

Unlocking the potential of locked-in accounts



You may have a Client with a locked-in plan because they left an employer and were a member of the employer's registered pension plan (RPP). At that time, they decided or were required to move the value that had accrued within the RPP to a locked-in registered retirement savings plan (locked-in RRSP) or a locked-in retirement account (LIRA). Your client may have subsequently transferred their Locked-in RSP or LIRA to a locked-in RRIF (LRIF) or a life income fund (LIF), respectively, to be drawn upon in retirement.

Your Client's ability to access funds within any of the locked-in accounts is based upon the pension legislation applicable to the jurisdiction where they were employed. The earliest access date is typically the earliest date on which they could otherwise receive a pension benefit under the pension legislation. Generally, retirement age is 65 and often pension legislation provides that an individual can commence pension benefits as early as 55. Your Client is otherwise restricted from accessing these funds until retirement.

Under certain limited circumstances, however, your Client may be able to unlock some or all of their funds within their locked-in plan(s). The pension legislation applicable to the jurisdiction where your Client was employed outlines the circumstances and the conditions that must be met to unlock some or all of the funds within their locked-in plan(s). Unlocking may also be available to your Client in the case of marital breakdown or the death of the plan owner.

Appendix

Refer to Appendix A for a summary of the unlocking provisions within your jurisdiction. Refer to Appendix B for more information on a One-Time Partial Transfer and Appendix C for more information on Small Balance Unlocking.



It is important to consult with your registered plan administration group to determine whether a request to unlock a locked-in plan can be executed for your Client.

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Appendix A

Jurisdiction	Financial Hardship	Non-Resident	Shortened Life Expectancy	Small balance (See Appendix C)	One-time Partial Transfer (See Appendix B)	Temporary Income	Other
Federal ^{1,2}	✓ ^{3,4}	✓ ⁵	✓ ^{3,6}	✓ ³	✓ ³		
British Columbia ⁷	✓ ^{3,4}	✓ ^{3,5,8}	✓ ^{3,6}	✓			
Alberta ⁹	✓ ⁴	✓ ^{5,8}	✓ ⁶	✓	✓ ³		
Saskatchewan ¹⁰		✓ ^{3,5,8}	✓ ^{3,6}	✓	✓ ³		
Manitoba ¹¹		✓ ^{3,5,8}	✓ ^{3,6,12}	✓	✓ ³		
Ontario ¹³	✓ ^{3,4}	✓ ^{3,5,8}	✓ ^{3,6,12}	✓ ³	✓ ³		
Quebec ¹⁴		✓ ^{5,15,16}	✓ ⁶	✓		✓ ³	
Newfoundland and Labrador ¹⁷	✓ ^{3,4,18}	✓ ^{3,5,8,18}	✓ ^{3,6}	✓ ³		✓	Under certain conditions a plan owner is entitled to receive additional temporary income.
New Brunswick ¹⁹		✓ ^{3,20}	✓ ⁶	✓ ³	✓ ³		
Nova Scotia ²¹	✓ ⁴	✓ ^{3,5}	✓ ^{6,12}	✓ ³		✓	After age 54 and before 65, a LIF can be a temporary source of income. The amount is formula driven and it is not available through all financial institutions.
Prince Edward Island ²²	No pension legislation						

¹Federal legislation applies in the Yukon, Northwest Territories, and Nunavut.

²Source: <https://www.osfi-bsif.gc.ca/Eng/pp-rr/faq/Pages/ulfpp-lrsp.aspx>

³Spousal or common-law partner consent or waiver required.

⁴Financial hardship criteria is outlined in the legislation.

⁵No longer a Canadian resident for at least two calendar years.

⁶Your medical condition must be certified by a qualified physician.

⁷Source: <https://www.bcfsa.ca/pdf/Pensions/InfoForPlanMembers.pdf?v=5#Exceptions>

⁸Letter required from the Canada Revenue Agency confirming status as a non-resident of Canada, by completing Form NR73: Determination of Residency Status (Leaving Canada).

⁹Source: <https://www.alberta.ca/pensions-individuals.aspx#jumplinks-0>

¹⁰Source: [https://fcaa.gov.sk.ca/public/CKeditorUpload/Pensions/What_s_New/2017/Bulletin_-_Unlocking_Pension_Money_\(2018\)_-January_2018.pdf](https://fcaa.gov.sk.ca/public/CKeditorUpload/Pensions/What_s_New/2017/Bulletin_-_Unlocking_Pension_Money_(2018)_-January_2018.pdf)

¹¹Source: https://www.gov.mb.ca/finance/pension/acts_regs/pensionbenefitsact.html#:~:text=The%20Pension%20Benefits%20Act%20of,by%20setting%20minimum%20standards%20for%3A&text=funding%20pensions,plan%20member%20information

¹²Life expectancy cannot exceed 2 years.

