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# Survivor benefits under the pension plan

## What's in this fact sheet?

This fact sheet explains the basics of survivor benefits under the pension plan. For more information, contact the Human Resources Service, Pension Sector:

Telephone: (613) 562-5800 ext. 1206 or ext. 1747

E-mail: [pension@uOttawa.ca](mailto:pension@uOttawa.ca)

In person: Tabaret Hall, Room 019

## What is a survivor benefit?

The financial welfare of your family can be a lifelong responsibility. You work hard to provide for your spouse and/or children, but what happens when you die? If eligible, your spouse or dependent children are entitled to survivor benefits to help them maintain financial security.

A survivor benefit is paid to eligible recipients, whether you die before or after your pension payments have begun. The type and amount of this benefit depends on the pension you have accrued in the plan, your eligible beneficiaries, and whether you die before or after your pension payments have begun.

Any group insurance coverage will not be extended to survivors after your death.

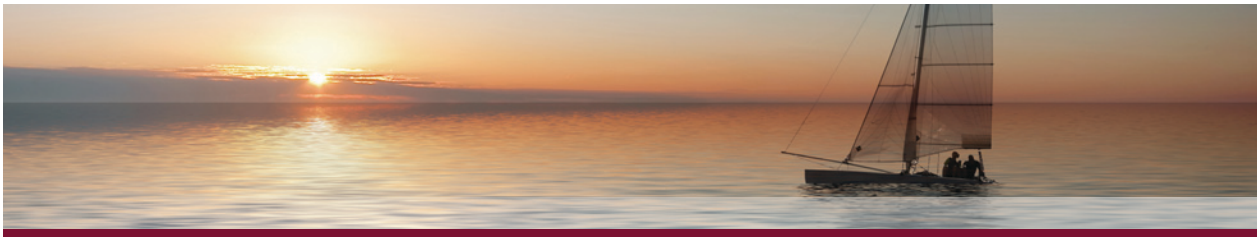
## Your eligible beneficiaries

If you have an eligible spouse at the time of your death, survivor benefits will be paid to your eligible spouse if he or she has survived you.

The following table summarizes the benefit recipients in the event of your death.

In the event of your death...	The benefit will be paid to...
Before your pension payments have begun	<ul style="list-style-type: none"> <li>Your eligible spouse, if any,</li> <li>Your designated beneficiary, if you do not have an eligible spouse, or</li> <li>Your estate, if you have not designated a beneficiary</li> </ul>
After your pension payments have begun	<ul style="list-style-type: none"> <li>Your eligible spouse, if any,</li> <li>Your eligible dependent children, if there is no eligible spouse or upon his or her death, or</li> <li>Your designated beneficiary*, if you and your spouse (if any) die before the end of the guarantee period and there are no eligible dependent children. (In this case, the benefit is a lump-sum payment representing the remainder of the guarantee period.)</li> </ul>

\*Or your spouse's designated beneficiary, if the last payment was made to your spouse



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Please ensure that your spousal declaration is up-to-date. Notify the Human Resources Service, Pension Sector, of any change in your spousal status by completing the *Declaration of Spouse/ Dependents* form and *Pre- or Post-Retirement Pension Beneficiary Designation* forms.

You must provide any legal documents requiring a split of your pension entitlements following a separation or a divorce.

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### Designating a beneficiary

#### Before your pension payments have begun

When you join the pension plan, you must choose a beneficiary. A beneficiary is the person who will receive benefits payable from the plan after you die. You can name anyone as your beneficiary for your pension benefits: an aged parent, a child who no longer depends on you for support, or your estate, for example.

However, if you have an eligible spouse, he or she will have priority, unless your spouse states in writing (a waiver) that he or she does not wish to receive a survivor benefit. A *Waiver of Pre-Retirement Survivor Benefit Form* is available from the Human Resources Service, Pension Sector, or online, at [www.hr.uottawa.ca/forms/](http://www.hr.uottawa.ca/forms/).

