

***Communiqué to all Plan Administrators of a Defined Contribution Pension Plan
(or Defined Contribution Component of a Pension Plan)
with active and non active plan members that are subject to the
Ontario Pension Benefits Act***

Re: New Ontario legislation related to breakdown of spousal relationship

New rules for members subject to Ontario pension legislation came into effect on January 1, 2012. The new rules are not retroactive and only apply if a court order, Family Law Arbitration Award or Domestic Contract, requiring a division of the pension assets, is made on or after January 1, 2012.

Under the new rules, the member OR the spouse/former spouse (the "Applicant") must apply directly to the Plan Administrator to obtain the valuation of the member defined contribution pension benefit for partition of the pension assets. The Applicant must complete a prescribed "*Application for the Family Law Value (Form 1)*" and send the completed and signed Form 1, along with the required documents and payment of the fee, if any, to the Plan Administrator. Please note that common-law spouses cannot use Form 1.

The applicable prescribed "*Statement of Family Law Value*" (either Form 4A, 4C or 4D) must be prepared by the Plan Administrator for the member's type of benefits (a defined contribution benefit or a combination of a defined contribution benefit and a defined benefit or a benefit that is the greater of a defined benefit or a defined contribution benefit) under the pension plan and the membership status (active or non active) of the member.

The Plan Administrator is entitled to charge the Applicant a fee, subject to a maximum amount, prior to providing the "*Statement of Family Law Value*" to the Applicant and to his/her spouse/former spouse.

The maximum fee that the Plan Administrator may charge to the Applicant is as follows:

- \$200 if the plan provides to the member a defined contribution benefit or
- \$800 if the plan provides to the member a combination of a defined benefit and a defined contribution benefit or a benefit that is the greater of a defined benefit or a defined contribution benefit.

After receiving the "*Statement of Family Law Value*", the member and his/her spouse/former spouse may elect to divide the pension assets. To proceed with the partition of the member's defined contribution assets, the member's spouse/former spouse must complete and sign a prescribed "*Application to Transfer the Family Law Value*" (Form 5).

Additional information on the new rules, the steps involved and to follow and all the prescribed Forms that may be used by the Applicant and the Plan Administrator can be found on the FSCO's website at the following address:

http://www.fSCO.gov.on.ca/en/pensions/Family-Law/Pages/marriage_breakdown.aspx

As Plan Administrator, you may complete the “*Statement of Family Law Value*” (either Form 4A, Form 4C or Form 4D) for the partition of the member’s defined contribution assets on your own. To prepare the “*Statement of Family Law Value*”, you can calculate the value subject to partition by following the instructions noted in Form 4A, Form 4C or Form 4D, as applicable to the member. You can obtain members’ assets information by logging to the Standard Life VIP room (www.standardlife.ca). Once on the VIP room:

- Select “**member financial information**” under the reports tab; and
- Run the “**Total Assets by Member**” report

If you prefer, Standard Life can assist you, based on your selection of either Option A or Option B below:

Option A

Standard Life may prepare for you a financial data report specific to the member’s defined contribution assets so you can calculate the Family Law Value and complete the “*Statement of Family Law Value*”. Our fee for this service is \$75.00 plus tax and must be paid by the Plan Administrator.

Option B

Standard Life may complete in part the “*Statement of Family Law Value*”-Form 4A. Our fee for this service is \$150 plus tax (without exceeding \$200.00, including tax) and must be paid by the Plan Administrator. If you select this Option, please send us the completed and signed “*Application for the Family Law Value*” (Form 1) and all the required documents noted under Part G of Form 1¹.

Important note: *As the Ontario pension legislation provides that the Applicant’s fee for the preparation of the “Statement of Family Law Value” must be paid by the Applicant (the member or his/her spouse/former spouse, as applicable) you may charge your own fee to the Applicant. Standard Life’s fee for service must be paid by the Plan Administrator and cannot be deducted from the member’s assets or the pension fund.*

For additional legislation information related to the new rules, you may consult our January 2012 edition of *Legislation matters*.

If you have any questions, please contact your Service Representative at 1-800-242-1704.

¹ For the “certified copy” of the required documents, Standard Life will accept the plan administrator’s certification that the documents are true originals. The plan administrator may manually indicate on each applicable document “certified true original copy” and sign under the certification.