**IN THE FAMILY JUSTICE COURTS OF THE REPUBLIC OF SINGAPORE**

**[2024] SGHCF 32**

District Court Appeal No 24 of 2024

Between

WVN

… *Appellant*

And

WVO

… *Respondent*

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# JUDGMENT

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[Family Law — Matrimonial assets]
[Family Law — Maintenance — Wife]

Version No 1: 04 Sep 2024 (12:06 hrs)

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# WVN
# v
# WVO

**[2024] SGHCF 32**

General Division of the High Court (Family Division) — District Court Appeal No 24 of 2024
Choo Han Teck J
27 August 2024

4 September 2024 Judgment reserved.

**Choo Han Teck J:**

1 The appellant ("the Wife"), aged 52, and the respondent ("the Husband"), aged 49, were married on 20 June 2005 in the United States. The Wife has a degree in the Master of Arts, English. She was last employed in the "Advocacy, Sales and Marketing" team of an overseas charitable organisation 14 years ago. Her last-drawn monthly salary was around $5,300. She has never worked in Singapore. The Husband has a degree in the Master of Business Administration. He was last employed (until 31 May 2023) as the vice president of a Singapore-incorporated company ("Company A"). Company A was incorporated by an overseas holding company. The Husband last-drawn monthly salary was $26,296.19, but the Wife says that the Husband earned $39,535.84 per month after accounting for bonus and allowance. The parties have a child aged 10. The Wife filed for divorce on 28 January 2022 and parties obtained interim judgment of divorce ("IJ") on 3 March 2022.

2 The DJ determined the pool of matrimonial assets as on the IJ date as per the parties' agreement, *ie*, on 3 March 2022. She valued the matrimonial assets as close to the ancillary matters ("AM") hearing date as possible (*ie*, around 18 October 2023), and valued the bank accounts and CPF accounts on the IJ date. This is the Wife's appeal against the decision on ancillary matters by the judge below ("the DJ"). The Wife's counsel submits that the DJ made the following errors:

(a) valuing the Husband's Performance Share Units ("PSUs") included in the matrimonial pool at S$0;

(b) awarding the Wife only S$1,500 for 18 months for spousal maintenance — the Wife disputes both quantum and duration; and

(c) awarding the Wife backdated maintenance of only S$1,500 from October 2021 to May 2023 — the Wife disputes both quantum and duration.

3 The Husband was formerly employed by Company A from February 2020 to 31 May 2023. Pursuant to Company A's Long Term Incentive plan, Company A granted the Husband PSUs on 19 March 2021 (vested in February 2024), 2 March 2022 (to be vested in February 2025) and 21 February 2023 (to be vested in February 2026). These PSUs would be vested to the Husband subject to him meeting a Performance Vesting Condition, which consists of certain specified "financial, business, personal or other performance criteria". The DJ accepted the parties' concession that the PSUs granted on 21 February 2023 are not matrimonial assets.

4 She held, however, that the PSUs vested in 2021 ("the 2021 PSUs") and in 2022 ("the 2022 PSUs") were matrimonial assets, but assigned a value of



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zero to them because she "was not able to find a value on the unvested units ... as [they are] subject to certain contingencies and conditions" and she "was not provided with an objective figure". The Wife's counsel argues the following: (a) the number of PSUs to be included as matrimonial assets should be pro-rated following *Chan Teck Hock David v Leong Mei Chuan* [2002] 1 SLR(R) 76 ("*David Chan*") at [37]; and (b) the value of each PSU can be estimated at S$3.11 or the court can make an "if as and when" order for the Husband to pay 50% of what he receives as payment from the pro-rated PSUs, upon receiving such payment.

5 In my view, the time rule in *In re Marriage of Hug* 154 Cal. App. 3d 780 ("*Hug*"), endorsed in *David Chan*, applies to pro-rate the number of PSUs to be included as matrimonial assets. The PSUs in this case are stock options, which the law views as choses in action, and where such stock options are not yet vested on the IJ date, the time rule ought to be applied to determine what portion of the stock options was earned before the IJ date: see *CXR v CXQ* [2023] SGHCF 10 at [54]. The time rule is expressed in *David Chan* at [37]:

> In this regard, we would adopt the "time rule" advocated in [*In re Marriage of Hug* 154 Cal. App. 3d 780] by the Court of Appeal of California. The effect of the rule is to treat only that portion of the stock options as matrimonial assets as is obtained by multiplying the stock options in question by the fraction obtained between the period in months between the commencement of the husband's employment with Dell and the date of the decree nisi as the numerator and the period in months between his commencement of employment with Dell and the date when the stock option was exercisable by him as the denominator. Only that portion of the third category stock options as so computed would be reckoned as matrimonial assets.

6 The formulation of the time rule set out in *David Chan* is merely one non-exhaustive way of pro-rating such stock options. As emphasised in *Hug* itself at 787, the type of time rule to be applied depends on the requirements of



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each case. In that case, the appellant husband said that the lower court erred by accounting for the period of employment prior to the issue of the options in pro-rating the number of options. He contended that only the time period after the issuance of the options were relevant: *Hug* at 784 and 788. However, the court found that the facts supported an implied finding that the appellant's options were earned from the commencement of his employment at the company issuing the options: *Hug* at 789. In this case, there is no evidence to suggest that the period before the PSUs were issued would be relevant in pro-rating the number of PSUs. In fact, the vesting of the PSUs is wholly contingent on the Husband meeting the Performance Vesting Condition, which is assessed over the period of the date of grant and the vesting date. I thus use the period (in months) from the date of the grant of the respective PSUs to the IJ date as the numerator, and the period (in months) from the date of the grant of the respective PSUs to the vesting date of the PSUs as the denominator.

