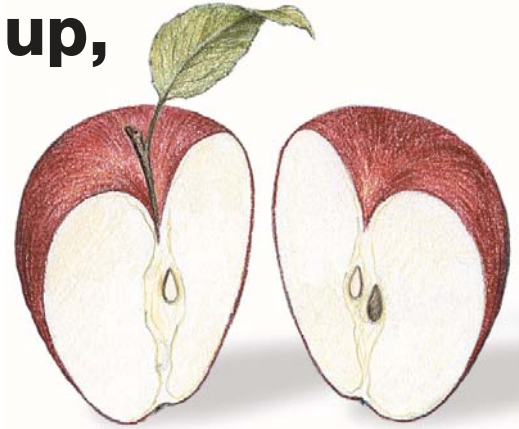


If your couple breaks up, ask for the figures...

To make an informed decision



Québec Pension Plan

A simulation: to evaluate the effects of partition... Think about it!

Would it be to your advantage to partition the earnings recorded for you and your spouse under the Québec Pension Plan? To find out, request a simulation of the effects of partition. You will receive all the information you need to make the best decision. The same is true for de facto (common law) spouses!

Whether you are an employee or a self-employed worker, you make contributions to the Québec Pension Plan on your employment earnings.

If a judgment is rendered in Québec following the breakdown of a conjugal union, the Régie automatically receives the judgment and carries out partition of earnings. Only the earnings recorded in the names of both former spouses under the Québec Pension Plan, during their union, are partitioned. **If you are considering renouncing your right to partition, be sure you have all the information required to make the right decision!**

Why request a simulation?

- A simulation allows you to see the effects of partition of employment earnings recorded under the Plan. You also receive an estimate of your pension with or without partition.
- If one of the former spouses is already receiving a pension, partition could increase or decrease it. A simulated partition lets you consider all the effects of partition before making your decision.
- If you have never worked, partition would credit you with earnings and contributions under the Québec Pension Plan. **This has an impact on your financial security at retirement.** Be informed by requesting a simulation of the effects of partition.
- Partition is not beneficial in cases where the benefit of one spouse would be unchanged and that of the other spouse reduced. A simulation enables you to make an informed decision on whether to accept or renounce partition.
- Have you ever been eligible for family benefits for a child under 7? If so, the Régie could increase your pension, thanks to a calculation formula that is more beneficial. To find out if that formula applies, request a simulation of partition.
- It is easy to request a simulation, you receive the results quickly and it is free.

Get the right information!

You may be wondering...

- **Will you be taking assets away from your former spouse by requesting partition?**

During the years spent in your union, you helped build a future for you and your spouse. When a union breaks down, it is only normal to ensure the financial security of both people. A simulation will help you understand that you would simply receive your fair share for the period you and your former spouse were together.

- **Is it really worth the effort?**

Partition may have a strong impact on a pension amount. You could become eligible for a retirement pension or disability benefits, or make your family eligible for survivors' benefits. If you think that the effect on your pension is minimal, remember that an additional amount, even though it is small, can add up to a lot in the long term.

- **If you and your former spouse are now earning the same salary, will partition make a difference?**

Perhaps you left your job to follow your spouse overseas, launched your own business or even returned to university. If no amount was recorded in your name under the Québec Pension Plan for those periods, partition could make an important difference on your future retirement pension. It's just another reason to request a simulation of the effects of partition!

- **If you request a simulation, will partition automatically be carried out?**

No, the Régie des rentes du Québec offers the simulation service for free to enable you to **make an informed decision on whether or not partition should be carried out.**

- **Are the pensions divided?**

Only the employment earnings recorded under the Québec Pension Plan are divided into equal parts **for the period of the union only**. A simulation of the effects of partition provides an evaluation of the amount of your pension **before and after partition**. One day, you will apply for your retirement pension. It will be calculated on the basis of the earnings recorded under the Québec Pension Plan **before, during and after** your union. The retirement pensions of former spouses are almost never the same.

- **Do former spouses receive an amount of money following partition?**

Amounts are generally not paid after partition. Remember, it is the earnings recorded **under the Québec Pension Plan** that are shared. Those figures are used to calculate the pension paid at retirement.

Take the first step!

To request a simulated partition application form or a copy of the booklet *If You Separate*, or if you would like additional information, **contact us:**

By Internet

www.rrq.gouv.qc.ca

You can download the forms.

By phone

Québec area: (418) 643-5185

Montréal area: (514) 873-2433

Toll-free: 1 800 463-5185

By mail

Régie des rentes du Québec

Case postale 5200

Québec (Québec) G1K 7S9



Service for the deaf or the hearing impaired
(TDD or TTY required): 1 800 603-3540

The statement of benefits: essential for making an informed decision!

