## **SENATE, No. 2750**

# STATE OF NEW JERSEY

### 215th LEGISLATURE

INTRODUCED MAY 13, 2013

**Sponsored by:** 

Senator SANDRA B. CUNNINGHAM

**District 31 (Hudson)** 

Senator ROBERT W. SINGER

**District 30 (Monmouth and Ocean)** 

**Co-Sponsored by:** 

Senators A.R.Bucco, Kyrillos and Bateman

### **SYNOPSIS**

Revises alimony laws, including eliminating permanent alimony and establishing guidelines for amount and duration of alimony awards.

#### **CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 6/7/2013)

2

1 AN ACT concerning alimony, amending N.J.S.2A:34-23 and N.J.S.2A:34-25, and supplementing Title 2A of the New Jersey Statutes.

4 5

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

6 7 8

9

10

11

12

13

14

15

16

17

18 19

20

21

22

23

24

25

26

27

2829

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

1. N.J.S.2A:34-23 is amended to read as follows:

2A:34-23. Alimony, maintenance.

Pending any matrimonial action or action for dissolution of a civil union brought in this State or elsewhere, or after judgment of divorce or dissolution or maintenance, whether obtained in this State or elsewhere, the court may make such order as to the alimony or maintenance of the parties, and also as to the care, custody, education and maintenance of the children, or any of them, as the circumstances of the parties and the nature of the case shall render fit, reasonable and just, and require reasonable security for the due observance of such orders, including, but not limited to, the creation of trusts or other security devices, to assure payment of reasonably foreseeable medical and educational expenses. Upon neglect or refusal to give such reasonable security, as shall be required, or upon default in complying with any such order, the court may award and issue process for the immediate sequestration of the personal estate, and the rents and profits of the real estate of the party so charged, and appoint a receiver thereof, and cause such personal estate and the rents and profits of such real estate, or so much thereof as shall be necessary, to be applied toward such alimony and maintenance as to the said court shall from time to time seem reasonable and just; or the performance of the said orders may be enforced by other ways according to the practice of the court. Orders so made may be revised and altered by the court from time to time as circumstances may require.

The court may order one party to pay a retainer on behalf of the other for expert and legal services when the respective financial circumstances of the parties make the award reasonable and just. In considering an application, the court shall review the financial capacity of each party to conduct the litigation and the criteria for award of counsel fees that are then pertinent as set forth by court rule. Whenever any other application is made to a court which includes an application for pendente lite or final award of counsel fees, the court shall determine the appropriate award for counsel fees, if any, at the same time that a decision is rendered on the other issue then before the court and shall consider the factors set forth in the court rule on counsel fees, the financial circumstances of the parties, and the good or bad faith of either party. The court may not

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

order a retainer or counsel fee of a party convicted of an attempt or conspiracy to murder the other party to be paid by the party who was the intended victim of the attempt or conspiracy.

- a. In determining the amount to be paid by a parent for support of the child and the period during which the duty of support is owed, the court in those cases not governed by court rule shall consider, but not be limited to, the following factors:
  - (1) Needs of the child;

- (2) Standard of living and economic circumstances of each parent;
  - (3) All sources of income and assets of each parent;
- (4) Earning ability of each parent, including educational background, training, employment skills, work experience, custodial responsibility for children including the cost of providing child care and the length of time and cost of each parent to obtain training or experience for appropriate employment;
- (5) Need and capacity of the child for education, including higher education;
  - (6) Age and health of the child and each parent;
  - (7) Income, assets and earning ability of the child;
- 21 (8) Responsibility of the parents for the court-ordered support of others;
  - (9) Reasonable debts and liabilities of each child and parent; and
  - (10) Any other factors the court may deem relevant.

