The Florida Senate BILL ANALYSIS AND FISCAL IMPACT STATEMENT

	Prepare	d By: The Pr	ofessional S	taff of the Committe	ee on Fiscal Po	licy
BILL:	CS/SB 1416					
INTRODUCER:	Fiscal Policy Committee and Senator Gruters					
SUBJECT:	Dissolution of Marriage					
DATE:	March 23, 20	023 F	REVISED:			
ANALYST		STAFF DIRECTOR		REFERENCE		ACTION
I. Bond		Yeatman		FP	Fav/CS	
2.				RC		

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Technical Changes

I. Summary:

CS/SB 1416 amends laws related to dissolution of marriage. Changes to alimony applicable to any final judgment entered on or after July 1, 2023 include:

- Permanent (lifetime) alimony is eliminated, leaving bridge-the-gap, rehabilitative, and durational forms of alimony.
- Rehabilitative alimony is limited to 5 years.
- Durational alimony may not be awarded for a marriage of less than 3 years. The term of an award is limited based on the duration of the marriage, with certain exceptions, and may not exceed the lesser of the obligee's reasonable need or 35 percent of the difference between the parties' net incomes.
- A court must make specific written findings if it requires an obligor to purchase life insurance to secure the award of alimony.
- A court must reduce or terminate an award of alimony if it makes specific written findings that a supportive relationship exists. The bill places the burden on the obligor to prove by a preponderance of the evidence that such a relationship exists. Once proven, the burden shifts to the obligee to prove by a preponderance of the evidence of the evidence the court should not reduce or terminate alimony.

Current case law allows for modification or termination of alimony upon "reasonable retirement," a loosely-defined court-created concept. The bill codifies standards and procedures related to retirement of a party in a dissolution of marriage case. If the obligor seeks to retire, the obligor may apply for modification of the alimony award no sooner than 6 months prior to the

planned retirement. The bill provides a number of factors the court must consider in determining whether to modify or terminate alimony.

The bill provides that a parent moving to a residence within 50 miles of the primary residence of a child is a substantial change in circumstances. For a modification of parenting plan and time-sharing schedule, the bill eliminates a requirement that a party shows that a change in circumstance was unanticipated.

The bill will have no fiscal impact on state government.

The bill is effective July 1, 2023, and the provisions related to an award of alimony apply to all initial petitions for dissolution of marriage or support unconnected with dissolution of marriage pending or filed on or after July 1, 2023.

II. Present Situation:

Alimony

Alimony is a court-ordered allowance that one spouse pays to the other spouse for maintenance and support while they are separated, while they are involved in a matrimonial lawsuit, or after they are divorced.¹ Alimony may be agreed to by the parties or awarded by the court after an evidentiary hearing.

Calculation of the Amount of Alimony

There is no fixed formula for alimony. Alimony is based on both financial need and the ability to pay.² After making an initial determination to award alimony, the court must consider ten factors in determining the amount of alimony:

- The standard of living established during the marriage.
- The length of marriage.
- Ages and physical and emotional condition of the parties.
- Financial resources of the parties.
- Earning capacity, education level, vocational skill, and employability of the parties.
- Marital contributions, including homemaking, child care, and education and career building of the other party.
- Responsibilities of each party towards minor children.
- Tax treatment and consequences of alimony awards.
- All sources of income.
- Any other factor that advances equity and justice.³

The court may also consider adultery by either spouse in a decision to award alimony.⁴ That consideration is dependent upon the circumstances of each particular case. Absent a showing of a related depletion of marital assets, a party's adulterous misconduct is not a valid reason to award

¹ Alimony, BLACK'S LAW DICTIONARY (11th ed. 2019).

² Section 61.08(2), F.S.

³ Section 61.08(2)(a)-(j), F.S.

