



Relationship Breakdown Information

The following information is provided as a summary only. You may wish to contact the Manitoba Pension Commission and/or your legal advisor for additional information.

Your Municipal Employees Pension Plan (MPP) is considered to be a family asset. Under *The Pension Benefits Act* and Regulations, if you have experienced a relationship breakdown, your Spouse or Common-law Partner is entitled to 50% of the pension benefit earned during the relationship period.

Subsection 31(2) of the Act requires that the pension must be divided in accordance with the regulations. Effective May 31, 2010, a division is triggered if:

- according to an order of the Court of Queen's Bench made under *The Family Property Act*, your family assets or those of your spouse or common-law partner are required to be divided;
- according to a written agreement between you and your spouse or common-law partner, family assets are to be divided, or
- a division of the pension or the pension benefit credit is required by an order of a court of competent jurisdiction in another province or territory of Canada or an order of the Court of Queen's Bench made under the PBA.

Subsection 31(2) of the Act applies to the following parties:

- a) spouses who began living separate and apart after 1983;
- b) common-law parties who
 - i. began living separate and apart on and after June 30, 2004.
 - ii. began living separate and apart on and after 1983 but before June 30, 2004, if the relationship had been declared according to Subsection 31(5) of the Act as it read before June 30, 2004, or
 - iii. were living separate and apart on June 30, 2004, but resumed cohabitation after June 30, 2004 for at least 90 days.

The following information explains what should be done in order to proceed with the division of the pension benefit, waive the division of the pension benefit, or divide the net difference between two pension benefits.

Relationship Breakdown Prior to Retirement

Relationship Breakdown Statement

If you need information on the value of your pension benefit earned during the relationship period, you can request a **Relationship Breakdown Statement** by submitting a **Relationship Breakdown Data Sheet (Form #34)** to MEBP. MEBP will send you a statement that will show the value of your pension benefit earned during the period of marriage or common-law relationship, what options are available in regard to the division of your pension benefit and information on the documents that are required.

Your former Spouse or Common-Law Partner cannot legally waive the right to the pension benefit unless the value of the asset is known. The Pension Benefits Regulation requires that MEBP provide both you and your former spouse or common-law partner with a copy of the Relationship Breakdown Statement. MEBP will send the statement to your former spouse or common-law partner, if you provide us with an address.

Options

It is important to note that whether the pension benefit is divided, waived or the net difference split; as administrators of the Plan MEBP requires a copy of the separation agreement or court document which confirms the date the relationship began, the date of separation and confirmation that family assets have been divided pursuant to a written agreement or court order.

1) Division of Pension Benefit – If the pension benefit earned during the period of the relationship is to be divided, we will require your former spouse or common-law partner complete a **Spouse's Option Application**.

Once the **Spouse's Option Application** is returned to our office, MEBP will pay out 50% of the value of the pension benefit earned during the relationship period to your former spouse or common-law partner.

The funds will be transferred to a locked in retirement account (LIRA) on behalf of your former spouse or partner (transferred to a Registered Retirement Savings Plan or paid as a lump sum refund to your former spouse or partner if the amount is considered to be a "small benefit"). The payment will include interest up to the date on which the funds are paid from the Plan.

Your pension benefit earned during the period of the relationship, pension contributions with interest that accumulated during the relationship period, and any cost of living increases granted to retired members from your date of separation to your date of retirement, will be reduced by 50%.

2) Dividing the Net Difference – If both you and your former spouse/common-law partner have pension benefits that are subject to division, subsection 11.6 of the Pension Benefits Regulation allows you to split the difference in value between the two pensions, rather than divide both pensions.

In this case, we require confirmation of the value of your former spouse's pension benefit credit and an *Agreement to Divide Net Difference* (**Form #36 - available from our office**) signed by both parties agreeing to divide the difference between the two pensions as allowed under subsection 11.6.

With this option only the higher value pension is adjusted. If required, your pension benefit earned during the period of the relationship, pension contributions with interest that accumulated during the relationship period, and any cost of living increases granted to retired members from your date of separation to your date of retirement, will be reduced proportionally.

3) Waiving the Division – You and your former spouse may, after each have received independent legal advice; and a statement of the value of the pension benefit credit, enter into a written agreement, not to divide the pension benefit between you.

An agreement not to divide the pension benefit credit must acknowledge that each of the parties

- 1) is entering into the agreement voluntarily and without duress, coercion or compulsion of any kind and
- 2) has received independent legal advice with respect to the effect of the agreement and
- 3) has received a statement of the value of the pension benefit credit.

A copy of your separation agreement or court order that states these acknowledgements must be filed with the Municipal Employees Pension Plan, before we can close our file on the matter.

Relationship Breakdown After Retirement

Relationship Breakdown Statement

If you a retired member of the Municipal Employees Pension Plan and you have experienced a relationship breakdown, complete a ***Relationship Breakdown Data Sheet (Form #34)*** and send it to MEBP. MEBP will provide you with a ***Relationship Breakdown Statement*** that will show the portion of your monthly pension payment that is eligible to be paid to your former spouse or common-law spouse and any outstanding payments owed.

Your former Spouse or Common-Law Partner cannot legally waive the right to the pension benefit unless the value of the asset is known. The Pension Benefits Regulation requires that MEBP provide both you and your former spouse or common-law partner with a copy of the Relationship Breakdown Statement. MEBP will send the statement to your former spouse or common-law partner, if you provide us with an address.

Options

It is important to note that whether the pension benefit is divided or waived as administrators of the Plan, MEBP will require a copy of the separation agreement or court document which confirms the date the relationship began, the date of separation and confirmation that family assets have been divided pursuant to a written agreement or court order.

1) Division of Pension Benefit – If the monthly pension benefit earned during the period of the relationship is to be divided, we will require your former spouse or common-law partner complete ***Spousal Pension Information Forms***.

Once these forms are returned to our office, MEBP will divide your monthly pension payment by 50% (or a lesser portion if the period of the relationship was less than your period of membership in the Plan) and pay the benefit in the form of a monthly pension payment directed to your former spouse or common-law partner. The form of pension that you elected at retirement is not affected by the division, only your monthly pension payment is adjusted.

Your former spouse or common-law partner is entitled to receive pension payments after the date of separation. If you continue to receive full pension payments after the separation date because MEBP was not made aware that a separation has taken place or MEBP has not received a copy of the necessary order or agreement, any outstanding arrears will need to be addressed.

MEBP will advise you of any outstanding arrears owed and you will have to make arrangements with your former spouse or common-law partner to make a lump sum payment to him/her equal to the actuarial present value of the arrears.

2) Waiving the Division – You and your former spouse may, after each have received independent legal advice; and a statement of the value of the pension benefit, enter into a written agreement, not to divide the pension benefit between you.

An agreement not to divide the pension benefit credit must acknowledge that each of the parties

- 1) is entering into the agreement voluntarily and without duress, coercion or compulsion of any kind and
- 2) has received independent legal advice with respect to the effect of the agreement and
- 3) has received a statement of the value of the pension benefit credit.

A copy of your separation agreement or court order that states these acknowledgements must be filed with the Municipal Employees Pension Plan, before we can close our file on the matter.