

YOUR SAY | *Pensions*

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

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 rules 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.

— Lisa Chamzuk, partner,
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