⁴ Section 61.08(1), F.S.

a greater share of those marital assets to the innocent spouse or to deny the adulterous spouse alimony. Furthermore, despite evidence of adultery, need and ability to pay remain the primary considerations in awarding alimony.⁵

To protect an alimony award, the court may order an obligor to maintain a life insurance policy.⁶ A court making the requirement must first make specific findings regarding the availability and cost of insurance, the obligor's ability to pay, and the special circumstances that warrant the requirement for security of the obligation.⁷ The special circumstances required to support an order mandating life insurance include "a spouse potentially left in dire financial straits after the death of the obligor spouse due to age, ill health and/or lack of employment skills, obligor spouse in poor health, minors living at home, supported spouse with limited earning capacity, obligor spouse in arrears on support obligations, and cases where the obligor spouse agreed on the record to secure an award with a life insurance policy."⁸

An award of alimony may not result in the obligor with significantly less net income than the net income of the obligee absent exceptional circumstances.⁹ What qualifies as exceptional circumstances is undefined.

Types of Alimony

For purposes of determining the appropriate type of alimony to award, marriages are classified by term or length of marriage, based on the time from the date of marriage to the date the dissolution of marriage action is filed:

- Short-term means less than 7 years.
- Moderate-term means greater than 7 years but less than 17 years.
- Long-term means greater than 17 years.¹⁰

The length of the marriage does not include time spent cohabitating prior to marriage.¹¹

Florida law recognizes four forms of alimony: bridge-the-gap, rehabilitative, durational, and permanent periodic alimony.¹²

Bridge-the-gap alimony:¹³

- Is designed to assist a party in his or her transition from being married to being single.
- May be awarded in a marriage of any term.
- Cannot exceed 2 years in duration.

¹² Section 61.08(1), F.S.

⁵ Williamson v. Williamson, 367 So. 2d 1016, 1019 (Fla.1979); Noah v. Noah, 491 So. 2d 1124, 1127 (Fla. 1986); Keyser v. Keyser, 204 So. 3d 159, 161 (Fla. 1st DCA 2016).

⁶ Section 61.08(3), F.S.

⁷ O'Neill v. O'Neill, 305 So. 3d 551, 554 (Fla. 4th DCA 2020).

⁸ Kotlarz v. Kotlarz, 21 So. 3d 892, 893 (Fla. 1st DCA 2009).

⁹ Section 61.08(9), F.S.; *Rabadan v. Rabadan*, 322 So. 3d 660 (Fla. 4th DCA 2021).

¹⁰ Section 61.08(4), F.S. This triad was first enacted in 2010. Ch. 2010-199, Laws of Fla.

¹¹ *Taylor v. Davis*, 324 So. 3d 570 (Fla. 1st DCA 2021) (couple cohabitated for 24 years prior to 3 year marriage, court denied an award of permanent alimony because it was a short-term marriage).

¹³ Section 61.08(5), F.S.

- May not be modified.
- Terminates upon death or remarriage.

Rehabilitative alimony:¹⁴

- Is designed to assist a party in establishing the capacity for self-support through either the redevelopment of previous skills or credentials; or the acquisition of education, training, or work experience necessary to develop appropriate employment skills or credentials.
- May be awarded in a marriage of any term.
- Can be of any duration.
- May be modified based upon a substantial change in circumstances, upon noncompliance with the rehabilitative plan, or upon completion of the rehabilitative plan.
- Does not automatically terminate upon remarriage.

Durational alimony:¹⁵

- Is designed to provide a party with economic assistance for a set period of time.
- May be awarded following a marriage of short or moderate duration, or following a marriage of long duration if there is no ongoing need for support on a permanent basis.
- May not exceed the length of the marriage.
- May be modified as to amount, based upon a substantial change in circumstances; but the length may not be modified except under exceptional circumstances.
- Terminates upon the death of either party or upon the remarriage of the party receiving alimony.

Permanent alimony:¹⁶

- Is designed to provide for the needs and necessities of life as they were established during the marriage of the parties for a party who lacks the financial ability to meet his or her needs and necessities of life following a dissolution of marriage.
- May be awarded only after a finding that no other form of alimony is fair and reasonable under the circumstances of the parties, following a marriage of:
 - Long duration, if such an award is appropriate upon consideration of the ten factors by a preponderance of the evidence;
 - Moderate duration, if such an award is appropriate based upon clear and convincing evidence after consideration of the 10 factors; or
 - Short duration, if there are written findings of exceptional circumstances.
- Is not for a fixed period of time.
- May be modified or terminated based upon a substantial change in circumstances, including retirement of the obligor or upon the existence of a supportive relationship benefiting the obligee.
- Terminates upon the death of either party or upon the remarriage of the party receiving alimony.

