

Legislative Analysis



MARITAL ESTATE IN DIVORCE: EXEMPT VETERANS DISABILITY COMPENSATION

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House Bill 4170 as introduced
Sponsor: Rep. Ray A. Franz
Committee: Judiciary
Revised on 9-12-16

Analysis available at
<http://www.legislature.mi.gov>

REVISED SUMMARY:

House Bill 4170 would amend the Divorce Act to specify that a veteran's disability compensation for any service-connected disability under a program or law administered by the US Department of Veterans Affairs (DVA) or Veterans Administration is exempt from the marital estate when determining property disposition and/or support obligations—except compensation that is awarded to the veteran for the support of his or her children. A veteran would be required to disclose to the court any compensation received from the DVA or Veterans Administration.

(According to the DVA, disability compensation is a monthly tax-free benefit paid to veterans who are at least 10 percent disabled because of injuries or diseases that were incurred in or aggravated during active duty, active duty for training, or inactive duty training. A disability can apply to physical conditions as well as a mental condition such as post-traumatic stress disorder, or PTSD. The amount granted is based on several factors, including the degree of the disability; if the veteran has dependents, an additional allowance may be added if the combined disability is rated 30% or greater. Compensation may be reduced if the veteran also receives military retirement pay, disability severance pay, or separation incentive payments.)

MCL 552.18

FISCAL IMPACT:

The bill would have no fiscal implications for the state or local units of government.

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