The obligation to pay support for a child who has not been emancipated by the court shall not terminate solely on the basis of the child's age if the child suffers from a severe mental or physical incapacity that causes the child to be financially dependent on a parent. The obligation to pay support for that child shall continue until the court finds that the child is relieved of the incapacity or is no longer financially dependent on the parent. However, in assessing the financial obligation of the parent, the court shall consider, in addition to the factors enumerated in this section, the child's eligibility for public benefits and services for people with disabilities and may make such orders, including an order involving the creation of a trust, as are necessary to promote the well-being of the child.

As used in this section "severe mental or physical incapacity" shall not include a child's abuse of, or addiction to, alcohol or controlled substances.

- b. In all actions brought for divorce, dissolution of a civil union, divorce from bed and board, legal separation from a partner in a civil union couple or nullity the court may award one or more of the following types of alimony: **[**permanent alimony; **]** rehabilitative alimony; limited duration alimony or reimbursement alimony to either party. In so doing the court shall consider, but not be limited to, the following factors:
- (1) The actual need and ability of the parties to pay;

(2) The duration of the marriage or civil union;

- (3) The age, physical and emotional health of the parties;
- (4) The standard of living established in the marriage or civil union and the likelihood that each party can maintain a reasonably comparable standard of living;
- (5) The earning capacities, educational levels, vocational skills, and employability of the parties;
- (6) The length of absence from the job market of the party seeking maintenance;
  - (7) The parental responsibilities for the children;
- (8) The time and expense necessary to acquire sufficient education or training to enable the party seeking maintenance to find appropriate employment, the availability of the training and employment, and the opportunity for future acquisitions of capital assets and income;
- (9) The history of the financial or non-financial contributions to the marriage or civil union by each party including contributions to the care and education of the children and interruption of personal careers or educational opportunities;
- (10) The equitable distribution of property ordered and any payouts on equitable distribution, directly or indirectly, out of current income, to the extent this consideration is reasonable, just and fair;
- (11) The income available to either party through investment of any assets held by that party;
- (12) The tax treatment and consequences to both parties of any alimony award, including the designation of all or a portion of the payment as a non-taxable payment; and
  - (13) Any other factors which the court may deem relevant.

The court may attribute income to a party upon finding that the party is voluntarily unemployed or underemployed based on that party's age, physical and emotional health, earning capacity, educational level, vocational skills, and employability.

When a share of a retirement benefit is treated as an asset for purposes of equitable distribution, the court shall not consider income generated thereafter by that share for purposes of determining alimony.

c. In any case in which there is a request for an award of permanent alimony, the court shall consider and make specific findings on the evidence about the above factors. If the court determines that an award of permanent alimony is not warranted, the court shall make specific findings on the evidence setting out the reasons therefor. The court shall then consider whether alimony is appropriate for any or all of the following: (1) limited duration; (2) rehabilitative; (3) reimbursement. In so doing, the court shall consider and make specific findings on the evidence about factors set forth above. The court shall not award limited

duration alimony as a substitute for permanent alimony in those cases where permanent alimony would otherwise be awarded.

3 The court shall determine the length of the term of limited 4 duration alimony as provided in subsection j. The amount of 5 limited duration alimony should generally not exceed the recipient's 6 need or 30 to 35 percent of the difference between the parties' gross 7 incomes established at the time of the initial award. The court may 8 deviate from the amount limit upon written findings that deviation 9 is necessary. Grounds for deviation may include: advanced age, 10 chronic illness, or unusual health circumstances of either party; tax considerations for either party; whether the payer is providing or 11 12 has been ordered to provide health insurance or the cost of health 13 insurance to the payee; sources and amounts of unearned income 14 not allocated in equitable distribution; the payee's inability to 15 become self-supporting because of physical or mental abuse by the 16 payer; either party's inability to provide for that party's own 17 support because of a deficiency of property, maintenance, or 18 employment opportunity; and any other factors the court deems 19 relevant and material.

