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# PENSION VALUATORS OF CANADA

*Valuing Pensions Is Our Only Business*

*Providing the Best Service Is Our Primary Concern*

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Attention: Family Law Lawyers

Bulletin No. 125

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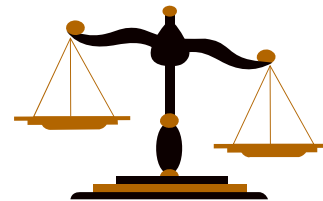
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## “COMMUTED” VALUE VS. EQUALIZATION VALUE

Some companies and some pension administrators are still issuing letters for marriage breakdown purposes that set out the “commuted” value of the pension. These values are then being used for equalization on marriage breakdown.

The “commuted” value of a pension, as calculated by the employer or his pension administrator, will usually be the value based on the employee terminating employment on valuation day and leaving his pension with the employer to be paid after he reaches age 65.

The value of a pension for equalization purposes is often substantially higher than the “commuted” value. In a recent case we were presented with an



employer’s letter that was being used to substantiate a value for equalization. The letter said that the “commuted actuarial value” was \$25,000.00. We were able to justify a value \$100,000.00 higher and gain \$50,000.00 for the spouse.

We are always pleased to review any suggested valuations for you. There will be no charge, unless we can help your client. We caution you against ever accepting a value described as the “commuted value”.

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For more information please call Pension Valuers of Canada at **1-800-891-9122** or fax us at 1-705-749-6762.

*Published by G. Edmond Burrows, F.C.A.  
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