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Marriage breakdown and your pension

For agreements signed on or after January 1, 2012

What's in this fact sheet?

This fact sheet explains how your pension may be affected if your marriage or common-law relationship ends, the things you need to know, and the steps to take to have the value of your pension related to your marriage (Family Law Value) calculated and, if applicable, to assign a part of your pension benefit to your ex-spouse.

On January 1, 2012, new legislation came into effect that changes the way pension benefits are divided on marriage breakdown. This new legislation applies to employees in Ontario and affects all spouses whose relationship has broken down, **unless** the separation agreement that provided for the division of pension benefits was made **before January 1, 2012**.

This fact sheet provides information on the new rules. If your separation agreement was signed before January 1, 2012, refer to the fact sheet [*Marriage breakdown and your pension – For agreements signed before January 1, 2012*](#).

For more information, contact Human Resources, Pension Sector:

Telephone: (613) 562-5800
ext. 1206 (for employees and former employees
who have deferred their pension),
ext. 1747 (for retirees)

E-mail: pension@uOttawa.ca

In person: Tabaret Hall, Room 019

For the sake of simplicity, throughout this fact sheet, we use “marriage” to cover both common-law relationships and legal marriages, and use “separation agreement” to cover a court order, family arbitration award, domestic contract (separation agreement or marriage contract) or cohabitation agreement.

How does a marriage breakdown affect my pension?

Under the Ontario *Family Law Act*, your pension from the University of Ottawa Retirement Pension Plan is considered family property. This means that if your marriage ends, you may have to assign a portion of the pension you accumulated during your marriage to your ex-spouse.

What happens will depend on your personal situation. In most cases, when all assets accumulated during your marriage are taken into account, each partner receives an equal share of the total assets but not necessarily an equal share of each asset. This means that you may keep your pension whole if you provide something of equal value to your ex-spouse.



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The Ontario *Pension Benefits Act* and the *Family Law Act* set out the manner in which pension benefits can be split after a marriage breakdown. The Financial Services Commission of Ontario (FSCO) – the agency that regulates Ontario pension plans – provides the approved forms that must be used by plan administrators and spouses when pension benefits are to be valued and/or divided.

Since you are employed in Ontario (regardless of your province of residence), the Ontario *Pension Benefits Act* regulates your benefits under the University's pension plan. As a result, any agreement you reach with your ex-spouse about splitting your pension benefits has to comply with the Ontario *Pension Benefits Act* and the Ontario *Family Law Act*. If you are a Quebec resident, this is important to note, since the rules in Quebec for pension benefit splitting on marriage breakdown are different.

How it works

You can assign a maximum of 50% of your Family Law Value. If your separation agreement provides your ex-spouse with more or less than 50% of your Family Law Value, the University will pay the lesser of:

- the amount stipulated in the separation agreement, or
- the maximum allowed by law.

Your separation agreement must express your ex-spouse's share as a specified amount or a percentage of the Family Law Value (for employees and former employees who have deferred their pension) or a percentage of your pension (for retirees).

For forms and more information, contact Human Resources, Pension Sector

FSCO has prepared questions and answers to help you with the process of obtaining the value of your pension related to your marriage (Family Law Value) and, if applicable, dividing your pension benefit. In addition, FSCO's forms and the Statement of Family Law Value provide detailed information on what you need to do and the documents you need to provide.

FSCO's forms and questions and answers are available on the University of Ottawa's pension website at www.hr.uottawa.ca/pension/plan/marriage-breakdown. Or, contact the University's Pension Sector by:

Telephone: (613) 562-5800
ext.1206 (for employees and former employees who have deferred their pension),
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Step 1 – Request the Family Law Value

- You and/or your ex-spouse complete the [Application for Family Law Value](#).
- Ensure you have completed all relevant sections of the application and enclosed all the necessary supporting documents and appropriate fee payment, as outlined in the form.

Step 2

- The University will review your application. If the form is incomplete or you have not included all the necessary documents or fee, the University will return a *Request for Information/ Payment of Fee* form indicating what you need to do for the University to proceed with the calculation of your Family Law Value.
- Within 60 days of the University having received the complete application, the University will send you and your ex-spouse the *Statement of Family Law Value* on the form prescribed by FSCO.

Step 3

- You and your ex-spouse determine how the Family Law Value will be treated and sign a separation agreement.
- The *Statement of Family Law Value*, provided by the University, sets out the options for payment. If you decide to divide your Family Law Value, use the statement as a guide as you finalize your separation agreement.
- If you have an eligible spouse on your retirement date, that spouse acquires the right to your survivor pension on that date and retains that right, even if you separate, divorce and/or re-marry after retirement, unless that spouse waives his/her entitlement to these survivor benefits (the separation agreement must be clear that these benefits are forfeited).

Step 4

If your separation agreement provides for the division of your Family Law Value

- If you are an employee or a former employee with a deferred pension, complete the [Application to Transfer the Family Law Value](#). The pension benefit payable to your ex-spouse is locked in, which means that it must be used to provide retirement income – it cannot be taken in cash. Your ex-spouse must transfer the lump-sum value of the pension benefit (also called the “actuarial value”) to a prescribed locked-in vehicle. Be sure to also enclose the locking-in agreement, completed and signed by your financial institution.
- If you are a retiree, complete the [Application to Divide a Retired Member’s Pension](#). In this case, the pension benefit payable to your ex-spouse is a monthly pension.
- Remember, the *Statement of Family Law Value*, provided by the University, sets out the options for payment and the documents needed to proceed with the division of your pension benefit. Read it carefully and use it as a reference to ensure that your application is complete.

If you are not dividing your Family Law Value

- You and your ex-spouse must jointly complete the [No Division of Family Law Value/Pension Assets](#) form.

Step 5 (only if you are dividing your Family Law Value)

- Within 60 days of the University having received your complete application, the University will process your request.
- You and your ex-spouse will receive a letter from the University confirming that the division has been completed.



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Return all forms and documents to the University

All forms, documents and any fees related to the calculation of your Family Law Value and the division of your pension benefit must be sent to the University at:

University of Ottawa
Human Resources, Pension Sector
Room 019, 550 Cumberland St.
Ottawa, ON K1N 6N5

Terms you need to know

Spouse – for the purposes of pension splitting on marriage breakdown

A spouse is the person to whom you are legally married or your common-law partner. Your common-law partner must have lived with you in a conjugal relationship:

- for at least three continuous years, or
- for less than three continuous years, but in a relationship of some permanence, if your common-law partner is the natural or adoptive parent of your child.

Advise Human Resources if your marital status changes

It's important to advise Human Resources if:

- you get married or enter into a common-law relationship,
- you separate, divorce or end your common-law relationship, or
- your spouse dies.

Your pension and group benefits may be impacted by a change. And, keeping your file up to date will ensure any benefits or pension payable on your death can be promptly paid. Complete and forward the [*Change to marital status package*](#) to Human Resources.

This fact sheet is for general information purposes only and is not intended to provide you with any personalized financial, insurance, legal, accounting, tax or other professional advice. While the University of Ottawa has made every effort to ensure the accuracy of the information, complete details are contained in policies, documents, contracts, pension plan text, and applicable legislation. These official documents govern the operation of the pension plan and take precedence over the information in this fact sheet in the case of inconsistency or error.



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