An award of alimony for a limited duration may be modified based either upon changed circumstances, or upon the nonoccurrence of circumstances that the court found would occur at the time of the award. The court may modify the amount of such an award, but shall not modify the length of the term except in unusual circumstances.

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

Additionally, the court may modify, suspend, or terminate an award of limited duration alimony when the payer spouse or partner shows the payee has maintained a cohabitation relationship with another person for a continuous period of at least three months. The award may be reinstated upon termination of the cohabitation relationship; however, if reinstated the duration of the award shall not extend beyond the termination date of the original order. Limited duration alimony may not be modified, suspended, or terminated unless the court finds the cohabitation relationship is characterized by stability, permanency, and mutual interdependence, and if the economic benefit inuring to the payee is sufficiently material to constitute a change of circumstances. In determining whether to modify, suspend, or terminate limited duration alimony, the court shall consider whether the parties have intertwined finances including, but not limited to, a joint bank account; whether they share living expenses and household chores; and any other relevant and material factors.

In determining the length of the term, the court shall consider the length of time it would reasonably take for the recipient to improve his or her earning capacity to a level where limited duration alimony is no longer appropriate.

d. Rehabilitative alimony shall be awarded based upon a plan in which the payee shows the scope of rehabilitation, the steps to be

taken, and the time frame, including a period of employment during which rehabilitation will occur. An award of rehabilitative alimony may be modified based either upon changed circumstances, or upon the nonoccurrence of circumstances that the court found would occur at the time of the rehabilitative award. Rehabilitative alimony shall not exceed a term of five years, except that the court in its discretion may extend rehabilitative alimony upon a finding that: (1) unforeseen events prevent the payee from being self-supporting at the end of the term; (2) the payee endeavored to become self-supporting; and (3) extending rehabilitative alimony would not constitute an undue burden on the payer.

[This section is not intended to preclude a court from modifying permanent alimony awards based upon the law.]

- e. Reimbursement alimony may be awarded under circumstances in which one party supported the other through an advanced education, anticipating participation in the fruits of the earning capacity generated by that education. Reimbursement alimony may not be modified.
- f. Except as provided in subsection i., nothing in this section shall be construed to limit the court's authority to award [permanent alimony,] limited duration alimony, rehabilitative alimony or reimbursement alimony, separately or in any combination, as warranted by the circumstances of the parties and the nature of the case.
- g. In all actions for divorce or dissolution other than those where judgment is granted solely on the ground of separation the court may consider also the proofs made in establishing such ground in determining an amount of alimony or maintenance that is fit, reasonable and just. In all actions for divorce, dissolution of civil union, divorce from bed and board, or legal separation from a partner in a civil union couple where judgment is granted on the ground of institutionalization for mental illness the court may consider the possible burden upon the taxpayers of the State as well as the ability of the party to pay in determining an amount of maintenance to be awarded.
- h. Except as provided in this subsection, in all actions where a judgment of divorce, dissolution of civil union, divorce from bed and board or legal separation from a partner in a civil union couple is entered the court may make such award or awards to the parties, in addition to alimony and maintenance, to effectuate an equitable distribution of the property, both real and personal, which was legally and beneficially acquired by them or either of them during the marriage or civil union. However, all such property, real, personal or otherwise, legally or beneficially acquired during the marriage or civil union by either party by way of gift, devise, or intestate succession shall not be subject to equitable distribution, except that interspousal gifts or gifts between partners in a civil union couple shall be subject to equitable distribution. The court

- may not make an award concerning the equitable distribution of property on behalf of a party convicted of an attempt or conspiracy to murder the other party.
- i. No person convicted of Murder, N.J.S.2C:11-3; Manslaughter, N.J.S.2C:11-4; Criminal Homicide, N.J.S.2C:11-2;
- 6 Aggravated Assault, under subsection b. of N.J.S.2C:12-1; or a
- 7 substantially similar offense under the laws of another jurisdiction,
- 8 may receive alimony if: (1) the crime results in death or serious
- 9 bodily injury, as defined in subsection b. of N.J.S.2C:11-1, to a
- 10 family member of a divorcing party; and (2) the crime was
- 11 committed after the marriage or civil union. A person convicted of
- 12 an attempt or conspiracy to commit murder may not receive
- 13 alimony from the person who was the intended victim of the
- attempt or conspiracy. Nothing in this subsection shall be construed to limit the authority of the court to deny alimony for
- other bad acts.

