

By: Frost

H.B. No. 2568

A BILL TO BE ENTITLED

AN ACT

relating to the marital property interest in certain employee benefits.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 3.007(d), Family Code, is amended to read as follows:

(d) A spouse who is a participant in an employer-provided stock option plan or an employer-provided restricted stock plan has a separate property interest in the options or restricted stock granted to the spouse under the plan as follows:

(1) if the option or stock was granted to the spouse before marriage but required continued employment during marriage before the grant could be exercised or the restriction removed, the spouse's separate property interest is equal to the fraction of the option or restricted stock in which:

(A) the numerator is the period from the date the option or stock was granted until the date of marriage and, if the option or stock also required continued employment following the date of dissolution of the marriage before the grant could be exercised or the restriction removed, the period from the date of dissolution of the marriage until the date the grant could be exercised or the restriction removed; and

(B) the denominator is the period from the date the option or stock was granted until the date the grant could be

1 exercised or the restriction removed; and

2 (2) if the option or stock was granted to the spouse
3 during the marriage but required continued employment following the
4 date of dissolution of the [~~after~~] marriage before the grant could
5 be exercised or the restriction removed, the spouse's separate
6 property interest is equal to the fraction of the option or
7 restricted stock in which:

8 (A) the numerator is the period from the date of
9 dissolution [~~or termination~~] of the marriage until the date the
10 grant could be exercised or the restriction removed; and

11 (B) the denominator is the period from the date
12 the option or stock was granted until the date the grant could be
13 exercised or the restriction removed.

14 SECTION 2. Sections 3.007(a), (b), and (f), Family Code,
15 are repealed.

16 SECTION 3. The change in law made by this Act applies to a
17 suit for dissolution of a marriage pending before a trial court on
18 or filed on or after the effective date of this Act.

19 SECTION 4. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2009.