7 Applying this formulation of the time rule, the proportion of the 2021 PSUs to be included in the matrimonial assets is one-third:

| | |
|---|---|
| Date of grant of PSUs | 19 March 2021 |
| IJ date | 3 March 2022 |
| Duration of date of grant of PSUs to IJ date | 11.5 months |
| Vesting date of shares | February 2024 |
| Duration from date of grant of PSUs to vesting date | 34.5 months |
| Proportion of PSUs to be included in the matrimonial pool of assets | 11.5/34.5 = 1/3 |



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As for the 2022 PSUs, the duration of the date of the grant of PSUs to the IJ date is zero months. Hence, none of the 2022 PSUs are matrimonial assets.

8 The 2021 PSUs should have already vested in the Husband in February 2024. I consider it possible that the Husband may have received less than 12,230 of the 2021 PSUs (depending on the extent to which he met the Performance Vesting Condition). I order that the Husband shall disclose to the Wife the number and value of the 2021 PSUs which he has received, as well as all supporting documents including bank statements. The Husband will pay to the Wife one-sixth (*ie*, 50% of one-third) of the total value of the 2021 PSUs.

9 I now turn to the Wife's argument on prospective spousal maintenance. The Wife's counsel submits that the Wife's reasonable monthly expenses add up to $7,322, but she is only claiming $5,000. The DJ awarded only $1,500. As the DJ did not appear to have calculated the Wife's reasonable expenses item by item, I do so now, based on the Wife's figures provided in this appeal:

| S/N | Item | Amount per month ($) |
|---|---|---|
| 1 | Accommodation rent | 2,500 (same as the child's share of rent as determined by the DJ) |
| 2 | Transport | 240 (I accept the Wife's valuation) |
| 3 | Utilities | 230 (same as the child's share) |
| 4 | Food / Groceries | 600 (Same as the child's share) |
| 5 | Household upkeep/repairs | 200 (I accept the Wife's valuation) |
| 6 | Mobile phone | 70 (I accept the Wife's valuation) |
| 7 | Cigna Gold Insurance Policy | 500 (The Wife should seek more reasonable insurance plans than one with a monthly premium of $1,531.51) |



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| | | |
|---|---|---|
| 8 | Apparel and accessories | 300 (the Wife's proposal of 750 is too extravagant) |
| 9 | Personal grooming | 200 (the Wife's proposal of 500 is too extravagant) |
| 10 | Personal entertainment – eating out | 200 (I accept the Wife's valuation) |
| 11 | Gifts for birthday, Christmas and other gifts | 20 (the Wife's proposal of 500 is too extravagant) |
| Total | | 5,060 |

10 It appears that in awarding the Wife $1,500, the DJ took into account that the Wife's entitlement of $1,383,388 from the matrimonial assets, her earning capacity, and that Husband's unemployment from June 2023 onwards. The DJ was entitled to treat those factors as material. Nonetheless, although both parties are currently unemployed, the Wife has not worked in Singapore and has been away from the workforce for 14 years. The Husband has only been unemployed for one year, and was previously paid more than $26,000 per month, not including bonuses. The Husband is thus more likely to be able to find employment than the Wife in the near future. The Wife does not have her own property, and she has to take care of her child as a single parent. Finally, in the proceedings below, the Husband had proposed to pay spousal maintenance of $2,237.75. I am thus of the view that $1,500 per month for 18 months is inadequate. I order that the Husband is to pay prospective maintenance of $2,000 per month to the Wife without any time limit, but with liberty to apply.

11 As for the backdated spousal maintenance, the Wife points out that the Husband was employed until 31 May 2023, and received severance equivalent to seven months' salary. He thus effectively received his salary from June 2023 to December 2023. The Wife therefore contends that the backdated spousal



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maintenance should be payable from October 2021 to January 2024 (the date of the GD), rather than to May 2023. She also asks for the quantum to be $7,322.

12 I agree that the Husband should pay the Wife backdated maintenance for the period of October 2021 to January 2024. This period is the same one for which the Husband was ordered to pay the backdated child's maintenance. Since the Husband had effectively received remuneration from October 2021 until December 2023, I am thus of the view that the Husband should pay more than $1,500 for backdated maintenance. Although the Wife's reasonable expenses were $5,060, the Husband did not receive bonuses from June to December 2023. Using the broad-brush approach, I thus order that the Husband owes the Wife $4,000 per month for the period of October 2021 to December 2023, and $2,000 for January 2024. This adds up to a lump sum of $110,000.

13 In the Husband's written submissions, he raised new arguments going towards his own appeal rather than simply responding to the Wife's points in her appeal. However, as his own appeal (HCF/DCA 23/2024) was deemed withdrawn due to his failure to file his own Record of Appeal and Appellant's Case, his new arguments raised in this appeal are irrelevant.

14 For the reasons above, I allow the appeal. The Husband is to disclose the number and value of the 2021 PSUs which he has received, as well as all supporting documents including bank statements. He is to pay the Wife one-sixth (*ie*, 50% of one-third) of the total value of the 2021 PSUs. I also order the Husband to pay $2,000 a month to the Wife. Finally, the lump sum of $110,000 shall be dealt with by adjusting the parties' entitlement to the matrimonial assets, such that the Wife is entitled to $1,493,388 (*ie*, $1,383,388 + $110,000) and the Husband to $1,273,388 (*ie*, $1,383,388 – $110,000).



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15 I will hear submissions on costs at a later date.

- Sgd -
Choo Han Teck
Judge of the High Court

Loo Ming Nee Bernice and Tan Si Ying Gloria (Allen and Gledhill LLP) for the appellant;
The respondent absent and unrepresented.

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