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

3233

34

35

36

37

38

39

- As used in this subsection:
- "Family member" means a spouse, child, parent, sibling, aunt, uncle, niece, nephew, first cousin, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepparent, stepchild, stepbrother, stepsister, half brother, or half sister, whether the individual is related by blood, marriage, or adoption.
  - j. The term of limited duration alimony shall be established as follows:
  - (1) If the duration of the marriage or civil union is five years or less, the term of alimony shall not be greater than one-half the number of months of the marriage or civil union;
- (2) If the duration of the marriage or civil union is 10 years or less but greater than five years, the term of alimony shall not be greater than 60 percent of the number of months of the marriage or civil union;
- (3) If the duration of the marriage or civil union is 15 years or less but greater than 10 years, the term of alimony shall not be greater than 70 percent of the number of months of the marriage or civil union;
- (4) If the duration of the marriage or civil union is 20 years or less but greater than 15 years, the term of alimony shall not be greater than 80 percent of the number of months of the marriage or civil union;
- 40 (5) If the duration of the marriage or civil union is greater than
  41 20 years, the court shall have discretion to award alimony for an
  42 indefinite length of time.
- The court may deviate from the durational limits set forth in this subsection in the interests of justice. In deviating from these limits,
- 45 the court shall make specific findings on the evidence setting out
- 46 the reasons therefor.
- 47 (cf: P.L.2009, c.43, s.1)

2. N.J.S.2A:34-25 is amended to read as follows:

2A:34-25. <u>a.</u> If after the judgment of divorce or dissolution a former spouse shall remarry or a former partner shall enter into a new civil union, **[**permanent and **]** limited duration alimony shall terminate as of the date of remarriage or new civil union except that any arrearages that have accrued prior to the date of remarriage or new civil union shall not be vacated or annulled. A former spouse or former partner in a civil union couple who remarries or enters into a new civil union shall promptly so inform the spouse or partner paying **[**permanent or **]** limited duration alimony as well as the collecting agency, if any. The court may order such alimony recipient who fails to comply with the notification provision of this act to pay any reasonable attorney fees and court costs incurred by the recipient's former spouse or partner as a result of such noncompliance.

The remarriage or establishment of a new civil union of a former spouse or partner receiving rehabilitative or reimbursement alimony shall not be cause for termination of such alimony by the court unless the court finds that the circumstances upon which the award was based have not occurred or unless the payer spouse or partner demonstrates an agreement or good cause to the contrary.

- <u>b.</u> Alimony shall terminate upon the death of the payer spouse or partner, except that any arrearages that have accrued prior to the date of the payer spouse's or partner's death shall not be vacated or annulled.
- c. Alimony shall terminate upon the payer spouse or partner attaining full retirement age when the payer is eligible for the oldage retirement benefit under the federal Social Security act, except that any arrearages that have accrued prior to the termination date shall not be vacated or annulled. The payer's ability to work or decision to continue working beyond such date shall not constitute grounds to extend alimony, except that:
- (1) When making an initial alimony award the court may set a different alimony termination date for good cause shown. In establishing a different termination date, the court shall make specific findings on the evidence setting out the reasons therefor.
- (2) The court may extend an existing alimony award for good cause shown based on specific findings of a material change in circumstances supported by clear and convincing evidence.
- <u>d.</u> Nothing in this act shall be construed to prohibit a court from ordering either spouse or partner to maintain life insurance for the protection of the former spouse, partner, or the children of the marriage or civil union in the event of the payer spouse's or partner's death.
- (cf: P.L.2006, c.103, s.82)

