



SECTION: Locking In

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TITLE: Locked-in RRSP Funds - Annuities

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Taken from the "Your Questions Answered" column published in the PCO Bulletin. Please see the disclaimer at the beginning of the directory.

When can locked-in RRSPs be annuitized?

According to Revenue Canada rules, a locked-in RRSP must be annuitized no later than the end of the year in which the owner turns 71. Locked-in RRSPs may be annuitized as early as age 55. A deferred annuity, which is not payable until age 55 at the earliest, may be purchased with locked-in funds any time after age 18.

PCO Staff Comment: The version which follows has been rewritten for consistency with changes made to the Regulations under the Income Tax Act (Canada) in 1996 and changes to Regulation 909 under the Pension Benefits Act in 1994.

When can locked-in RRSPs be annuitized?

According to Revenue Canada rules, a locked-in RRSP must be annuitized no later than the end of the year in which the owner turns 69. Locked-in RRSPs may be annuitized at the earliest date an individual could have retired under the terms of the plan from which the locked-in money was transferred originally. For the majority of former pension plan members, the earliest retirement date under a pension plan would have been age 55. A deferred annuity purchased with locked-in funds may be purchased anytime after attainment of age 18 but must not be payable until the earliest retirement age that applies to the individual.

PCO Staff Comment: Please see also L050-100 and YReg-19 and YReg-20.