A supplemental pension plan (also called a retirement plan or a private pension plan) is part of the **family patrimony**. Married spouses who are separating must therefore take it into account when property is being divided. Former de facto (common law) spouses are also concerned, because they can share the member's pension plan benefits if both spouses agree to do so.

Before deciding whether or not to partition supplemental pension plan benefits, ask the

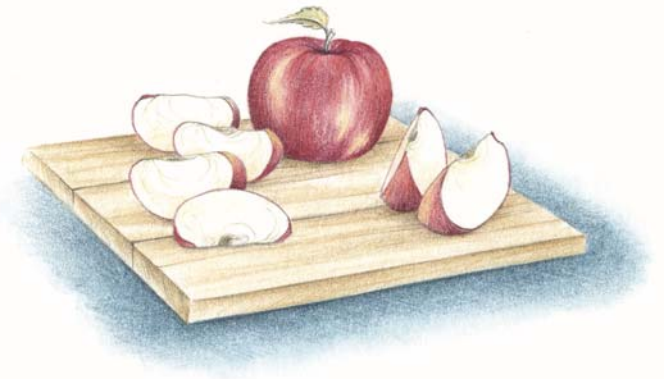
pension plan administrator for a **statement of benefits**. It will specify the total value of the member's benefits in the plan on the date of a court filing or on the date you stopped living together. If you are married, the statement will also specify the value of the benefits accumulated during your marriage. That value is included in the family patrimony.

Since the statement of benefits is the only means of knowing the exact value of your pension plan benefits, it is essential for making an informed decision!

Who can request a statement of benefits?

Married couples¹ can obtain a statement of benefits if they are in family mediation or if they have filed an application for divorce, separation from bed and board or civil annulment of their marriage. De facto spouses can also obtain a statement following the breakdown of their union, if both agree to do so.

The pension plan administrator may charge a fee that the spouses must pay jointly. However, it is well worth the investment, since the statement will allow them to avoid making costly errors.



You may be wondering...

- **Are pension plan benefits worth sharing?**

People often underestimate or don't realize the value of supplemental pension plan benefits, because these benefits represent savings intended for retirement.

Such benefits are nonetheless an important asset of your family patrimony. Not taking them into account could result in a significant imbalance in the distribution of property.

- **Does the annual statement give an accurate idea of the value of plan benefits?**

Don't rely on the annual statement of the plan to evaluate your benefits. You could be making a big mistake which could lead to a bad decision or an unpleasant surprise.

A statement of benefits issued following the breakdown of a union is the only means of obtaining the real value of the benefits.

¹ The law also entitles spouses who are in a civil union to obtain a statement when procedures have been taken to terminate the civil union. However, the way in which this right will be exercised has not yet been determined.

- **Are pension plan benefits automatically partitioned?**

Contrary to the Québec Pension Plan, supplemental pension plan benefits are not automatically partitioned: an application must be filed with the pension plan administrator.

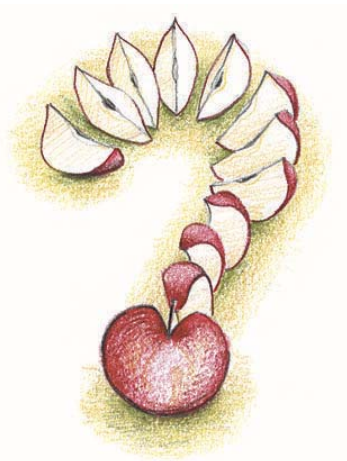
- **Should you wait for the member to retire before applying for a partition?**

Don't wait for the member to retire! It is preferable that you apply for the partition of benefits as soon as possible in the event of the breakdown of your union:

- Former married spouses can apply as soon as the deadline has passed for appealing the judgment confirming the breakdown of their union;
- Former de facto spouses can apply as soon as they reach an agreement (but no later than 12 months after their separation).

- **As the former spouse of a member, will you receive a portion of the member's pension?**

As a member's former spouse, you will receive a portion of the value of the member's benefits, that is, the money he or she has accumulated in the pension plan. You will not receive part of the member's pension. Instead, you will receive an amount that, with some exceptions, must be deposited in an authorized transfer instrument, such as a



locked-in retirement account (LIRA) or a life income fund (LIF). Except in extraordinary circumstances, this money can only be withdrawn at retirement.

Ask your pension plan administrator for a statement of benefits!

To obtain a statement of benefits, you must file an application with the administrator of the pension plan. To make this process easier, the Régie des rentes du Québec has created forms to be sent to the plan administrator. The choice of the form depends on the spouses' circumstances. These forms are optional and are available on our Web site.

For more information

Read the booklet *If You Separate* and visit the supplemental pension plan section of our Web site. You can also contact us:

By Internet

www.rrq.gouv.qc.ca

By phone

(418) 643-8282

By fax

(418) 643-7421

By mail

Information Officer
Direction des régimes de retraite
Régie des rentes du Québec
Case postale 5200
Québec (Québec) G1K 7S9

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