

March 2012 Issue Benefits Canada Lisa Chamzuk Your Say | Pensions

YOUR SAY Pensions What should pension plan fiduciaries in B.C. know benefit, make irrevocable • about the Wills, Estates and Succession Act? designations and designate alternative beneficiaries. • The provincial Wills, applies to any benefit provided However, these provisions will A Estates and Succession only apply if they do not conflict by a pension plan, meaning any amount that is payable upon with rules set out in another Act (WESA) has received royal the death of a plan member. statute. For example, the Pension assent and is expected to come into force by the fall of While a monthly pension will Benefits Standards Act (PBSA) not constitute a benefit under 2012. The act will overhaul the sets out a mandatory payment scheme when a member with a administration of estates in B.C., WESA (because it is not payable replacing several current statutes upon the death of the member), spouse dies. WESA designation that deal with the transfer of a pre-retirement death benefit rules will not override the PBSA. property on death. and any payments that remain Therefore, plan administrators during an unexpired guarantee in B.C. will need to be aware of In addition, WESA will introduce new rules for how members of the WESA rules for when period will constitute benefits. benefits plans may designate Regardless of the pension members die without a spouse. beneficiaries. The term benefit plan's terms, WESA will permit

Q: What should pension plan fiduciaries in B.C. know about the Wills, Estates and Succession Act?

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A: The provincial *Wills, Estates and Succession Act* (WESA) has received royal assent and is expected to come into force by the fall of 2012. The act will overhaul the administration of estates in B.C., replacing several current statutes that deal with the transfer of property on death.

In addition, WESA will introduce new rules for how members of benefits plans may designate beneficiaries. The term *benefit plan* is defined broadly and includes pension plans. WESA applies to any benefit provided by a pension plan, meaning any amount that is payable upon the death of a plan

member. While a monthly pension will not constitute a benefit under WESA (because it is not payable upon the death of the member), a pre-retirement death benefit and any payments that remain during an unexpired guarantee period will constitute benefits.

Regardless of the pension plan's terms, WESA will permit members to designate one or more beneficiaries for any benefit, make irrevocable designations and designate alternative beneficiaries.

However, these provisions will only apply if they do not conflict with rule set out in another statute. For example, the *Pension Benefits Standards Act* (PBSA) sets out a mandatory payment scheme when a member with a spouse dies. WESA designation rules will not override the PBSA. Therefore, plan administrators in B.C. will need to be aware of the WESA rules for when members die without a spouse.

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