



Your Pension Beneficiary(ies) University of Guelph Pension Plans

July 28, 2017

Have you considered who will receive your Pension Plan benefits, should you pass away? Have you taken the necessary steps to ensure your desired beneficiary(ies) will receive this benefit?

Summary of Benefits Payable upon the Death of a Plan Member

1. If you were to die before retiring

The Plan will provide a benefit equal to the value of your accrued pension benefit, calculated as if you had terminated from the Plan on the date of your death.

To estimate the lump sum value of your death benefit, please log in to the University of Guelph [My Retirement Pension Portal](#), member website, and use the “I terminate my employment” option to calculate the lump sum value of your pension.

Who will receive the benefit?

The Plan terms and applicable legislation, such as the Ontario Pension Benefits Act and Succession Law Reform Act govern who is entitled to death benefits payable under the Plan. In the event of your death, the benefit will be payable in the following order of priority:

- The Plan’s death benefit will be payable to your [Spouse](#), if you have a Spouse on the date of your death, unless before your death, your Spouse chose to [waive](#) his/her entitlement to this benefit.
- If on your death you are single or your spouse does not meet the definition of Spouse, the death benefit will be paid to your designated beneficiary(ies) or if you have not designated a beneficiary, your estate.

Your Spouse and designated beneficiary(ies), on file with Human Resources, can be viewed on the My Retirement Pension Portal and they are also noted on your annual pension statement. You should ensure that what is on file is up to date and meets your current wishes.

If your pension death benefit is payable to your Spouse, your Spouse will be entitled to receive at his/her option, either a direct transfer of a lump-sum to a non-locked-in RRSP or RRIF on a tax deferred basis, a payment in cash of the lump-sum amount less withholding taxes, or a lifetime monthly pension less taxes.

If you do not have a Spouse on your date of death, your pension benefit will be payable as a lump sum less withholding taxes to your designated beneficiary(ies), or to your estate if you have not designated a beneficiary(ies).

If the death benefit is paid to your estate, the terms of your will (or applicable succession law, where there is no valid will) govern the distribution of your assets to be managed by your executor. Also, the pension death benefit may be subject to income taxes and probate fees.

What if I have separated from my married spouse but have a common-law spouse?

If you live separate and apart from your married spouse, then, your married spouse no longer meets the definition of Spouse, as noted in the section below, "Meaning of Spouse.....". If after your separation you have lived with a common-law spouse continuously for at least 3 years, or if you and a common-law spouse are the parents of a child as set out in section 4 of the Children's Law Reform Act, then your common-law spouse is considered the Spouse under the terms of the pension plan and has first entitlement to survivor benefits.

To declare who your Spouse is, please contact Human Resources and arrange to complete the Pension Plan Enrolment, Declaration of Spouse and Beneficiary Designation Form.

2. If you were to die after retiring

The benefit payable will depend on the survivor pension option that you choose just prior to retiring and whether you have a Spouse when you commence your pension.

- If you have a Spouse when you first commence receiving your monthly lifetime pension, your Spouse will be entitled to a survivor pension in the event of your death. Your pension will be payable to you for your lifetime and upon your death a survivor pension equal to 60%, 75% or 100% of your pension will be paid to your Spouse monthly, during the lifetime of your Spouse. At retirement you will be given the choice of a 60%, 75% or 100% survivor pension. If you choose the 75% or 100% option, your monthly lifetime pension will be actuarially reduced to reflect the fact that you have elected a larger spousal survivor pension.
- When you commence to receive your monthly lifetime retirement pension, if you do not have a Spouse at that time, or if your spouse has [waived](#) the Joint and Survivor pension, you may choose from three guarantee options of 5, 10 or 15 years: Regardless of the option you choose, your pension will be payable during your lifetime and, in the event of your death, will continue in full for a maximum of 5, 10 or 15 years from the date of your pension commencement. If you choose the 10 or 15 year options, your pension will be actuarially reduced. If you die prior to the end of the guarantee period your designated pension [beneficiary\(ies\)](#), or if you do not have a beneficiary, your estate, will receive the balance of the remaining payments.

Should your eligible Spouse pre-decease you during your retirement, and should you enter into another spousal relationship, please contact Human Resources for information on possible Successor Spouse survivor benefits.

Meaning of Spouse under the University of Guelph Pension Plans

The Plan terms and the law grant a Spouse certain rights and entitlements with respect to pension benefits.

Spouse mean:

- a) A person who is married to you and who is not living separate and apart from you; or
- b) A person who is not married to you and is living with you in a conjugal relationship,
 - continuously for at least 3 years, or
 - in a relationship of some permanence if you are the parents of a child as set out in section 4 of the Children's Law Reform Act.

If your death occurs prior to retirement, your spouse must not have been living separate and apart from you and must have met the above definition of Spouse on the date of your death to qualify as a Spouse for purposes of entitlement to the death benefit under the Plan.

If your death occurs after retirement, your spouse must have met the definition of Spouse at the time of your retirement, to be eligible for the post retirement death benefit.

It is important to notify Human Resources of any changes to your spousal status and of any settlements of marital property requiring a division of your pension benefit. Under family law, pension assets may be included in the calculation and division of family property and a former Spouse may be provided with a portion of your pension benefit. For more information, please refer to the [Notice to All Members of the University of Guelph Pension Plans re: Marriage Breakdown](#).

Beneficiary Designation

Life events such as marriage, separation, divorce, the birth of a child or the death of a Spouse or beneficiary are times when you should re-examine your named beneficiary(ies) to ensure your pension benefit will go to the person(s) you wish to receive it.

The name of your Spouse and your designated beneficiary(ies), as indicated on our records, can be viewed on the My Retirement Pension Portal and they are also noted on your annual pension statement. Should you wish to make any changes, please

contact Human Resources and update your Pension Plan Enrolment, Declaration of Spouse and Beneficiary Designation Form.

If you have a Spouse but wish that your death benefit be payable to your designated beneficiary(ies), then your Spouse must complete the prescribed [Spousal Waiver](#) form as noted below.

Spousal Waiver

The Waiver of Pre-Retirement Death Benefit form (Form 4) allows your spouse to waive the [Spouse's](#) priority to a pre-retirement death benefit and may be filed with Human Resources. If there is a Spousal Waiver on file at the time of death, the death benefit is payable to the designated beneficiary(ies) or, if none, to the estate.

There is a separate waiver form if you and your Spouse wish to waive spousal priority to the survivor component of the post-retirement Joint and Survivor Pension. The Waiver of Joint and Survivor Pension form (Form 3) can be filed at or up to 12 months prior to the time of retirement. This form can be used if you and your Spouse wish to forego the Joint and Survivor lifetime Pension with a 60% survivor pension payable to your Spouse. Should you forego the Joint and Survivor pension you (the plan member) will be provided with a lifetime pension with a minimum of 5, 10 or 15 year pension guarantee and on your death, the balance of the guarantee period will be payable to a designated beneficiary(ies) or your estate.

The appropriate Spousal Waiver form must be signed and filed with Human Resources in the manner and within the period of time prescribed under the Ontario Pension Benefits Act. Before signing a waiver, both you and your Spouse are strongly encouraged to carefully consider the implications and to obtain independent financial advice from an organization or individual with appropriate pension knowledge.

This notice is provided for general information purposes only and is based on current applicable legislation and the terms of the relevant University of Guelph Pension Plan, which are subject to change.

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