

SUPREME COURT OF MINNESOTA

Marriage of Angell v. Angell

791 N.W.2d 530 (Minn. 2010) · Decided December 9, 2010

SUMMARY

The Minnesota Supreme Court held that federal anti-attachment provisions governing Servicemembers' Group Life Insurance proceeds and military death gratuity benefits preempted a state court's award of a portion of those benefits to a non-beneficiary spouse in a dissolution proceeding. The court characterized the award under Minnesota's unfair-hardship property-division statute as a division of property rather than a support obligation. The court affirmed the court of appeals' reversal of the award.

CASE DETAILS

COURT	Supreme Court of Minnesota
WRITING FOR THE COURT	Gildea, Chief Justice
JURISDICTION	Minnesota
DECIDED	December 9, 2010
DISPOSITION	affirmed
PROCEDURAL POSTURE	The Minnesota Supreme Court granted appellant's petition for review of a court of appeals decision reversing a marital-property award because federal law preempted the district court's distribution of federal death benefits to a non-beneficiary spouse.
STANDARD OF REVIEW	The district court's marital-property evaluation and division are reviewed for abuse of discretion; whether federal law preempts state law is reviewed de novo.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Gordon William Angell, Jr. v. Loretta Marie Angell

TOPICS

dissolution of marriage equitable distribution family law procedure federalism statutory interpretation

PRACTICE AREAS

family law federalism military law statutory interpretation

QUESTIONS PRESENTED

1. Whether federal anti-attachment provisions governing SGLI and federal death gratuity benefits preempt a Minnesota dissolution court's award of a portion of those benefits to a non-beneficiary spouse under Minn. Stat. § 518.58, subdivision 2.
2. Whether the unfair-hardship award constituted a support obligation exempt from federal preemption under the reasoning of *Rose v. Rose*.

HOLDINGS

1. Federal law preempts a state dissolution court's award of a portion of SGLI proceeds and federal death gratuity benefits to a non-beneficiary spouse because 38 U.S.C. §§ 1970(g) and 5301(a)(1) prohibit attachment, levy, seizure, or other diversion of the benefits from the designated beneficiary.
2. An award under Minn. Stat. § 518.58, subdivision 2, apportioning nonmarital property to prevent unfair hardship is a property division, not a spousal-support obligation, and is therefore subject to federal preemption when it diverts protected federal death benefits from the designated beneficiary.

KEY QUOTATIONS

“Under this standard, a “state divorce decree, like other law governing the economic aspects of domestic relations, must give way to clearly conflicting federal enactments.”” (791 N.W.2d at 535)

“We conclude that the district court’s award of a portion of the federal death benefits to appellant interferes with the congressional objective expressed in the federal anti-attachment statutes.” (791 N.W.2d at 535)

“We hold that federal law preempts the award of a portion of the federal death benefits to appellant under state law.” (791 N.W.2d at 539)

FACTUAL BACKGROUND

Levi Angell, the parties' son, died in active combat while serving in the Marines. He had designated his mother, Loretta Angell, as the sole beneficiary of his Servicemembers' Group Life Insurance benefits and death gratuity benefits, from which she received approximately \$500,352.66. In the dissolution proceeding, the district court classified the benefits as respondent's nonmarital property but awarded appellant \$150,000 under Minnesota's unfair-hardship statute. The award was characterized as a property apportionment rather than spousal maintenance or another support obligation.

PROCEDURAL HISTORY

In the marriage-dissolution proceeding, the district court awarded appellant \$150,000 from respondent's federal death benefits, initially treating the death gratuity payments as marital property and later classifying all benefits as respondent's nonmarital property while increasing the unfair-hardship award under Minn. Stat. § 518.58, subdivision 2. The court of appeals upheld the nonmarital characterization and the amount under the hardship provision but reversed because federal anti-attachment statutes barred distribution of the benefits to appellant. The Minnesota Supreme Court affirmed the court of appeals on the federal-preemption issue.

DISPOSITION

affirmed

CASES CITED

- *Antone v. Antone*, 645 N.W.2d 96, 100 (Minn. 2002)
- *In re Estate of Barg*, 752 N.W.2d 52, 63 (Minn. 2008)
- *Malone v. White Motor Corp.*, 435 U.S. 497, 504 (1978)
- *Rice v. Santa Fe Elevator Corp.*, 331 U.S. 218, 230 (1947)
- *Langston v. Wilson McShane Corp.*, 776 N.W.2d 684, 689 (Minn. 2009)
- *Ankenbrandt v. Richards*, 504 U.S. 689, 703-04 (1992)
- *In re Qwest's Wholesale Serv. Quality Standards*, 702 N.W.2d 246, 251 (Minn. 2005)
- *California Federal Savings & Loan Ass'n v. Guerra*, 479 U.S. 272, 280-81 (1987)
- *Freightliner Corp. v. Myrick*, 514 U.S. 280, 287 (1995)
- *Ridgway v. Ridgway*, 454 U.S. 46, 48-50, 55, 59-62 (1981)
- *Hisquierdo v. Hisquierdo*, 439 U.S. 572, 584, 586, 590, 594-95 (1979)
- *Wissner v. Wissner*, 338 U.S. 655, 657-61 (1950)
- *Rose v. Rose*, 481 U.S. 619, 622, 630-36 (1987)
- *Department of Public Aid ex rel. Lozada v. Rivera*, 324 Ill. App. 3d 476, 755 N.E.2d 548, 553 (2001)
- *In re Marriage of Crook*, 211 Ill. 2d 437, 813 N.E.2d 198, 206 (2004)
- *In re Marriage of Wojcik*, 362 Ill. App. 3d 144, 838 N.E.2d 282, 295 (2005)
- *Young v. Young*, 931 So. 2d 541, 548 (La. Ct. App. 2006)
- *In re Marriage of Anderson*, 522 N.W.2d 99, 102 (Iowa Ct. App. 1994)
- *Schwagel v. Ward*, No. A06-1812, 2007 WL 2600747, at *2 (Minn. Ct. App. Sept. 11, 2007)
- *Peterson v. BASF Corp.*, 711 N.W.2d 470, 482 (Minn. 2006)
- *Angell v. Angell*, 777 N.W.2d 32, 35-41 (Minn. Ct. App. 2009)