

This information will assist retired members or their representatives with the division of a pension on relationship breakdown. **If there is any discrepancy between this information and the Plan, the provisions of the *Teachers' Pension Plans Act* and applicable legislation will determine entitlements and options available.**

1. RESTRICTIONS ON ASSIGNMENT AND SURRENDER

A retired member's benefits may not be given to another person, used as security or forfeited. However, pensions are considered family property and may be divided as the result of a Family Property Order (FPO) where a relationship breakdown has occurred. The regulations regarding the division of pensions on relationship breakdown apply to retired members who were either legally married or were in a common-law relationship for more than three years.

Pension division following relationship breakdown for individuals in a common-law relationship applies to individuals who were in a common-law relationship for at least three years and whose relationship ended on or after January 1, 2020 when the *Family Property Act* came into effect. Note: The common-law relationship must be for at least three years in order to meet the definition of pension partner found in the *Teachers' and Private School Teachers' Pension Plan Regulation*.

The definition of pension partner is:

- a person who is married to the member and has not been living separate and apart from the member for three or more consecutive years, or
- a person who has been living with the member in a conjugal relationship for a continuous period of at least three years and was, during that period, held out by the member in the community in which they lived as being in that conjugal relationship.

To divide pension benefits, an FPO that complies with Section 45 of the *Teachers' Pension Plans (Legislative Provisions) Regulation* (Legislative Provisions) must be filed with the Alberta Teachers' Retirement Fund Board (ATRF). **Since ATRF must comply with all Legislative Provisions, ATRF should be given the opportunity to review a draft of the FPO before it is finalized.**

Two Ways of Sharing

Family property can be divided by:

- the retired member giving up ownership of other family property to offset the value of the pension, or
- dividing the pension that is being paid.

2. DIVIDING A PENSION IN PAY

A. How the Benefit is Divided

The Legislative Provisions allow the retired member's former pension partner to share in the monthly pension. That share cannot exceed 50% of the benefit earned by the retired member during the period of joint accrual. If ordered to do so, ATRF will pay the former pension partner's share directly to the former pension partner. No lump-sum payment can be made to the retired member's former pension partner.

B. Requests from Retired Members or their Non-member Pension Partner

Under the Legislative Provisions, ATRF is required to provide pension information to both the retired member and the non-member pension partner on receipt of a written request from either party. It is recommended that you contact ATRF for a Statement of Benefit Entitlement prior to obtaining a draft FPO. If you require information about your own pension, or your former pension partner's pension, you must complete the



Request for Statement of Benefit Entitlement or provide ATRF with a signed written request that includes the following:

- Your full name, mailing address and telephone number,
- If you are the non-member pension partner, the retired member's full name,
- If you are the retired member, your former pension partner's full name and mailing address, and
- The start and end date of the period of joint accrual.

ATRF will provide both parties with a statement, not more than once in a calendar year, containing:

- (a) the total entitlement (total monthly pension amount) as of the month in which the statement is prepared,
- (b) the first date of accumulation of pensionable service by the member under the Plan,
- (c) the amount of pensionable service accumulated by the member up to the date of retirement,
- (d) the amount of pensionable service accumulated during the period of joint accrual,
- (e) the last date of pensionable service accumulated by the member, and
- (f) the monthly amount of pension that would be paid to the former pension partner.

3. INSTRUCTIONS FOR YOU AND YOUR LAWYER

Section 31(1) of the Legislative Provisions provides that notwithstanding the *Family Property Act* or any other rule of law or equity to the contrary, the Court shall not make an FPO dividing or distributing a benefit or any portion of a benefit except in a manner that complies with Part 2 of the Legislative Provisions.

A. Third Party Requests

If you are requesting information on behalf of your client, we require a signed release from the retired member or the retired member's former pension partner (as appropriate) permitting us to release the information to you. It should include:

- your name,
- the name of the person you are representing,
- the information outlined in section **2.B** that is required for any request for pension information, and
- the name of your law firm, mailing address and telephone number.

B. What Form of FPO Should You Use?

A sample draft order can be found on ATRF's website at www.atrf.com, Life Events, Relationship Breakdown. ATRF should be given the opportunity to review any FPO before it is finalized.

C. What Information must be Included in the FPO?

- The start and end dates of the period that the benefit is considered to have jointly accrued for the purposes of the *Family Property Act*.
- The "division factor", which is the percentage share of the jointly accrued benefit which is awarded to the non-member pension partner. This percentage must not exceed 50%.
- It is recommended that you contact ATRF to confirm the type of option that the retired member elected at pension commencement before preparing an FPO. It is important that you understand what happens on the death of the member or the member's joint nominee if the member elected a Joint Life and Last Survivor option. To provide this information, ATRF requires a signed release from the retired member.
- If the retired member chose the Advance & Reduction Option (see page 3), indicate whether it is to be included in the division.

D. What Pension Options were Available when the Member Applied for Pension?

No change can be made to the option that was chosen regardless of a change in the retired member's marital status. The provisions of the *Teachers' Pension Plans Act* will apply in all circumstances.

SINGLE LIFE PENSIONS

Single Life pensions are payable for the lifetime of the retired member or to the end of the guaranteed period, whichever is longer. If the retired member dies before the end of the guaranteed period chosen, the pension continues in the same amount to the named beneficiary(ies) until the end of the guaranteed period. Where there is no guarantee period, or the guarantee period has expired, no further benefits are payable following the retired member's death.

Single Life, No Guarantee

Single Life, Five-Year Guarantee

Single Life, Ten-Year Guarantee

Single Life, Fifteen-Year Guarantee

JOINT LIFE AND LAST SURVIVOR PENSIONS

All Joint Life pensions are calculated on the basis of two lives, the retired member and the retired member's designated nominee. Payment is made as long as one of the two people is alive. The elected option determines if the survivor receives an equal or a reduced pension amount. If both the retired member and the nominee die before the expiration of five years after pension commencement, the pension amount last in pay continues to any named beneficiary(ies) until the end of the five-year guarantee period.

If the member had a pension partner at pension commencement, the member had to elect a Joint Life pension option designating the pension partner as nominee unless the pension partner waived the right to the spousal survivor benefit by signing a Pension Partner's Waiver of Pension at Pension Commencement form. The only exception was if there was an FPO on file protecting the rights of a former pension partner. In that case, there was no requirement to elect a Joint Life pension option, i.e. the retired member could elect one of the Single Life options. The nominee is determined at pension commencement and cannot be changed even if there is a breakdown of the relationship or death.

Joint Equal – Survivor receives same pension

Joint Reduced by 1/3 - Survivor receives 2/3 of pension

Joint 100/60 – Surviving retired member receives full pension; surviving nominee receives 60% of pension

ADVANCE & REDUCTION OPTION

The Advance & Reduction Option is a way to level your ATRF pension income with your Canada Pension Plan (CPP) benefits. This option pays more pension from the Plan before age 65 and less pension after age 65. The Advance & Reduction Option is only available to members who retire prior to age 64.

The Advance is an optional payment that starts when a pension is granted and is paid monthly for the member's lifetime in addition to the ATRF pension. A permanent reduction to the ATRF pension will begin at age 65, and continues for the member's lifetime regardless of when the member starts to receive CPP benefits, or whether the Government of Canada changes CPP eligibility requirements, benefits available, or tax rules.

A member may only choose the Advance & Reduction Option when they choose their pension option – it cannot be added after a pension has been granted. The Advance & Reduction Option cannot be changed or cancelled once pension payments begin. The Advance & Reduction Option stops at the member's death and does not continue to any surviving nominee, beneficiary, or estate.