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FAQs on Locked-in Retirement Accounts (LIRAs)

This page provides information relating to LIRAs.

Q1. Have the rules that govern LIRAs changed? Where can I find the LIRA rules?

A1. The rules that govern LIRAs have not yet changed. However, effective January 1, 2011, all the LIRA-related provisions in R.R.O. 1990, Regulation 909 will be consolidated into a new Schedule 3, which is similar to the schedules for LIFs and LRIFs. - 05/10

Q2. What is the earliest age on which payments from a life annuity purchased from a LIRA can begin?

A2. The earliest age that an individual can purchase a LIF or LRIF is generally 55 but could be earlier depending upon the age at which members may receive a benefit under the terms of the pension plan from which the money originated. Payments from a LIF or a LRIF must begin no later than the end of the second fiscal year of the LIF or LRIF. Accordingly, the money in the LIRA can be transferred to the LIF or LRIF at age 54 or earlier if the plan so provides. -06/05

Q3. If money in a LIRA is used to purchase a LIF or LRIF, what are the earliest and latest dates that money can be transferred?

A3. The earliest age that an individual can purchase a LIF or LRIF is generally 55 but could be earlier depending upon the age at which members may receive a benefit under the terms of the pension plan from which the money originated. Payments from a LIF or a LRIF must begin no later than the end of the second fiscal year of the LIF or LRIF. Accordingly, the money in the LIRA can be transferred to the LIF or LRIF at age 54 or earlier if the plan so provides. -06/05

Q4. Can funds in an Ontario LIRA be transferred to a RRIF?

A4. No. The proceeds from an Ontario LIRA must be used to provide either a life annuity, a LIF or a LRIF so that the owner will receive regular payments when his or her earnings have stopped. Since one can outlive a RRIF, transferring the money in a LIRA to a RRIF would not achieve this objective. -06/05

Q5. Can money in an Ontario LIRA be transferred or combined with locked-in money from another jurisdiction?

A5. Because some of Ontario's statutory requirements differ from those of other Canadian pension jurisdictions, the contract for an Ontario LIRA will likely differ from the contract for a LIRA of another jurisdiction. Consequently, locked-in money that is required to be administered in accordance with the Ontario PBA may not be transferred to or combined with a locked-in account of another pension jurisdiction. -06/05


Q6. Does the holding of an investment which is not redeemable before maturity restrict the date on which the owner of a LIRA may purchase a life annuity, LIF or LRIF with the money in the LIRA?

A 6. Owners of LIRAs may purchase an annuity, LIF or LRIF before the expiry of the term of an investment at the discretion of the financial institution. Owners making investment decisions should be mindful that the Canada Revenue Agency requires that by age 71, all RRSPs including LIRAs, must be used to purchase a life annuity, LIF or LRIF -06/05

Q7. Can money in a LIRA be released to fund the purchase of a home under the federal government

A7. No. In Ontario, money in LIRAs cannot be loaned to buy a house to take advantage of the federal Home Buyers' Plan. -06/05

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