Act would permit a small number of surviving spouses to collect a Special Civil Service Survivor Annuity.** This provision would aid surviving spouses divorced before 1978 who were left out of the relief provided by the Civil Service Retirement Spouse Equity Act of 1984.

**The Act would give Thrift Savings Plan balances to surviving spouses unless the spouse had consented to the designation of another beneficiary.** In the private sector, married employees must obtain spousal consent to designate someone other than their spouse as the beneficiary of their 401(k) account. However, federal employees are permitted to bypass their spouse and designate anyone they wish as the beneficiary of their Thrift Savings Plan (TSP) account, without obtaining spousal consent. This provision would give surviving spouses priority in the distribution of TSP account balances, but would permit employees to designate a different beneficiary with the spouse's written consent.

**By improving spousal protections, the Restoring Pension Promises to All Workers Act could make a big difference for women's retirement security.** (June 2007)