If you did not designate a beneficiary at enrolment, or would like to change your beneficiary, you must complete a *Pre-Retirement Pension Beneficiary Designation Form*, available from the Human Resources Service, Pension Sector, or online, at [www.hr.uottawa.ca/forms/](http://www.hr.uottawa.ca/forms/).

### Terms you need to know

#### Spouse

A spouse is a person of the same or opposite sex to whom you are legally married, or with whom you have been living in a common-law relationship for at least one year. Your spouse must meet this definition on the earlier of the date of your death or the date you start receiving your pension.

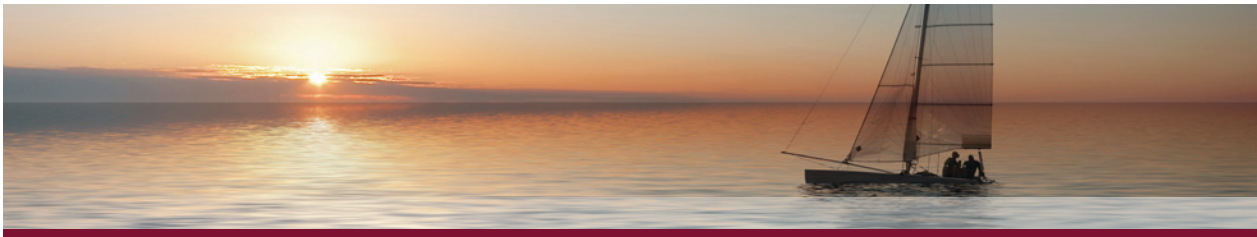
However, if you began receiving your pension before January 1, 1994 and you did not have a spouse on your retirement date, your spouse must meet this definition on the date of your death.

If you began your pension after December 31, 1993, do not have a spouse on your retirement date and acquire one afterwards, this spouse will be eligible for survivor benefits only if you notify the University of your spousal status within one year of the date on which your spouse qualifies as such under the plan. In this case, your pension would be reduced to provide for the survivor benefits.

#### Dependent child

A dependent child is a natural or adopted child who depends on you financially at the time of your retirement. Moreover, at the time of any benefit payment, he or she:

- is under age 19 and will not reach age 19 during the calendar year of your death, or
- attends school full time and is under the age of 27, or
- depends on you because of a mental or physical handicap.



## Survivor benefits under the pension plan

### After your pension payments have begun

Note that, as of your retirement, your eligible spouse will not be able to waive his or her right to a survivor benefit.

If you would like to change your beneficiary after retirement, please complete a *Post-Retirement Pension Beneficiary Designation Form*, available from the Human Resources Service, Pension Sector, or online, at [www.hr.uottawa.ca/forms/](http://www.hr.uottawa.ca/forms/).

### Terms you need to know

#### Guarantee period

A guarantee period is the period during which survivor benefits continue to be paid regardless of when you die. When you choose a guarantee period, you ensure that payments will continue for 5, 10 or 15 years at a minimum. The longer the guarantee period you elect, the lesser your own pension payments will be since there is a cost attached to a greater guarantee. You need to choose the protection that best suits your needs. Regardless of the guarantee period you choose, your own pension payment will continue for as long as you live.