47 3. (New section) a. Every action to modify an existing 48 alimony award pursuant to this section shall be commenced within

#### S2750 CUNNINGHAM, SINGER

9

- two years of the effective date of P.L., c. (C.) (pending before the Legislature as this bill). Nothing in this section shall be deemed to affect the right to modification of any alimony award based on a change of circumstances.
- b. Upon motion by either party to the award, a permanent alimony award existing on the effective date of P.L.
- 7 (C. ) (pending before the Legislature as this bill) shall be 8 converted to limited duration alimony and may be modified to 9 conform to the provisions of P.L. , c. (C. ) (pending 10 before the Legislature as this bill), including but not limited to the 11 durational limits set forth in subsection j. of N.J.S.2A:34-23, unless 12 the court finds deviation from such provisions is warranted. The 13 moving party need not prove a change of circumstances for the
- purposes of such modification.
  c. Upon motion by either party to the award a limited duration
- alimony award existing on the effective date of P.L. ,

  c. (C. ) (pending before the Legislature as this bill) that

  exceeds the durational limits set forth in subsection j. of

  N.J.S.2A:34-23 may be modified to conform to the provisions of
  that subsection unless the court finds that deviation from such
  durational limits is warranted. The moving party need not prove a
  change of circumstances for the purposes of such modification.
- d. Upon motion by either party to the award a rehabilitative alimony award existing on the effective date of P.L., c. (C. ) (pending before the Legislature as this bill) may be modified to conform to the provisions of subsection d. of
- 27 N.J.S.2A:34-23.
- e. The enactment of P.L. , c. (C. ) (pending before the Legislature as this bill) shall not constitute a material change of circumstances for the purposes of modifying the amount of an existing alimony award.
  - f. Nothing in P.L. , c. (C. ) (pending before the Legislature as this bill) shall provide a right to seek or receive modification of an alimony award in which the parties have agreed that alimony is not modifiable.
  - 4. This act shall take effect October 1, 2013, and sections 1 and 2 of this act shall apply to judgments for alimony entered on or after the effective date.

40 41 42

32

33

34

35

3637

38

39

#### **STATEMENT**

43 44

45

46

This bill would revise the laws concerning alimony by eliminating permanent alimony and establishing guidelines concerning the amount and duration of other types of alimony.

Under current law, a court may award four types of alimony: 48 permanent, limited duration, rehabilitative, and reimbursement.

The four types of alimony are designed to address different types of considerations that arise during the dissolution of a marriage or civil union. For example, rehabilitative alimony is intended to permit a former spouse or civil union partner to obtain the training and education necessary to return to the workforce and enhance and improve their earning capacity. Reimbursement alimony is awarded to reimburse one spouse or civil union partner for financial contributions made to the other spouse or civil union partner's education or professional training. Permanent alimony is awarded following a lengthy marriage or civil union marked by prolonged economic dependence and sustained contribution to the marriage or civil union. Limited duration alimony is awarded for a set period of time and may not be awarded as a substitute for permanent alimony. There are no guidelines in the current law concerning the duration or amount of an alimony award.

This bill would eliminate permanent alimony awards and establish guidelines for the term of limited duration alimony based on the length of the marriage:

- (1) If the duration of the marriage or civil union is five years or less, the term of alimony would be a maximum of one-half the number of months of the marriage or civil union;
- (2) If the duration of the marriage or civil union is 10 years or less but greater than five years, the term of alimony would be a maximum of 60 percent of the number of months of the marriage or civil union;
- (3) If the duration of the marriage or civil union is 15 years or less but greater than 10 years, the term of alimony would be a maximum of 70 percent of the number of months of the marriage or civil union;
- (4) If the duration of the marriage or civil union is 20 years or less but greater than 15 years, the term of alimony would be a maximum of 80 percent of the number of months of the marriage or civil union;
- (5) If the duration of the marriage or civil union is greater than 20 years, the court would have discretion to award alimony for an indefinite length of time.

