

Pension Commission

Update #16

Issued July 1995

Garnishment of Pension Assets for Purposes of Maintenance Enforcement

Reference: *The Pension Benefits Act Sections 31(1), 31.1, 37(s.1), 38.1; The Garnishment Act Sections 14.1, 14.2, 14.3l and The Maintenance Act Section 55(2)*

The Pension Benefits Act of Manitoba has been amended to permit pension benefit credits of active and former members to be garnished by a designated officer of the Maintenance Enforcement Program of the Department of Justice (Manitoba) in satisfaction of delinquent maintenance payments.

Bill 3, The Maintenance Enforcement (Various Acts Amendment) Act received Royal Assent on June 30, 1995. While the amendments to The Pension Benefits Act are not expected to be proclaimed into law until 1996, plan sponsors, administrators, consultants involved with, and financial institutions offering, LIRAs, LIFs and LRIFs to, Manitoba plan members of registered employer-sponsored pension plans, are being notified that this legislation has passed and that regulations are being prepared by the Pension Commission. It is anticipated these regulations will be in place in early 1996.

Changes to The Pension Benefits Act, The Garnishment Act and The Family Maintenance Act (see attached) will allow, for the first time, a designated officer of the Maintenance Enforcement Program to issue a garnishment order to a plan administrator or financial institution requiring that the pension benefit credit of a member or former member of a pension plan be commuted and paid to the person to whom the order requires it to be paid within 90 days. The Garnishment Act currently permits the garnishment of a pension-in-pay for purposes of maintenance or support.

This update has no legal authority. The Pension Benefits Act of Manitoba and The Pension Benefits Regulation, 188/87 R amended should be used to determine specific requirements.