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## FAQs on Rules for Ontario Locked-In Accounts

**Last Updated: December 31, 2010**

On July 27, 2007, significant changes to the rules that govern locked-in accounts in Ontario were enacted under Ontario Regulation 416/07, which is made under the Pension Benefits Act (PBA). This was followed by additional changes under Ontario Regulation 239/09 in June 2009, which has further altered the rules for Ontario locked-in accounts.

The following frequently asked questions (FAQs) provide answers to some of the questions that have arisen as a result of these changes, and consolidate and update all previous FAQs that were posted since July 2007. The notation after each answer provides the date that each FAQ was posted. In the future, each new or amended FAQ will have its own notation.

### Locked-in Accounts Include:

- Old Life Income Funds (refer to LIFs that are governed by Schedule 1 of R.R.O. 1990, [Regulation 909](#) );
- Locked-In Retirement Income Funds;
- New Life Income Funds (refer to LIFs that are governed by Schedule 1.1 of R.R.O. 1990, [Regulation 909](#) ); and
- Locked-In Retirement Accounts.

### FAQs are Grouped Under the Following Sections:

- [Old Life Income Funds \(Old LIFs\)](#)
- [Locked-In Retirement Income Funds \(LRIFs\)](#)
- [New Life Income Funds \(New LIFs\)](#)
- [Locked-In Retirement Accounts \(LIRAs\)](#)

FSRA is actively reviewing all FSCO regulatory direction, including but not limited to forms, guidelines and FAQs.

Until FSRA issues new regulatory direction, all existing regulatory direction remains in force.

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## Summary of the Most Significant Changes

The list below summarizes the most significant changes to the locked-in rules that have come into effect since July 2007.

- On January 1, 2008, the New LIF was introduced. Owners of New LIFs are able to receive more flexible payments from the fund and have a time-limited opportunity to withdraw or transfer to an unlocked account a percentage of the funds that were transferred into the New LIF.
- As of January 1, 2008, money in a locked-in account may be transferred directly to an unlocked account upon the death of its owner, or if the owner is over the age of 55 and only has a small amount of money in his or her account.
- As of January 1, 2008, owners of locked-in accounts who are non-residents of Canada —as determined by the Canada Revenue Agency for the purpose of the federal Income Tax Act — may apply to unlock and withdraw the money in their accounts two years after they have departed from Canada.
- After December 31, 2008, Old LIFs and LRIFs are no longer available for purchase.
- Effective January 1, 2011, the rules for Old LIFs and LRIFs will be harmonized with the rules for New LIFs.
- Effective January 1, 2011, the rules that govern LIRAs will be consolidated into the new Schedule 3 under R.R.O. 1990, Regulation 909.
- Effective January 1, 2011 owners of Ontario Schedule 1 LIFs or LRIFs may withdraw or transfer up to 50% of the money - January 1, 2011 to April 30, 2012.
- Financial institutions are required to provide notice to their existing clients of all changes to the rules that govern locked-in accounts.

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Please consult our [outage schedule](#) for more details.

**Note:** These FAQs use “LIF formula” to refer to the maximum amount that can be paid from a LIF or an LRIF in accordance with Schedule 1 or 1.1 (LIF) or Schedule 2 (LRIF).

## How to Contact FSCO

If you have a question or require assistance, you can reach the Financial Services Commission of Ontario’s **contact centre** by telephone at 1-800-668-0128  (call toll-free) or (416) 250-7250  (in Toronto), or by email at [contactcentre@fSCO.gov.on.ca](mailto:contactcentre@fSCO.gov.on.ca).

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## FAQs on Locked-in Retirement Income Funds (LRIFs)

### **Q1. I have an LRIF. What will happen to it as a result of the changes to the rules for locked-in accounts?**

**A1.** As a result of the changes to the rules that govern locked-in accounts:

- As of January 1, 2009, you cannot transfer any money into your LRIF from any other source.
- After December 31, 2010, you will no longer be able to carry forward any unused maximum income payment amounts to future years and add it to future maximum income payment amounts.
- You can keep your LRIF, but effective January 1, 2011 the rules for LRIFs will be harmonized with those that govern New LIFs.
- As of January 1, 2011, the maximum amount of income paid each year from your LRIF will be the greater of the amount you would have received under the formula in Schedule 2 under Regulation 909, or the investment earnings from the previous year.
- From January 1, 2011 to April 30, 2012, you will have a one-time opportunity to withdraw or transfer up to 50 per cent of the money in your LRIF to an RRSP or RRIF using Form 5.3. -12/2010

### **Q2. How do I calculate the maximum amount I can be paid from my LRIF each year?**

**A2.** For 2010, the maximum income payment is based on the LRIF's investment earnings for the previous year. Starting in 2011, the maximum income payment will be the greater of the amount earned under the LIF formula or your LRIF's investment earnings for the previous year.