¹⁴ Section 61.08(6), F.S.

¹⁵ Section 61.08(7), F.S.

¹⁶ Section 61.08(8), F.S.

Modification or Termination of Alimony - In General

Where allowed, either party may seek modification (up to termination) of an alimony award on the grounds of a substantial change in circumstances.¹⁷ To obtain a modification of alimony, the party seeking modification must allege, and the trial court must find, that:

- There has been a substantial change in circumstances.
- The change was not contemplated at the time of the final judgment of dissolution.
- The change is sufficient, material, permanent, and involuntary.¹⁸

The mere existence of a substantial change in circumstances does not automatically lead to a modification or termination of alimony, it merely opens up the question of the appropriate amount of alimony based on the new situation and on the normal equitable factors, namely need and ability to pay. The court may modify support retroactively to the date of the filing of the motion.¹⁹ If the parties to a dissolution of marriage settled the case and have designated alimony as non-modifiable in the marital settlement agreement, the court may not thereafter modify the alimony.²⁰

Modification Based on a Supportive Relationship

To avoid termination of an alimony award because of remarriage, it was once common for an obligee former spouse to simply "live with" someone else in a committed but non-marital arrangement. Today, the existence of a supportive relationship between the obligee and a third party may be a substantial change in circumstances that warrants a modification (up to termination) of alimony. To modify alimony on an assertion of cohabitation between the obligee and a third party, the court must find:

- The existence of a supportive relationship between the obligee and a third party; and
- That the obligee lives with the third party.

To determine whether a relationship is supportive, the court will examine:

- The extent to which the obligee and the third party hold themselves out as a married couple;
- The length of time that the third party has resided with the obligee;
- Whether the obligee and the third party have jointly purchased property;
- The extent to which the obligee and third party commingle financial assets; and
- The extent to which one of the parties supports the other party.²¹

The burden is on the obligor to show by a preponderance of evidence that a supportive relationship exists.²²

¹⁷ Section 61.14(1)(a), F.S

¹⁸ Golson v. Golson, 207 So. 3d 321, 325 (Fla. 5th DCA 2016); Tanner v. Tanner, 2021 WL 4877772 (Fla. 2nd DCA 2021).

¹⁹ Section 61.14(1)(a), F.S.

²⁰ *Dills v. Perez*, 330 So.3d 989, 990 (Fla. 5th DCA 2021) ("[P]arties to a marital dissolution are free to enter into contractual agreements that include provisions no court of law could impose.").

²¹ Section 61.14(b), F.S.

²² Section 61.14(1)(b)1., F.S.

Modification of Alimony Based on Retirement

Retirement of a party in a pending dissolution of marriage case falls within the "need and ability to pay" framework. Voluntary retirement may qualify as a substantial change in circumstances which warrants a modification or termination of an existing alimony award. It is an exception to the general rule that a substantial change in circumstances must result from an involuntary action.

Retirement, whether related to an initial award of alimony or as a substantial change in circumstances for modification, is not addressed in statute. In deciding whether to modify or terminate alimony based on retirement of the obligor, the courts look to whether the retirement is reasonable. There are no fixed standards for reasonable. The leading case in this area ruled:

In determining whether a voluntary retirement is reasonable, the court must consider the payor's age, health, and motivation for retirement, as well as the type of work the payor performs and the age at which others engaged in that line of work normally retire. . . . [A] payor spouse should not be permitted to unilaterally choose voluntary retirement if this choice places the receiving spouse in peril of poverty. Thus, the court should consider the needs of the receiving spouse and the impact a termination or reduction of alimony would have on him or her. In assessing those needs, the court should consider any assets which the receiving spouse has accumulated or received since the final judgment as well as any income generated by those assets.23

Social Security Retirement Age

The original Social Security Act of 1935 set the age for receiving full retirement benefits at 65.²⁴ Citing improvements in the health of older people and increases in average life expectancy as primary reasons for increasing the normal retirement age, Congress has increased the age for full retirement. On the effective date of this bill, the full retirement age for Social Security purposes will be 66 years and 6 months of age. It will increase gradually in the future until it reaches 67 years of age on January 1, 2027.²⁵

The minimum age for claiming Social Security retirement benefits is 62. Benefits are reduced when a person elects to take early benefits.²⁶ The act increasing the age for full benefits did not change the minimum age for claiming benefits.

