

From: AttorneyGeneral@ontario.ca
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Subject: A Letter from the Attorney General

I am delighted to tell you that on January 1, 2012, the pension division and valuation provisions in the *Family Statute Law Amendment Act, 2009* will come into force. We heard from Ontarians that this was an area that needed reform. These changes deliver on our government's commitment to make our family justice system more affordable, faster, simpler and less confrontational.

The new regulation under the *Pension Benefits Act* that sets out the valuation methodology and the process for receiving a payout from the plan will be available shortly on the e-laws website (www.e-laws.gov.on.ca).

I want to thank all those who submitted comments on the draft regulation, which was posted for consultation in March. The regulation has been revised in response to comments that we received. The changes include:

- defined contribution plans will use a different imputed value methodology than defined benefit plans (s. 19);
- the regulation permits spouses to request a valuation based on two proposed dates (s. 22);
- the regulation provides a valuation methodology for active pension plan members who continue to work past their unreduced early retirement or their normal retirement date (s. 7);
- the shortened life expectancy provision has been expanded to applications made after the valuation date (s. 13);
- the regulation clarifies the scope of the 'non-vested discount' rule (s. 11).
- the imputed value of a defined contribution benefit will require updating based on the account's rate of return (s. 30);
- the revaluation rules for a pension in pay have been clarified to take into account bridging benefits and any guarantee period to which the pension is subject (ss. 39 and 40);
- the regulation sets out rules for plans that provide separate defined benefits and defined contribution benefits (ss. 3, 16, 30, 31);
- the maximum fee for a valuation for defined benefits has been changed to \$600 (s. 23);
- the regulation will require administrators to disclose any ad hoc adjustments such as indexation made to the plan within the three years leading up to the valuation date (s. 24);
- various amendments were made to clarify the requirements for the contents of the statement of imputed value, including the accumulated value of additional voluntary contributions as of the FLVD and as of the starting date (s. 24).

In addition, a number of amendments were made to Regulation 909 under the *Pension Benefits Act* in order to facilitate the operation of the new regime.

The six month transition period will provide sufficient time for the Financial Services Commission of Ontario to create the requisite Superintendent's forms; for administrators to prepare their systems for compliance with the new regime; and for lawyers and other professional advisors to familiarize themselves with the new legislative and regulatory framework.

The new regulation is the result of collaboration between the bar, bench, pension administrators, actuaries and Ministries of the Attorney General and Finance. Once again, thank you for your contribution to this reform and for your continued support of our shared commitment to provide accessible and consistent family justice services for all Ontarians.

Hon. Chris Bentley
Attorney General