



SECTION: Benefits

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PBA, R.S.O. 1990, s. 44

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When a joint and survivor is waived, how is the commuted value of the new single life pension determined?

Under the provision of section 44 of the PBA, a pension must provide a survivor benefit upon death of a member during the joint lives of the member and the member's spouse which shall not be less than 60% of the pension amount payable to the member during the joint lives of the member and the member's spouse.

When this benefit is waived, the formula by which the new single life pension is determined, is not set out. Depending on the basis used for commutation, the commuted value of the new single life pension could be greater than that of a normal commuted value for someone who does not have a spouse at the date of retirement.

When a joint and survivor benefit is waived, the commuted value of the member's pension should be based on a single life, without regard for the existence of a spouse. If a plan wishes to provide otherwise, it must specifically so state in the provisions of the text.