Timesharing with Minor Children

Determination of a time-sharing schedule for minor children is of vital importance to the children and their parents. Time-sharing also affects the calculation of child support.

²⁵ U.S. Social Security Administration, *Retirement Benefits*,

https://www.ssa.gov/benefits/retirement/planner/agereduction.html (last viewed Mar. 18, 2023). 26 *Id*.

²³ Pimm v. Pimm, 601 So. 2d 534, 537 (Fla. 1992).

²⁴ U.S. Social Security Administration, Social Security Fact Sheet: Increase in Retirement Age, https://www.ssa.gov/pressoffice/IncRetAge.html (last viewed Mar. 18, 2023).

Timesharing - In General

The public policy of the state is for each minor child to have "frequent and continuing contact with both parents."²⁷ Additionally, a court must order shared parental responsibility for a minor child unless the court finds that shared responsibility would be detrimental to the child.²⁸ In setting a time-sharing award, there is no presumption for or against the father or mother of the child or for or against any specific time-sharing schedule when creating or modifying the parenting plan of the child.²⁹ In determining time-sharing with each parent, a court must consider the best interests of the child based on statutory factors, namely:

- The demonstrated capacity of each parent to have a close and continuing parent-child relationship, honor the time-sharing schedule, and be reasonable when changes are required.
- The demonstrated capacity and disposition of each parent to determine, consider, and act upon the needs of the child, including developmental needs.
- The length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity.
- The geographic viability of the parenting plan, with special attention paid to the needs of school-age children and the amount of time to be spent traveling to effectuate the parenting plan.
- The moral fitness and the mental and physical health of the parents.
- The reasonable preference of the child, if the child is of sufficient intelligence, understanding, and experience to express a preference.
- The demonstrated capacity and disposition of each parent to provide a consistent routine for the child, such as discipline, and daily schedules for homework, meals, and bedtime, and to be involved in the child's school and extracurricular activities.
- The demonstrated capacity of each parent to keep the other parent informed about the minor child, and the willingness of each parent to adopt a unified front on major issues.
- Evidence of domestic violence, sexual violence, child abuse, child abandonment, or child neglect, or that either parent has knowingly provided false information about these issues. If the court accepts evidence of prior or pending actions on these issues, the court must acknowledge in writing that the evidence was considered in evaluating best interests.
- The particular parenting tasks customarily performed by each parent and the division of parental responsibilities before and during litigation, including the extent to which parenting responsibilities were undertaken by third parties.
- The demonstrated capacity and disposition of each parent to maintain an environment for the child which is free from substance abuse.³⁰

A final factor provides the court with flexibility to consider any other factor relevant in establishing a parenting plan, including a time-sharing schedule.³¹

²⁷ Section 61.13(2)(c)1., F.S.

²⁸ Section 61.13 (2)(c)2., F.S.

²⁹ Section 61.13(2)(c)1., F.S.

³⁰ Section 61.13(3), F.S.

³¹ Section 61.13(3)(t), F.S.

Times change and circumstances change. Just like alimony, timesharing with a minor child is subject to future modification by the court. Either party to a final judgment of dissolution or final order regarding timesharing and child support may seek modification of the timesharing or child support award on the grounds of a substantial change in circumstances.³² The party seeking modification of a timesharing order must allege, and the trial court must find, that:

- Circumstances have substantially and materially changed since the original custody determination;
- The change was not reasonably contemplated by the parties; and
- The child's best interests justify changing custody.³³

The court may modify support retroactively to the date of the filing of the motion.³⁴ Unlike alimony, timesharing is always modifiable while the child is a minor and the parties may not enter into an agreement that prohibits modification in the future.

