

## Unlocking Locked-in Pension Accounts

Unlocking of pension entitlements is possible under certain circumstances. Some pension plans are regulated federally, and some are regulated by the province. Industries whose pension plans are regulated federally include aviation and airlines, banks, broadcasting and telecommunications, interprovincial transportation, marine navigation and shipping, and railways. The main objective of The Pension Benefits Act (the act) is to protect employees' rights to the benefits that are promised under private pension plans.

The plan administrator must give members a termination statement containing specific information about your entitlements under the pension plan (including the transfer options described below) within 30 days of ceasing membership (e.g. termination of employment). The member then has 60 days to let the plan administrator know which option (if any) has been chosen. After the member provides the plan administrator with all the necessary documentation, the administrator processes the benefit according to the option chosen.

Contact the regulator of your pension plan to determine what you can do with your registered plan. Don't rely solely on information from your financial institution. Some provinces allow the "unlocking" of all or a portion of a Locked-in Retirement Account (LIRA), a Locked-in Income Fund (LIF) or Locked-in Retirement Income Fund (LRIF) under certain circumstances. Some of the circumstances include:

- small balances in the account, under a specified threshold amount
- becoming non-resident of Canada
- shortened life expectancy
- financial hardship
- spousal or child maintenance enforcement orders

Some provinces allow the "unlocking" of all or a portion of a locked-in account without the above restrictions. For detailed information by province, follow the links in the table starting on the next page.



**Peter A. Wouters,**  
Director of Tax &  
Estate Planning, Wealth

Peter works with independent advisors and other professionals raising awareness on issues and concerns faced by affluent individuals, professionals and business owners. He supports efforts in researching and developing optimal solutions for clients aimed at improving their financial well-being and supporting their personal wishes and lifestyles. He annually provides 100's of workshops, seminars and technical support throughout the country on tax, retirement income and estate planning issues, concepts and strategies to both advisors and consumers. As a Registered Financial Gerontologist, a good deal of his time is spent on building awareness and educating people of all professions who work with or specialize in the needs, expectations and issues of elders. Comprehensive lifestyle planning is an important element of these processes.

The Sales, Tax, Estate Planning, Underwriting & Product (STEPUP) team provides internal and broker support, including seminars, education, advanced concept illustrations & Client case technical consultations.

**Peter can be reached at**  
[peter.wouters@empire.ca](mailto:peter.wouters@empire.ca)

# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
Federal	Office of Superintendent of Financial Institutions (OSFI) - Pension Plans Section -Private pension plans under federal jurisdiction	Pension Benefits Standards Act, 1985 (PBSA)	<p>1. <b>small balance:</b> Individuals 55+ with LIF holdings &lt; 50% of YMPE able to wind up accounts with option to convert to tax-deferred savings vehicle, (RRSP , RRIF)</p> <p>2. <b>Individuals 55+:</b> entitled to one-time conversion &lt; 50% of LIF holdings into tax-deferred savings vehicle with no maximum withdrawal limits</p> <p>3. <b>Financial hardship:</b> All who face financial hardship (low income, high disability or medical-related costs) able to unlock &lt; 50% of YMPE each year</p> <p>Threshold in #'s 1 and 3 will change yearly as YMPE changes. See CPP/EI page for YMPE</p> <p><b>Other exceptions:</b></p> <p>If plan permits, may unlock when employment terminated:</p> <ul style="list-style-type: none"> <li>• and amount of annual pension that would be payable to member at pensionable age is small (&lt; 4% of the Year's Maximum Pensionable</li> <li>• Earnings (YMPE) in year that employment ceases)</li> </ul> <p><b>or if shortened life expectancy</b></p> <p>If cease to be resident of Canada for &gt; 2 calendar years and have ceased employment with the employer. Considered resident of Canada throughout calendar year if stayed in Canada for 183+ days in the year. For more information about declaration of Non-Residency as required by CRA, please follow link <a href="http://www.cra-arc.gc.ca/tx/nrrsdnts/cmmn/rsdncy-eng.html">http://www.cra-arc.gc.ca/tx/nrrsdnts/cmmn/rsdncy-eng.html</a></p>
	Regulator	Legislation	Unlocking Summary
AB	Alberta Finance - Pensions Alberta Pensions Administration (APA) Corporation Alberta Treasury Board and Finance	Employment Pension Plans Act (EPPA), Regulations and Updates	<p>Unlocking &lt;50% of value of pension plan benefit or locked-in account (Schedule 1.1 of the Regulation re: pension plans and LIRAs)</p> <p>Alberta public sector plans (the Public Service, Teachers, Management Employees, Local Authorities, Special Forces, Provincial Court Judges and MLA Pension Plans) not subject to the Act, but any money transferred from them must be locked-in under the rules of the Act</p> <p><b>Available if person age 50+ and is either:</b></p> <p>a) withdrawing funds from pension plan due to termination, retirement, death or divorce and moving them to LIF, annuity, or DC RIA, or</p> <p>b) an original owner of LIRA or survivor pension partner of LIRA owner, or non-member pension partner owner of LIRA resulting from marriage breakdown division of benefit entitlement, and moving funds to LIF, annuity, or DC RIA</p>

# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
AB (cont)			<p><b>May unlock if:</b></p> <p>person's funds are in pension plan or LIRA when about to transfer money out of pension plan or LIRA to LIF, life annuity or DC RIA</p> <p>unlocked amount may be paid in cash or transferred to that person's RRSP or RRIF, at option of account owner</p> <p><b>May not unlock if:</b></p> <ol style="list-style-type: none"> <li>1. member is receiving pension from the plan, or if plan does not allow member to transfer money out of plan <ul style="list-style-type: none"> <li>• Under Employment Pension Plans Act, DB pension plans can restrict portability to people who are within ten years of normal retirement age. Only option available is to receive monthly pension from plan</li> </ul> </li> <li>2. Person already has funds in a LIF</li> </ol> <p>No funds in LIF / Annuity / DC RIA may be unlocked</p> <p><b>amended LIF provisions (new LIF)</b></p> <p>NB. <b>50% unlocking option applies separately from amended LIF provisions.</b> After November 1, 2006, 50% unlocking option must be offered any time LIF account is created regardless of whether or not that LIF is a new LIF</p> <p><b>Eligible funds</b></p> <ol style="list-style-type: none"> <li>1. Only funds subject to Alberta law (the Employment Pension Plans Act and Regulation).</li> <li>2. Person who earned the money in their pension plan must have been working in Alberta just before employment terminated, retired, died or divorced</li> <li>3. People who worked for Alberta public employers whose pension plans require locking-in under EPPA eligible for unlocking once funds moved to LIRA</li> <li>4. If working in other provinces; federal, civil, military or police employees; and employees in federally regulated industries (banking, shipping, telecommunications, and inter-provincial transportation) not eligible</li> </ol>

# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
AB (cont)			<p><b>Married or common-law spouse:</b></p> <p>Unlocking only if pension partner consents by signing waiver giving up entitlement to survivor pension. Pension partner includes same-sex partner  See: <a href="http://www.finance.alberta.ca/publications/pensions/pdf/form_06.pdf">http://www.finance.alberta.ca/publications/pensions/pdf/form_06.pdf</a></p> <p>3 yr. rule for cohabitation or separation</p> <p>Pension partner does not include new spouse/partner after death of previous partner or after marriage breakdown</p> <p>Consent must be signed in presence of adult witness outside presence of owner</p> <p>No waiver required if account owner choosing unlocking has no pension partner or is a surviving pension partner, or ex-spouse of plan member</p> <p><b>Other Important Provisions of 50% Unlocking</b></p> <ul style="list-style-type: none"> <li>• If person chooses to start LIF, <b>must</b> be offered option to unlock &lt; 50% of locked in funds <b>at the time the LIF is established</b></li> <li>• Once LIF established, cannot go back into a LIRA</li> <li>• If 50% unlocking option not used when first available, cannot request later</li> <li>• May withdraw &lt; 50% of locked in funds but must be made at one time. If unlock &lt; 50% cannot request balance up to 50% later</li> <li>• If funds in LIRA and person age 50+, then 50% unlocking available whenever pension "turned on"</li> </ul> <p><b>Small amounts:</b></p> <ol style="list-style-type: none"> <li>1. If plan value &lt;\$10,500, may unlock account (2014) regardless of age on any single LIRA or LIF. No special forms required.</li> <li>2. For owners age 65+ on date of unlocking request, may unlock plan if value &lt;\$21,000</li> </ol> <p><b>Financial Hardship effective Sept. 1, 2014 (financial institutions now responsible)</b></p> <p><b>Application details:</b></p> <p>Only owner can apply</p> <p>Same one used for all types of financial hardship unlocking.</p> <p>Application must be made on Superintendent approved form for year in which application is made.</p> <p>Date the completed application with all required documentation is received is date submitted.</p> <p>Owner may apply for more than one reason/category on same form</p> <p>One application per category per calendar year</p> <p>Cannot be dated &gt;90 days before financial institution receives completed application</p> <p>Must be signed in presence of adult witness</p>

# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
AB (cont)			<p>Monies released no longer exempt from execution, seizure or attachment. Creditors may seize funds once released to Owner. If creditor wants to seize funds when application is approved but before paid to Owner, refer file to Financial Institution Legal Services.</p> <p>no minimum withdrawal amount prescribed</p> <p>Amount of withdrawal applied for is net of withholding tax and any applicable fees or charges. Withdrawal amount must be grossed up to cover withholding tax or any fees and charges. Withholding tax determined based on gross withdrawal amount and residence of Owner at time of withdrawal. Applicable fees or charges determined based upon plan provisions from which monies being withdrawn.</p> <p><b>Maximum withdrawals allowed:</b></p> <p><b>Low income:</b> (&lt;\$35K in next 12 months (2014))</p> <p><b>lesser of</b> (a) 50% of the Year's Maximum Pensionable Earnings (YMPE) in year application is being signed, or (b) amount calculated using formula, A – B in which, "A" is 50% of YMPE for year in which application is signed, and "B" is 75% of owner's expected total income from all sources, before taxes, for 12 months after date on which application is signed, (\$26,250 in 2014)</p> <p><b>or</b> surrender value of policy/contract.</p> <p><b>Foreclosure:</b> total amount of payments that are in default (amount required to rectify the default) plus associated legal fees</p> <p><b>or</b> surrender value of policy/contract.</p> <p>Eviction: amount required to pay arrears in rent,</p> <p><b>or</b> surrender value of policy/contract</p> <p><b>First month's rent and security deposit:</b> amount required to pay first month's rent plus security deposit,</p> <p><b>or</b> surrender value of the policy/contract.</p> <p><b>Medical costs:</b> total of amount required to pay medical expenses incurred (and not already released in previous year) and to be incurred in 1 year period following date on which application is signed,</p> <p><b>or</b> surrender value of policy/contract.</p> <p>Forms available only from Alberta Treasury Board and Finance web site at <a href="http://www.finance.alberta.ca">www.finance.alberta.ca</a>. and updated annually.</p>

# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
BC	<p>Financial Institutions Commission - Pensions Department</p> <p>Public sector pension plans - British Columbia Pension Corporation</p>	<p>Pension Benefits Standards Act [RSBC 1996] (PBSA)</p> <p>Pension Benefits Standards Act [SBC 2012]</p> <p>Bill 38 - 2012 Pension Benefits Standards Act</p> <p>FICOM web page on Locked-in RRSP and LIF rules</p>	<p>PBSA locking-in rules do not apply to locked-in RRSPs and LIFs containing pension money:</p> <ol style="list-style-type: none"> <li>1. Transferred out of pension plan prior to 1993, or pension money transferred out after 1992 if relating to service before 1993. Locking-in Rules for these types of situations determined by rules of pension plan from which money originally transferred</li> <li>2. If money transferred out of pension plan because person terminated employment while working in another province. PBSA provisions and Regulation governing RRSPs and LIFs apply only to persons who terminated employment in BC. Determination of which province's pension laws apply to locked-in pension money determined by which province person was working in when employment terminated vs. location of institution holding the money, person's subsequent place of residence, or where pension plan is registered (unless federally registered)</li> <li>3. If money came from pension plan covering federal public sector employees, or plan covering private sector employees working in federally regulated industries or jurisdictions, and registered with O.S.F.I.</li> </ol> <p>If pension money is under BC jurisdiction, must be administered according to PBSA provisions</p> <p><b>Commutation for Shortened Life Expectancy</b> unlock lump sum or series of payments from RRSP or LIF due to disability or terminal illness likely to considerably shorten person's life. No age limit. Owner must provide certification from physician that disability or illness likely to considerably shorten life. If person has a spouse, commutation can only be completed if spouse waives entitlements via completion of waiver in proper manner and copy filed with relevant financial institution</p> <p><b>Financial Hardship</b> Application up to 2x per year</p> <ol style="list-style-type: none"> <li>1. You or pension partner risk eviction from principal residence due to overdue rent, or received seizure notice</li> <li>2. You or pension partner risk foreclosure of mortgage on r principal residence due to a debt secured against that residence</li> <li>3. You or pension partner requires first and last month's rent (or security deposit) on a principal residence.</li> <li>4. You, pension partner or dependant face medical expenses not covered by any insurance, and physician certifies that treatment, medication or medical aid is reasonable to treat illness or disability</li> <li>5. You require alterations to primary residence to adapt to disability (yours, pension partner or dependant's)</li> <li>6. Your estimated income for next 12 months &lt; 2/3 of Year's Maximum Pensionable Earnings (YMPE). (&lt;\$34,067 for 2013)</li> </ol>

# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
BC (cont)			<p>7. CRA has started legal proceedings against you to pay overdue personal income taxes</p> <p>8. You or pension partner are registered debtor under Provincial Maintenance Enforcement Act and child maintenance payments in arrears</p> <p><b>No asset test or declaration of assets required. Must provide supporting documentation and complete Form 51</b> (<a href="http://www.finance.alberta.ca/publications/pensions/pdf/form_51.pdf">http://www.finance.alberta.ca/publications/pensions/pdf/form_51.pdf</a> )</p>
MB	Manitoba Pension Commission	Pension Benefits Act and Regulation	<p><b>Financial hardship</b> not cause for providing locked-in funds in a lump sum.</p> <p><b>Shortened life expectancy</b> If pension plan permits, money locked into pension or funds in LIRA or LIF may be withdrawn in lump sum. Need medical doctor to certify, in writing, that holder has considerably shortened life expectancy &lt; 2 years</p> <p><b>Small amounts</b> May unlock and receive lump sum pension if amount meets "small amount" definition in the act and pension plan membership ends If "small amount" held in LIRA or LIF, can be paid in lump sum To see if funds are below small amount limit:</p> <ul style="list-style-type: none"> <li>You must annually add 6% interest to balance of funds for each year from December 31 of the year in which you apply for withdrawal, to end of year you are age 65</li> <li>You must check to see if balance of locked-in funds &lt; than 40% of YMPE for year you apply for withdrawal</li> </ul> <p><b>Non-residents of Canada</b> may withdraw lump sum from pension plan or locked-in RRSP, LIRA or LIF</p> <p><b>Unlocking &lt; 50% of funds</b></p> <ul style="list-style-type: none"> <li>Age 55+ may unlock 50% of pension funds if plan permits or if funds in LIF</li> <li>one-time transfer &lt; 50% of LIF or pension funds to RRIF</li> <li>prescribed RRIF same as RRIF but subject to certain rules under province's pension act and regulations. Funds in prescribed RRIF not locked in. (See Bulletin #3 for information on unlocking 50% of funds)</li> </ul>

# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
NB	New Brunswick Office of the Superintendent of Pensions	Pension Benefits Act (pdf) Regulation 91-195 Under the Pension Benefits Act (pdf)	owner of standard contract or member of pension plan may withdraw balance of money on account, in whole or in part, and receive payment or series of payments if <b>a physician certifies in writing</b> to financial institution that is party to contract or administrator of pension plan <b>that the owner or the member suffers from a significant physical or mental disability that considerably reduces life expectancy</b> . Physician must use underlined wording in order to comply with subsection 33(2) of the Pension Benefits Act and subparagraph 21(2)(d) regulation 91-195 <ul style="list-style-type: none"> <li>LIF owner may apply to unlock part of assets in fund using Form 3.3. If married or common law spouse, then Form 3.4 must also be completed</li> <li>Money must be transferred to ordinary RRIF that is not locked-in</li> <li>Unlocking limited to one transfer during owner's lifetime. May occur at any time during calendar year</li> <li>Amount to be unlocked based on fund amount at beginning of fund's fiscal year</li> <li>Maximum unlocking = 3 times maximum annual withdrawal with respect to current year and may not exceed 25%. This is in addition to annual withdrawal</li> </ul>
NL-LAB	Government Services - Pensions Pensions Administration Division (Public Service Pensions)	Pension Benefits Act and Regulations	lump sum payment equal to value of entire contract on application by owner to financial institution for payment available if, at time that owner signs application, the following conditions are met: <ol style="list-style-type: none"> <li>value of all assets in all LIFs, LRIFs and LIRAs owned by individual and governed by Newfoundland pension benefits legislation &lt; 10% of year's maximum pensionable earnings under CPP for that calendar year; or</li> <li> <ol style="list-style-type: none"> <li>owner has reached earlier of age 55 or earliest date on which owner would have been entitled to receive pension benefit under the plan from which money was transferred, and</li> <li>value of owner's assets in all LIFs, LRIFs and LIRAs governed by NFLD pension benefits legislation &lt; 40% of year's maximum pensionable earnings under CPP for that calendar year</li> </ol> </li> </ol> <p>Application for payment under section 4 shall be</p> <ol style="list-style-type: none"> <li>on form approved by Superintendent, and</li> <li>accompanied by waiver by principal beneficiary of former member of a pension plan of joint and survivor pension entitlement, in form and manner required by Superintendent</li> </ol> <p>Where commuted value of pension benefit transferred to LIRA was determined in manner that did not differentiate on basis of sex, then immediate or deferred life annuity purchased with funds in the arrangement shall not differentiate on basis of sex of recipient</p> <p>Where LIRA results from transfer of commuted value of pension benefit, arrangement shall contain statement as to whether commuted value was determined on basis that differentiated on basis of sex</p>



# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
NS	<p>Nova Scotia Pension Regulation Division</p> <p>Public sector pension plans - Nova Scotia Pension Agency</p>	Pesion Benefits Act and Regulations	<p><b>Small amounts of pension benefits</b> need not be <b>locked in</b>. Determined by plan administrator. Pension Benefits Act permits unlocking if benefit meets certain criteria.</p> <p><i>For example:</i></p> <p><i>If you terminate employment in 2011, your benefit can be unlocked if it has a value less than \$4,830, or if it will provide you with a pension of less than \$1,932 per year starting at age 65.</i></p> <p>Pension plan may, but not required to unlock benefits if life expectancy considerably shortened</p> <ul style="list-style-type: none"> <li>• <b>Age 65+</b></li> </ul> <p>may unlock locked-in pension funds if sum of entitlements in every LIRA, LIF or defined contribution pension plan subject to pension legislation &lt; 40% of year's maximum pensionable earnings under Canada Pension Plan. (In 2011 = amounts under \$19,320)</p> <p>Qualifiers under this provision may transfer money to RRSP or receive it as cash lump sum. Complete <b>Form 10</b> (PDF: 19k): "Application to a Financial Institution to Withdraw Money from a LIRA or LIF at age 65".</p> <ul style="list-style-type: none"> <li>• <b>Considerably Shortened Life Expectancy</b></li> </ul> <p>LIRA or LIF may contain provision allowing for lump sum withdrawal due to shortened life expectancy. Physician must certify life expectancy likely to be shortened considerably due to mental or physical disability. Complete <b>Form 11</b> (PDF: 27k): "Application to a Financial Institution to Withdraw Money from a LIRA or LIF because of shortened life expectancy".</p> <ul style="list-style-type: none"> <li>• <b>Financial Hardship</b></li> </ul> <ol style="list-style-type: none"> <li>1. medical expenses not reimbursed from any other source,</li> <li>2. facing foreclosure on mortgage, or</li> <li>3. income below 40% of year's maximum pensionable earnings under CPP</li> </ol> <p>To make an application under this provision, complete <b>Form 12: "Application to withdraw Money based on Financial Hardship"</b> following the <b>Instructions</b> for completing the form.</p> <p>Pension Benefits Act does not give Superintendent of Pensions any special powers to override legislation</p> <ul style="list-style-type: none"> <li>• no exceptions to locking-in requirements for persons who have permanently left Canada</li> </ul>

# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
ON	Financial Services Commission of Ontario (FSCO) - Pensions	Pension Benefits Act and Regulations	<p>Special access has been expanded and applications can be made based on one or more of the following:</p> <p><b>Non-hardship: (five following situations)</b></p> <ol style="list-style-type: none"> <li>1. life expectancy shortened to 2 years or less - <a href="#">Form 5</a></li> <li>2. owner is age 55+ and total value of funds in all of locked-in accounts &lt; \$20,440 (for applications signed in 2013) - <a href="#">Form 5</a></li> <li>3. amounts transferred into locked-in account exceed federal Income Tax Act limits - <a href="#">Form 5</a></li> <li>4. owner has been non-resident of Canada for 24 months since departure date from Canada - <a href="#">Form 5</a></li> <li>5. after Dec. 31, 2010, money transferred into Ontario life income fund governed by requirements of Schedule 1.1 and, within 60 days of transfer, withdraw or transfer &lt; 50% of total money transferred to Schedule 1.1 LIF - <a href="#">Form 5.2</a></li> </ol> <p><b>Financial hardship:</b></p> <ol style="list-style-type: none"> <li>1. low income: expected total personal pre-tax income for next 12 months &lt; threshold amount (\$34,067 for 2013)</li> <li>2. risk of home eviction: plan owner and spouse receive written demand from creditor re: mortgage, property lien, property taxes, rent and money needed to avoid eviction</li> <li>3. money needed for 1st and last months' rental deposit</li> <li>4. money needed for medical treatment for owner, spouse, any dependants. Medical expenses claimed not covered any other source. Doctor's letter attesting to necessity of treatment already paid for or future expense</li> <li>5. residential renovations, alterations or construction to accommodate disability or illness of plan owner, spouse or dependant (plan member or dependant's home). Doctor's letter required attesting to need for work.</li> </ol>

# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
ON (cont)			<p>Changes to the rules effective Jan. 1, 2014 include:</p> <ul style="list-style-type: none"> <li>a) Reducing the amount of evidence required to qualify for a withdrawal</li> <li>b) Replacing the asset test that determines how much can be unlocked with a maximum withdrawal amount</li> <li>c) Former seven criteria to be consolidated into four effective Jan. 1, 2014 <ul style="list-style-type: none"> <li>I. rental or mortgage arrears on a principal residence,</li> <li>II. medical expenses including renovations to a principal residence for medical reasons,</li> <li>III. payment of first and last month's rent for a principal residence and</li> <li>IV. low expected income.</li> </ul> </li> </ul> <p>Effective Jan. 1, 2014, maximum amount available for financial hardship unlocking varies based on category. It is <b>lesser of</b> (a) amount calculated, (b) defined percentage of Years Maximum Pensionable Earnings (YMPE) in year application being made (5% of YMPE for application for first and last month's rent on principal residence, 50% of YMPE for other 3 categories), or (c) surrender value of policy/contract. Owner calculates their applicable maximum on Application for Financial Hardship Unlocking.</p> <p>Minimum withdrawal amount is \$500.00. If owner requests withdrawal of &lt; \$500.00 or if maximum amount calculated &lt; \$500.00, then not eligible and application must be refused.</p> <p>Expectation that some of plan owner's assets be used to deal with hardship and value deducted from amount requested from LIRA, LIF, LRIF. If money needed for spouse or dependant's then same rules apply. Also need to withdraw &gt;\$500. Exceptions include:</p> <ul style="list-style-type: none"> <li>• principal residence, personally operated business (&lt;\$50,000), motor vehicles, essential tools of trade, personal items like clothing and jewellery</li> </ul> <p>Financial Hardship unlocking fees waived effective 2009 Ontario Budget</p> <p>For all unlocking exceptions where spouse's consent required, signed consent must be included and obtained &lt; 60 days before financial institution receives completed application.</p> <p>Withdrawals may affect eligibility for certain government benefits like social assistance</p> <p>Use <b>2013 application form (Form 6)</b> to withdraw funds from locked-in account based on financial hardship and submit to FSCO until Dec. 31, 2013. Then use revised form and send to Financial Institution directly eff. Jan. 1, 2014 <a href="http://www.fSCO.ca">www.fSCO.ca</a>.</p> <p>Use <b>2013 application form (Form 6.1)</b> to withdraw funds from locked-in account based on low income financial hardship only and submit to FSCO until Dec. 31, 2013. Then use revised form and send to Financial Institution directly eff. Jan. 1, 2014 <a href="http://www.fSCO.ca">www.fSCO.ca</a>.</p>

# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
ON (cont)			<p>New forms effective Jan. 1, 2014. The form to complete based on category of financial hardship.</p> <p>Form FHU 1 - Application for medical expenses, including renovations to a principal residence for medical reasons;</p> <p>Form FHU 2 - Application for arrears of rent or secured debt (mortgage) on a principal residence;</p> <p>Form FHU 3 - Application for first and last months' rent for a principal residence; and</p> <p>Form FHU 4 - Application for low expected income</p> <p>New forms issued by FSCO annually. Applications must be made on form for year in which application is made and received by financial institution that same year.</p> <p><b>Other exceptions:</b></p> <ul style="list-style-type: none"> <li>• may transfer money in locked-in account directly to unlocked account upon: <ul style="list-style-type: none"> <li>• death of owner, or</li> <li>• owner &gt; age 55 and only has small amount of money in account</li> </ul> </li> <li>• non-residents of Canada, as determined by CRA for purpose of federal Income Tax Act, may apply to unlock and withdraw money in accounts 2 years after departure from Canada</li> <li>• 50% withdrawal or transfer applies to each individual transfer of money into New LIF from LIRA, LRIF, Old LIF or pension plan. New LIF owner can apply to financial institution to withdraw or transfer &lt; 50% of amount transferred into New LIF 60 days from date of last assets transferred if part of same transfer request. Need separate application for each withdrawal or transfer - 05/10</li> </ul>
PEI	Public Service Commission		Pending legislation
QC	Quebec Retirement Portal Supplemental Pension Plans		<p>Age 65+: can withdraw entire amount in locked-in retirement account (LIRA) or life income fund (LIF) provided that total amount accumulated in retirement savings instruments mentioned &lt; 40% of maximum pensionable earnings under the Québec Pension Plan for year of application (\$ 20,440 in 2013)</p> <p>Savings instruments affected:</p> <ul style="list-style-type: none"> <li>• LIRAs</li> <li>• LIFs</li> <li>• Defined contribution pension plans or the defined contribution component of a defined benefits pension plan</li> <li>• Simplified pension plans (SIPPs)</li> <li>• Locked-in RRSPs</li> </ul>

# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
QC (cont)			<p>Non-residents can demand balance refund of LIRA or LIF in single payment at any age, if:</p> <ul style="list-style-type: none"> <li>• investments have come to their agreed-upon maturity <b>and</b></li> <li>• holder has not lived in Canada for &gt; 2 years</li> </ul> <p>Holders with reduced life expectancy because of physical or mental disabilities entitled to LIRA refunds, in part or in whole if they provide medical certificate to financial institution</p> <p>For refund, holders must meet the 2 following conditions:</p> <ul style="list-style-type: none"> <li>• have physical or mental disability <b>and</b></li> <li>• have reduced life expectancy because of that disability</li> </ul> <p>Financial institutions can neither tighten nor loosen those restrictions.</p> <p>refund made in single or several payments</p> <p>Refunds in event of disability must be made regardless of agreed-upon term of investment. However, agreement may provide for penalties if investments withdrawn before maturity</p> <p>Clause does not apply in case of LIF, so holder deemed to be disabled can transfer LIF to LIRA for refund purposes no later than Dec. 31 of year in which holder reaches age 71</p>
SK	Saskatchewan Financial Services Commission - Pension Plan Members	Pension Benefits Act and Regulations	<p><b>Shortened Life Expectancy</b></p> <ul style="list-style-type: none"> <li>• pension plan or LIRA may provide for payment of pension over fixed term or as lump sum if holder has considerably shortened life expectancy. Must be certified by duly qualified medical practitioner</li> </ul> <p><b>Small Amount</b></p> <ul style="list-style-type: none"> <li>• pension plan lump sum payment in lieu of pension if pension considered too small to administer on practical basis. i.e.: <ul style="list-style-type: none"> <li>• commuted value (a lump sum payable today = future series of payments) of pension under defined benefit provision, or total value of defined contribution account &lt; 20% of (YMPE); or</li> <li>• annual pension &lt; 4% of YMPE</li> </ul> </li> </ul> <p>LIRA may provide for lump sum payment if total value of locked-in money too small to warrant being administered as a pension. i.e. total amount of all locked-in money from all sources &lt; 20% of YMPE. LIRA administrator must include amounts in all LIRAs held by individual plus any deferred pension entitlements in RPP. (Deferred pension entitlement created when pension plan member terminates membership in pension plan and does not transfer pension entitlement out of plan)</p>

# Unlocking Locked-in Pension Accounts

	Regulator	Legislation	Unlocking Summary
YT	Public service pensions - Yukon Public Service Commission - Pension Plans Private pension plans fall under federal jurisdiction - see Federal above		<b>Public Service Pension:</b> Transfer Value –calculated lump sum value of future pension benefit (both employee and employer contributions), which may have 2 different types of payments, In Limit and Out Limit. <ul style="list-style-type: none"> <li>• IN Limit must be transferred to locked-in retirement savings vehicle or other annuity type of program with a financial institution</li> <li>• OUT Limit can be transferred to regular RRSP, subject to available RRSP room or can be taken as cash and taxed accordingly</li> </ul> Processing of Transfer Value payment can take up to 6 months from when paperwork received by Public Service Pension Centre <b>Private pension plans</b> fall under federal jurisdiction - see Federal above
NT	Private pension plans fall under federal jurisdiction - see Federal above		Private pension plans fall under federal jurisdiction - see Federal above
NU	Private pension plans fall under federal jurisdiction - see Federal above		Private pension plans fall under federal jurisdiction - see Federal above

Updated August, 2014 E&OE

The information in this presentation is for general information purposes only and is not to be construed as providing legal, tax, financial or professional advice. The Empire Life Insurance Company and Empire Life Investments Inc. assume no responsibility for any reliance made on or misuse or omissions of the information contained in this document. Please seek professional advice before making any decision. Segregated fund contracts are issued by The Empire Life Insurance Company. Mutual Fund contracts are issued by Empire Life Investments Inc.

FOR DEALER USE ONLY

® Registered trademark of The Empire Life Insurance Company.  
 Empire Life Investments Inc. is a licensed user of these trademarks.