¹³Source: <https://www.fscs.gov.on.ca/en/pensions/lockedin/faq/Pages/locked-inaccountchanges.aspx>

¹⁴Source: https://www.rmq.gouv.qc.ca/en/retraite/crri_frv/Pages/remboursement.aspx

¹⁵Investments must have matured, unless it is stipulated in your contract and, in such case, fees may be charged.

¹⁶Your financial institution will inform you about what is required to show that you are a non-resident of Canada.

¹⁷Source: <https://www.gov.nl.ca/dgsn/pension-regulation/locked-in-retirement-savings-arrangements/>

¹⁸Consent of principal beneficiary required.

¹⁹Source: <https://fcnb.ca/en/personal-finances/pensions-and-retirement/pension-transfers-and-withdrawals>

²⁰Neither you nor your spouse or common-law partner can be Canadian citizens or residents of Canada.

²¹Source: <https://novascotia.ca/finance/en/home/pensions/about/pensionincome/LIRA.aspx.html>; <https://novascotia.ca/finance/en/home/pensions/faq.aspx.html>

²²Source: http://www.gov.pe.ca/photos/original/ELJ_Pension2012.pdf

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Appendix B

One-time partial transfer from a locked-in plan

Jurisdiction	TRANSFER		Age	Percentage	Other
	From	To			
Federal ²³	RLIF ²⁴	RRSP ²⁵ or RRIF ²⁶	≥ 55 in calendar year	≤ 50%	<ul style="list-style-type: none"> • Must be exercised within 60 days of initial deposit to RLIF • Cash can be withdrawn from RRSP or RRIF, subject to applicable income tax rules
Saskatchewan ²⁷	LIRA	pRRIF ²⁸ or existing PRIA ²⁹	≥ 55 ³⁰	≤ 100%	<ul style="list-style-type: none"> • If permitted by the pension plan
Alberta ³¹	LIRA	LIF LITB ³²	≥ 50	≤ 50%	
Manitoba ³³	LIF	Prescribed RRIF	≥ 55	≤ 50%	
Ontario	New LIF ³⁴	Cash RRSP RRIF	≥ 55	≤ 50% ³⁵	<ul style="list-style-type: none"> • Must be exercised within 60 days of transfer to the New LIF³⁶
New Brunswick ³⁷	LIF	RRIF	At any age	Lesser of: <ul style="list-style-type: none"> • 3 x Annual amount • 25% of balance 	

²³Source: <https://www.osfi-bsif.gc.ca/Eng/pp-rr/faq/Pages/ulfp-lrsp.aspx>

²⁴Restricted life income fund (RLIF).

²⁵Registered retirement savings plan (RRSP).

²⁶Registered retirement income fund (RRIF).

²⁷Source: [https://fcaa.gov.sk.ca/public/CKeditorUpload/Pensions/What_s_New/2017/Bulletin_-_Unlocking_Pension_Money_\(2018\)_-January_2018.pdf](https://fcaa.gov.sk.ca/public/CKeditorUpload/Pensions/What_s_New/2017/Bulletin_-_Unlocking_Pension_Money_(2018)_-January_2018.pdf)

²⁸Prescribed registered retirement income fund (pRRIF).

²⁹Pooled retirement income account (PRIA).

³⁰May be younger if the pension plan from where the money originated provided for retirement at an earlier age.

³¹Source: <https://www.alberta.ca/pensions-individuals.aspx#jumplinks-0>

³²Life income type benefit account (LITB).

³³Source: https://www.gov.mb.ca/finance/pension/acts_regs/pensionbenefitsact.html#:~:text=The%20Pension%20Benefits%20Act%20of,by%20setting%20minimum%20standards%20for%3A&text=funding%20pensions,plan%20member%20information

³⁴Does not apply to money transferred into a New LIF from another New LIF, an Old LIF, an LRIF or a life annuity, other than if the New LIF is owned by the spouse/former spouse in accordance with the terms or order under the Family Law Act, a family arbitration award or a domestic contract.

³⁵The "total market value of the assets" transferred to the new LIF on the date of transfer.

³⁶Where a single transfer transaction takes place in stages over a period of time, the 60 day period begins when the last portion of the money related to that transfer transaction is received.