### Forms of pension

↙ **If, at the time your pension payments start, you...** ↘

*Are single...*

*Have an eligible spouse...*

<b>Your normal pension is...</b>	<b>Your normal pension is...</b>
<p>A pension payable for your lifetime with a 5-year guarantee</p> <p>Under this option, you would receive a pension payable for your lifetime. If you die within 5 years of the date your pension began, a lump-sum payment will be paid to your beneficiary representing the balance of the 5-year guarantee period.</p>	<p>Joint-and-survivor pension (60%) with a 5-year guarantee</p> <p>Under this option, you would receive a pension payable for your lifetime. If you die within 5 years of the date your pension began, payments would continue to your spouse for the balance of the 5-year guarantee period (should your spouse not survive you, a lump-sum payment would be paid to your beneficiary, representing the balance of the guarantee). After the 5-year guarantee period, your surviving spouse would receive a monthly pension equal to 60% of the pension payable to you before your death, for the remainder of his or her lifetime.</p>
<b>Alternatively, you can choose...*</b>	<b>Alternatively, you can choose...*</b>
<p>A lifetime pension with no guarantee**, or a guarantee of 10 or 15 years as per the above mentioned payout</p>	<p>A joint-and-survivor pension (100%) with no guarantee**, or a guarantee of 5, 10 or 15 years as per the above mentioned payout, or</p> <p>A joint-and-survivor pension (60%) with no guarantee**, or a guarantee of 10 or 15 years</p>

\* Each form of pension available to you differs in two fundamental ways – how much you receive for your lifetime, and how much your eligible spouse or beneficiary receives in the event of your death. Your lifetime pension payable under the normal form of pension (normal pension) will be reduced on an actuarially equivalent basis to reflect a more generous survivor benefit if you choose such an alternative form of pension.

\*\* Subject to a maximum established by the Canada Revenue Agency



## Survivor benefits under the pension plan

### Benefits payable if you die before your pension payments have begun

If you die before your pension payments have begun, the eligible recipient is entitled to the greater of the following amounts:

- twice the required contributions you made to the pension plan, or
- the actuarial value of your accumulated pension benefit.

This benefit will be paid in a lump sum. An eligible spouse will be allowed to transfer the payment into his or her personal RRSP.

### Benefits payable if you die after your pension payments have begun

If you die after you have started receiving your pension payments, the survivor benefit will depend on the form of pension payment that you chose at retirement. Your options at the time your pension payments start depend on whether you are single or have an eligible spouse.

Unless you acquire a spouse for the first time after your pension payments have begun and that your spouse meets the definition of spouse, the form of pension payment selected at retirement cannot be changed.

### Terms you need to know

#### Actuarial value

The actuarial value is an immediate lump sum that is estimated to be equal in value to your future pension payments. The value is based on the pension plan provisions and assumptions prescribed by the Canadian Institute of Actuaries, which include mortality rates and current market interest and inflation rates.

### Canadian Pension Plan/Quebec Pension Plan benefits

When you work in Canada, you automatically contribute to the Canada Pension Plan/Quebec Pension Plan (CPP/QPP). If you die, your survivors can apply for CPP/QPP survivor benefits. If you and your spouse meet certain eligibility requirements, your spouse could receive a monthly benefit after your death. Your dependent children may also be eligible to receive a monthly benefit.

Up-to-date CPP benefit amounts, as well as complete descriptions of the benefits, are available on the Human Resources and Skills Development Canada (HRSDC) site, at [www.hrsdc.gc.ca](http://www.hrsdc.gc.ca). The HRSDC site also allows you to view your personal CPP benefits statement online. For details, visit [www.hrsdc.gc.ca/en/isp/common/proceed/socinfo.shtml](http://www.hrsdc.gc.ca/en/isp/common/proceed/socinfo.shtml). For information on the QPP, visit [www.rrq.gouv.qc.ca/en/](http://www.rrq.gouv.qc.ca/en/).

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After your death, your spouse will need to contact the Human Resources Service, Pension Sector, to obtain and complete an *Application for Survivor Benefit Form*, for his or her benefits to begin.

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This fact sheet is for general information purposes only and is not intended to provide you with any personalized financial, insurance, legal, accounting, tax or other professional advice. While the University of Ottawa has made every effort to ensure the accuracy of the information, complete details are contained in policies, documents, contracts, pension plan text, and applicable legislation. These official documents govern the operation of the pension plan and take precedence over the information in this fact sheet in the case of inconsistency or error.