III. Effect of Proposed Changes:

Alimony

Forms of Alimony

The bill eliminates permanent alimony as a form of alimony that a court may award. The bill also changes the statutory directions regarding the creation of a family law handbook to remove a reference to permanent alimony.

Criteria for an Award of Alimony

The bill also authorizes the court to consider the adultery of either spouse, and any resulting economic impact that resulted from the adultery when determining the amount of alimony.

The bill requires the court to make written findings of fact regarding the basis for awarding the form and length of alimony, and must similarly make written findings why there is a lack of need or lack of ability to pay alimony. A court may award a combination of forms and payments necessary to provide greater economic assistance in order to allow the obligee to achieve self-support. The party seeking alimony has the burden of proving his or her need and the other party's ability to pay.

The bill amends the factors for consideration in determining the amount of an award of alimony as follows:

- In addition to considering the standard of living established during the marriage, the court must also consider the anticipated needs and necessities of life of each party after the final judgment.
- The mental condition of each party must be considered in addition to each party's age, physical and emotional condition, and whether either party is physically or mentally disabled.

³² Section 61.14(1)(a), F.S.

³³ Korkmaz v. Korkmaz, 200 So. 3d 263, 265 (Fla. Dist. Ct. App. 2016)

³⁴ Section 61.14(1)(a), F.S.

In regard to the disability, the court must consider if the resulting impact will affect the obligee's ability to provide for his or her own needs and the obligor's ability to pay and whether such condition is expected to be temporary or permanent.

- The income of each party; however, the liabilities distributed to each party no longer has to be considered.
- When considering the earning capacity, educational level, vocational skills, and employability of each party, the court must also consider the ability of either party to obtain the necessary skills or education to become self-supporting or to contribute to his or self-support.
- The court must also give special consideration to the need to care for a minor child whom the parties have in common and who has a mental or physical disability.
- The tax treatment factor and the "all other sources of income" factor are repealed.
- A court using the "any other factor necessary to do equity" factor must specify the other factor and the findings of fact justifying the factor. This may include a finding or a supportive relationship or a reasonable retirement, as discussed below.

If a court orders the obligor to purchase or maintain a life insurance policy or bond to secure the alimony award, the bill requires the court to make specific findings of special circumstances that warrant such purchase or maintenance. The court may apportion the cost to either or both parties based on need and ability to pay.

The bill changes the length of time married as a classification of a marriages being either shortterm, moderate-term, or long-term. A short-term marriage is changed to 0-10 years, a moderateterm marriage is changed to 10-20 years, and a long-term marriage is changed to 20 or more years duration.

The bill limits the length of an alimony award:

- Bridge-the-gap alimony is not changed by the bill, and remains limited to 2 years.
- Rehabilitative alimony is limited to 5 years.
- No durational alimony may be awarded if the marriage lasted fewer than 3 years.³⁵

Durational alimony may end upon retirement of the obligor (see discussion below). With two exceptions, durational alimony of a marriage of over 3 years is limited in duration to:

- 50 percent of the length of the marriage if the marriage was short-term.
- 60 percent of the length of the marriage if the marriage was moderate-term.
- 75 percent of the length of the marriage if the marriage was long-term.

The bill authorizes the court to extend the length of durational alimony beyond the maximum length above upon the consideration of four exceptional circumstances:

- The extent to which the obligee's age and employability limit the obligee's ability for self-support.
- The extent to which the obligee's available financial resources limit the obligee's ability for self-support.

³⁵ The length of the marriage is calculated as follows: the time period starts on the date of the marriage, and ends on date of the filing of the petition for dissolution of the marriage.

- The extent to which the obligee is mentally or physically disabled or has been diagnosed with a mental or physical condition that has rendered, will render, him or her incapable of self-support.
- The extent to which the obligee is the caregiver to a mentally or physically disabled child, whether or not the child has attained the age of majority, who is common to the parties. This extension terminates when the child no longer needs caregiving by the obligee or upon the child's death.

The bill limits the amount of durational alimony to the lesser of the obligee's reasonable need or no more than 35 percent of the difference between the parties' net incomes.

