

## Ontario – New Marriage Breakdown Regulations

Effective January 1, 2012, new regulations relating to the division of pension assets on the breakdown of a marriage will come into effect in Ontario.

The regulations stem from changes made in the *Family Statute Law Amendment Act* in May 2009 which impacted the family law provisions of Ontario's *Pension Benefits Act*. The new regulations have a number of implications but the major changes are:

**Immediate payment of pension assets** – Former spouses of plan members will be able to receive their share of the member's pension assets immediately, either as a lump sum transfer or a division of monthly pension payments. Currently, former spouses must wait for a 'triggering event' such as retirement or termination before assets can be transferred.

**Valuation of pension assets** – The valuation of the pension assets will be calculated by the plan administrator, in accordance with formulas set out in the new family law regulations made under the *Pension Benefits Act*.

**Application to Plan Administrator** – The parties must apply directly to the plan administrator to get the valuation of pension assets for the division. The plan administrator may charge a fee to provide the calculations.

**New FSCO Family Law Forms** – The Financial Services Commission of Ontario (FSCO) is developing new forms that relate to the division of

pension assets on breakdown of a spousal relationship. These FSCO family law forms must be used by plan administrators and spouses when pension assets are to be valued and/or divided. The new forms include:

- a form the spouses complete to ask the plan administrator to determine the value of the pension assets for family law purposes;
- forms that the plan administrator completes to show the value of the pension assets for family law purposes; and,
- other forms to support the election and payment of pension assets after the breakdown in the spousal relationship.

Current rules will remain in effect until December 31, 2011 and there will be no retroactive application. Any court orders and agreements made before January 1, 2012 will not be affected.

In general, these regulations will apply to any members who would be subject to the *Ontario Family Law Act*.

For more information, FSCO has posted a 'questions and answers' page on its website at [www.fSCO.ca](http://www.fSCO.ca).

For further questions about this or any aspect of creating and maintaining a robust governance structure for your organization's retirement program, please contact Proteus.

# PROTEUS

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[www.proteusperformance.com](http://www.proteusperformance.com)

• 250 Ferrand Drive  
• Suite 303  
• Toronto, Ontario M3C3G8

Phone: 416 421 3557  
Fax: 416 421 1348  
Toll Free: 800 360 6363

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