³⁷Source: <https://fcnb.ca/en/personal-finances/pensions-and-retirement/pension-transfers-and-withdrawals>

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Appendix C

Small balance unlocking of a locked-in plan

Jurisdiction	TRANSFER		Age	Amount
	From	To		
Federal ³⁸	LRSP ³⁹ RLSP ⁴⁰ LIF RLIF	Cash RRSP RRIF	≥ 55	The value of the owner's locked-in accounts is ≤ 50% of YMPE ⁴¹ in the year of request
British Columbia ⁴²	LIRA LIF	Cash RRSP	Any age ≥ 65	Value of any of the owner's locked-in accounts (i.e., on an account by account basis) is < 20% of YMPE Value of any of the owner's locked-in accounts (i.e., on an account by account basis) is < 40% of YMPE
Alberta ⁴³	LIRA LIF		< 65 ≥ 65	Amount in any single locked-in account is < 20% of YMPE Amount in any single locked-in account is < 40% of YMPE
Saskatchewan ⁴⁴	LIRA	Cash or RRSP	Any age	Total of all locked-in money and deferred pension entitlements ⁴⁵ is ≤ 20% of YMPE
Manitoba ⁴⁶	LIRA LIF	Cash RRSP	Any age	Calculated amount = balance in locked-in account x (65 – age at December 31st of year of written request) x 1.06 (represents 6% interest added to balance annually), and Calculated amount is < 40% of YMPE
Ontario ⁴⁷	LIRA New LIF LRIF	Cash RRSP RRIF	≥ 55	Value ⁴⁸ in all the owner's Ontario locked-in accounts is < 40% of YMPE
Quebec ⁴⁹	LIRA LIF	Cash RRSP	≥ 65 ⁵⁰	Total locked-in amounts accumulated in all LIRA or LIF accounts is ≤ 40% of yearly maximum pensionable earnings under Quebec Pension Plan
Newfoundland and Labrador ⁵¹	LIF LRIF LIRA	Cash	≥ 55 or earliest age for entitlement under the original plan	Age and Value in all the owner's locked-in accounts governed by Newfoundland pension benefits legislation is < 40% of YMPE Or Value of all the owner's locked-in accounts governed by Newfoundland pension benefits legislation is < 10% of YMPE (i.e., no age requirement)
New Brunswick ⁵²	LIRA	Cash		Value in all the owner's locked-in assets must be less than the amount specified based upon owner's age. For two years prior to your application, the individual's Pension Adjustment must be zero (i.e., not a member of a pension plan).
Nova Scotia ⁵³	LIRA LIF	Cash RRSP	≥ 65	Value ⁵⁴ in all the owner's Nova Scotia locked-in accounts is < 50% of YMPE

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³⁸Source: <https://www.osfi-bsif.gc.ca/Eng/pp-rr/faq/Pages/ulfp-lrsp.aspx>

³⁹Locked-in registered saving plan (LRSP).

⁴⁰Restricted locked-in savings plan (RLSP).

⁴¹Year's maximum pensionable earnings (YMPE).

⁴²Source: <https://www.bcfesa.ca/pdf/Pensions/InfoForPlanMembers.pdf?v=5#Exceptions>

⁴³Source: <https://www.alberta.ca/pensions-individuals.aspx#jumplinks-0>

⁴⁴Source: [https://fcaa.gov.sk.ca/public/CKeditorUpload/Pensions/What_s_New/2017/Bulletin_-_Unlocking_Pension_Money_\(2018\)_-_January_2018.pdf](https://fcaa.gov.sk.ca/public/CKeditorUpload/Pensions/What_s_New/2017/Bulletin_-_Unlocking_Pension_Money_(2018)_-_January_2018.pdf)

⁴⁵Applies where an individual has terminated their membership and has not transferred their entitlement out of the plan.

⁴⁶Source: https://www.gov.mb.ca/finance/pension/acts_regs/pensionbenefitsact.html#:~:text=The%20Pension%20Benefits%20Act%20of,by%20setting%20minimum%20standards%20for%3A&text=funding%20pensions,plan%20member%20information

⁴⁷Source: <https://www.fscs.gov.on.ca/en/pensions/lockedin/faq/Pages/locked-inaccountchanges.aspx>

⁴⁸Value is based upon most recent statement, which cannot be more than one year before the date the application is signed.

⁴⁹Source: https://www.rrq.gouv.qc.ca/en/retraite/cr_frv/Pages/remboursement.aspx

⁵⁰You are age 65 or over at the end of the year preceding the one in which you apply.

⁵¹Source: <https://www.gov.nl.ca/dgsnl/pension-regulation/locked-in-retirement-savings-arrangements/>

⁵²Source: <https://fcnb.ca/en/personal-finances/pensions-and-retirement/pension-transfers-and-withdrawals>

⁵³Source: <https://novascotia.ca/finance/en/home/pensions/about/pensionincome/LIRA.aspx.html>; <https://novascotia.ca/finance/en/home/pensions/faq.aspx.html>

⁵⁴Value is based upon most recent statement, which cannot be more than one year before the date the application is signed.



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