Modification of an Existing Award of Alimony – Supportive Relationship

The bill requires (as opposed to simply "may" in current law) a court to reduce or terminate alimony upon specific written findings that the obligee is in a supportive relationship with another person.

The obligor must prove, by a preponderance of the evidence that a supportive relationship existed or has existed in the 365 days before the filing of the petition for dissolution of marriage, separate maintenance, or supplemental petition for modification. If it is proven that a supportive relationship exists or has existed, the burden shifts to the obligee to prove, by a preponderance of the evidence, that the court should not reduce or terminate an existing alimony award. The bill modifies the factors the court must consider in determining whether a supportive relationship exists as follows:

- Removes the requirement that the parties in the supportive relationship are residing together in a permanent place of abode.
- Adds that the court may consider whether the obligee and the other person have acquired or maintained a joint bank account or other financial accounts.
- Clarifies that the court must consider the extent to which the obligee and the other person have financially supported each other, including payment of the other's debts, expenses, or liabilities.
- Adds that a court must consider the extent to which the obligor has paid the existing alimony award or failed to do so and the existence and amount of any arrearage.
- Adds that a court may consider the extent to which the obligee or the other person has provided support to other family members.

Modification of an Existing Award of Alimony - Retirement

The bill codifies the common law right to seek modification of an existing alimony award based on reasonable retirement of the obligor.

The bill allows a court to reduce or terminate an existing award of alimony upon specific, written findings of fact that the obligor has reached normal retirement age as defined by the Social Security Administration, or the customary age for his or her profession, and the obligor has made demonstrative and measurable efforts to retire or has actually retired. The obligor must prove, by a preponderance of the evidence, that his or her retirement reduces his or her ability to pay alimony. If the court determines that the obligor's retirement does reduce his or her ability to pay

alimony, the burden shifts to the obligee to prove, by a preponderance of the evidence, that the alimony award should not be reduced or terminated.

The obligor may file a petition for modification of an existing award of alimony, no more than six months before an anticipated retirement, which shall be effective upon his or her reasonable and voluntary retirement as determined by the court. The court must make specific written findings supporting the decision to allow or disallow modification or termination based on retirement.

In determining whether to modify or terminate alimony based on the obligor's retirement, the court must consider the following factors:

- The age and health of the obligor.
- The nature and type of work performed by the obligor.
- The customary age of retirement in the obligor's profession.
- The obligor's motivation for retirement and the likelihood of returning to work.
- The needs of the obligee and the ability of the obligee to contribute toward his or her basic needs.
- The economic impact that a termination or reduction of alimony would have on the obligee.
- All the assets that the obligee and obligor accumulated or acquired prior to the marriage or following the entry of the final judgment as well as the obligor's and obligee's respective roles in the wasteful depletion of marital assets at the time of the entry of the final judgment.
- The income the obligee and the obligor earned during the marriage or following the entry of the final judgment.
- The Social Security benefits, retirement plan benefits, or pension benefits payable to the obligor and obligee following the entry of the final judgment.
- The obligor's compliance with the existing alimony obligation.

Timesharing with Minor Children

The bill repeals a requirement that a party must show that a change in circumstance was unanticipated to modify a parenting plan and time-sharing schedule.

The bill also provides that a parent's relocation to a residence within 50 miles of the other parent is a substantial and material change in circumstances.

Effective Date

The bill takes effect July 1, 2023. The provisions related to an award of alimony apply to all initial petitions for dissolution of marriage or support unconnected with dissolution of marriage pending or filed on or after July 1, 2023.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The bill does not require counties or municipalities to spend funds or limit their authority to raise revenue or receive state-shared revenues as specified in article VII, section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Indeterminate. CS/SB 1416 may reduce litigation costs by making alimony awards more predictable.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 61.08, 61.13, 61.14, and 741.0306.

IX. Additional Information:

A. Committee Substitute – Statement of Changes: (Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Fiscal Policy on March 23, 2023:

The amendment made a technical change related to modification or termination of alimony based on a supportive relationship to conform with earlier language making modification or termination mandatory upon a finding of the existence of a supportive relationship.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.