The court would be permitted to deviate from these durational limits in the interests of justice and would be required to make specific findings on the evidence setting out the reasons for deviation.

The bill would also provide that the amount of a limited duration alimony award should generally not exceed the recipient's need or 30 to 35 percent of the difference between the parties' gross incomes. A court would be permitted to deviate from this guideline upon a written finding that deviation is necessary. Additionally, the court would be permitted to attribute income to either party when it finds that party is voluntarily underemployed or unemployed.

Under current law, limited duration alimony may be modified based on changed circumstances or upon the nonoccurrence of circumstances that the court found would occur at the time of the award. The court may modify the amount of the award but not the length of the term except in unusual circumstances.

The bill would additionally permit suspension, modification, or termination of a limited duration alimony award in the event the recipient establishes a cohabitation relationship with another person for a continuous period of at least three months. The original alimony award could be reinstated upon termination of the cohabitation relationship but would not extend beyond the termination date of the original order. The bill would provide that limited duration alimony may be modified, suspended, or terminated only if the court finds the cohabitation relationship is characterized by stability, permanency, interdependence, and if the economic benefit inuring to the payee is sufficiently material to constitute a change of circumstances. In determining whether to modify, suspend, or terminate limited duration alimony, the court would consider whether the parties have intertwined finances including, but not limited to, a joint bank account; whether they share living expenses and household chores; and any other relevant and material factors.

Under current law, alimony terminates upon the death of either party and both permanent and limited duration alimony terminate upon the recipient remarrying or establishing a new civil union; any arrearages that have accrued as of the date of death, remarriage, or establishing a new civil union may not be vacated or annulled.

The bill would provide that alimony would also terminate upon the payer spouse or partner attaining full retirement age when the payer is eligible for the old-age retirement benefit under the federal Social Security act; however, any arrearages that accrued prior to the termination date would not be vacated or annulled. The payer's ability to work beyond such date would not constitute grounds to extend alimony, but the court would have discretion to extend an alimony award beyond the termination date for good cause shown either when making the initial alimony award or upon a finding of a material change in circumstances supported by clear and convincing evidence.

Additionally, the bill would provide that rehabilitative alimony would not exceed a term of five years. The court would have discretion to extend the term of rehabilitative alimony upon finding that: (1) unforeseen events prevent the payee from being self-supporting at the end of the term; (2) the payee endeavored to become self-supporting; and (3) extending rehabilitative alimony would not constitute an undue burden on the payer.

The bill would also provide that reimbursement alimony could not be modified.

#### S2750 CUNNINGHAM, SINGER

12

1 Finally, the bill would permit modification of alimony awards 2 existing on the effective date to conform to the provisions of the 3 bill. Limited duration and rehabilitative alimony awards could be 4 modified to conform to the durational guidelines provided in the 5 bill, and permanent alimony awards could be converted to limited duration alimony awards and modified to conform to the durational 6 7 guidelines for limited duration alimony. A motion for modification 8 could be brought by either party to the award and the moving party 9 would not need to show a change of circumstances to receive a 10 The bill additionally provides that its enactment modification. 11 would not constitute a change of circumstances for the purposes of 12 modifying the amount of an existing alimony award and it would 13 not permit modification of an award that the parties previously 14 agreed could not be modified. The bill would require that all 15 petitions for modifications in connection with its enactment be 16 brought within two years of the effective date. However, nothing in the bill would be deemed to affect the right to modification of any 17 18 alimony award based on a change of circumstances. 19

The bill would take effect on October 1, 2013 and sections 1 and 2 of the bill would apply to judgments for alimony entered on or after that date.

This bill is modeled on the Massachusetts "Alimony Reform Law of 2011."

20

21