

## Amendments to the BC Family Law Act – Division of Pensions

Further to recommendations made by the BC Law Institute in March 2021 to amend the BC Family Law Act (FLA), Bill 17 received Royal Assent on May 11, 2023. The amendments made help to modernize legislation and clarify certain provisions, including those related to the divisions of pensions under Part 6 of the FLA. Some of the changes relate to the division of LIRAs/LIFs and annuities, Limited Member designations, waiver and assignment of survivor benefits, transfer options, disability benefits, pre-retirement death calculations and administrative fees. Some of these updates are effective immediately, while others will become effective later.

### **Effective immediately** (*came into force on May 11, 2023*)

1. **Designation of Limited Member:** If the pension has not yet commenced, it permits a deceased spouse's personal representative to file a notice that will cause the spouse's estate to become a limited member of a local or supplemental plan.
2. **Disability Benefits:** Clarifies that a member's entitlement to disability benefits does not affect the manner in which other benefits under a plan are divided at the time of division.
3. **Calculation of Limited Member's Proportionate Share on Death of Member Prior to Pension Commencement:** Permits calculation of the commuted value of a limited member's proportionate share of benefits under a plan to be made as of a valuation date set by regulation rather than as of the day before the member's death.

### **Not yet effective** (*will come into force at a later date by regulation of the Lieutenant Governor in Council*)

1. **Commutated Value Transfer Options:** Clarifies that a limited member's options for receiving a transfer of the commuted value of a pension should be the same as the transfer options offered to the member.
2. **Locked-in Retirement Accounts (LIRA) / Life Income Funds (LIF):** A new section is created providing for the division of benefits in a LIRA or LIF.
3. **Annuities:** Clarifies the circumstances in which the Family Law Act's pension division rules apply to the division of an annuity.
4. **Survivor Benefits After a Member's Pension Commencement:** Simplifies the provisions for waiving the division of benefits and allows for the assignment by a spouse of the spouse's right to receive survivor benefits payable under a plan.
5. **Administrative Costs:** Clarifies that the administrator of a plan must deduct a specified fee from the payment of benefits unless one or both spouses pay the fee.

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