Have you considered who will receive your pension plan benefits, should you die while employed or after retirement? 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 die before retirement**

   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 your current or future death benefit, please visit the University of Guelph Pay and Pension Link website or contact Human Resources if you do not have access to the site.

   **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.

   The name of your Spouse and your designated beneficiary(ies), as indicated on our records, are noted on your annual Personal Pension Benefits Report, which is distributed to you each March. You should ensure the report reflects your current situation.

   When spousal benefits are payable, the Spouse will be entitled to receive at his/her option, one of three pension death benefits; a direct lump-sum transfer 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 there is no designated 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?**

As a result of a recent court decision, if you have separated (not divorced) from your married spouse and are now in a common-law relationship, and you wish your current common-law spouse to receive your pre-retirement death benefit, then you must designate your common-law spouse as your pension beneficiary. A recent Ontario court decision found that in such a situation involving an Ontario-registered pension plan, neither the separated married spouse nor the common-law spouse had priority over the designated beneficiary(ies) or estate. Therefore the benefit would instead, in these cases, be payable to the beneficiary(ies) that was designated by the Member, or if there is no designated beneficiary(ies), to the estate.

You should also know that the Ontario government has recently introduced a bill that, if passed, would give priority to the common-law spouse over the designated beneficiary, in this situation. It is important for you to review and potentially update your pension beneficiary(ies) designation, should this situation apply.

At this time, if you wish to declare that your common-law spouse should receive the pre-retirement death benefit, that person should be designated as the Beneficiary (in Section D) of the Pension Plan Enrolment, Declaration of Spouse and Beneficiary Designation Form. Please contact Human Resources to arrange for completion of the form.

2. **If you die after retirement**

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

- If you have a Spouse when you commence receiving your monthly pension, you will receive a Joint and Survivor pension payable monthly during your lifetime. The pension will be payable at 100% for your lifetime and upon your death will pay a continuing benefit of 60%, 75% or 100% of your pension for the lifetime of your Spouse. Should you choose the 75% or 100% Joint and Survivor pension option, your 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 retirement pension, if you do not have a Spouse, or if your spouse has waived the Joint and Survivor pension, you may choose from three guarantee options: 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 natural or adoptive parents of a child, both as defined in the Ontario Family Law 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 and must not have been living separate and apart from you 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. Your pension benefit can be a significant marital asset in the event of a relationship breakdown. 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 good opportunities to re-examine your named beneficiary(ies) and to ensure that 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, are noted on your annual Personal Pension Benefits Report, which is distributed to you each March. 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) waives the Spouse’s priority to a pre-retirement death benefit and may be filed with Human Resources at any time before the death of a member. 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 forgo 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.

March 21, 2014