Starting in the 2011 fiscal year, you will no longer be able to carry forward any unused maximum income payment amounts to future years' maximum income payment amounts. -05/2010

### **Q3. What are my options if I want to transfer money from my LRIF?**

**A3.** You can transfer the money that is in your LRIF to a New LIF, or to an insurance company to purchase a life annuity. Effective January 1, 2011 you can withdraw or transfer up to 50% of the money in an LRIF - January 1, 2011 to April 30, 2012 . -12/2010

**Q4. I want to use the money in my LRIF to purchase a New LIF. How will my income payments from the LRIF and New LIF be affected when I make the purchase?**

**A4.** Transferring money from your LRIF to a New LIF does not affect the maximum amount of income that could be paid from the LRIF during the year of transfer. To ensure that you receive the maximum income payment possible for that year, you should arrange to receive **all** payments that you are entitled to get from the LRIF, **before** you make the transfer.

After you purchase the New LIF with the funds from your LRIF, the amount of income you can be paid from your New LIF for the rest of the year is set to zero. -05/2010

**Q5. Can I transfer money into my LRIF?**

**A5.** No. You can no longer transfer money into an LRIF, even if it comes from another LRIF. -05/2010

**Q6. Can I withdraw or transfer any money from my LRIF in addition to my annual income payment?**

**A6.** From January 1, 2011 to April 30, 2012, you will have a one-time opportunity to apply to withdraw or transfer up to 50 per cent of the money in your LRIF to an RRSP or RRIF using Form 5.3. -12/2010

**Q7. What happens if I own an LRIF when I die?**

**A7.** If you own an LRIF when you die, your surviving spouse is entitled to the full amount of money that is in your LRIF. This money may be paid out as an unlocked lump sum after your death, or may be transferred to your spouse's own RRSP or RRIF, where it is permitted by the federal Income Tax Act.

If you do not have a surviving spouse on the date of your death, or if your spouse has waived his/her entitlement to the death benefit payment, your named beneficiary or estate (if there is no named beneficiary) is entitled to receive the amount in your LRIF. -05/2010

**Q8. At what age can I apply to withdraw the money in my locked-in account because it is a small amount?**

**A8.** You can apply to withdraw all the money in your locked-in account (LIRA, LIF or LRIF) under the small amount category, **on or after the day you become 55 years old**. The small amount requirement means that the total value of all assets in all your Ontario locked-in accounts must be less than 40 per cent of the [Year's Maximum Pensionable Earnings \(YMPE\)](#) for that calendar year. -03/2014

**Q9. Why are there only three columns in the 2016 Maximum Annual Income Payment Amount Table for an Ontario Old LIF, New LIF or LRIF in FSCO Policy L200-415 (instead of the 4 columns in prior years)?**

**A9.** The maximum annual payment percentage is based on the age attained during the year in question. FSCO has, therefore, made minor changes to the table to streamline the information provided. -12/2015

**Q10. Does the change in the Canada Revenue Agency minimum withdrawal amount impact the maximum amount that can be withdrawn?**

**A10.** No. The Canada Revenue Agency's reduction of the minimum withdrawal amount has no impact on the maximum withdrawal amounts. The Pension Benefits Act provides the maximum amount that may be withdrawn from the locked-in account. Each year, FSCO publishes a policy that includes a table of percentages that must be used to calculate the maximum annual income amount that may be paid out from the locked-in account. -12/2015

### **More information:**

- [FSCO Policies on Locked In Accounts](#)
- [FAQs on Rules for Ontario Locked-In Accounts](#)

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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

**More information:**

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## FAQs for Financial Institutions

This page provides financial institutions with information relating to Old Life Income Funds (Old LIFs), new Life Income Funds (New LIFs) and Locked In Retirement Income Funds (LRIFs).

- [Old LIFs and New LIFs - Q1-Q12](#)
  - [LRIFs - Q13-Q14](#)
- 

### Old LIFs and New LIFs

#### **Q1. What information are financial institutions required to disclose to their Old LIF clients?**

**A1.** Financial institutions were required to inform their Old LIF clients of the following on or before September 30, 2010:

- After December 31, 2010, Old LIF owners can no longer transfer money from an Old LIF to a LIRA.
- Between January 1, 2011 and April 30, 2012, owners of Old LIFs can make a one-time application to withdraw or transfer up to 50 per cent of the total market value of the assets they have in their Old LIFs. Applications for this withdrawal or transfer will not be accepted after April 30, 2012.
- On or after January 1, 2011, the maximum amount that may be paid from the Old LIF as income each year will be the greater of the amount under the LIF formula or the fund's investment earnings for the previous year.

Financial institutions are also required to include in their annual statements to their clients the amounts of any withdrawals that were taken out of the Old LIF in the previous year. - 05/10

#### **Q2. Between January 1, 2011 and April 30, 2012, owners of Old LIFs may apply to withdraw or transfer up to 50 per cent of the total market value of the assets in the fund. How do we determine this amount?**

**A2.** The total market value of the assets in the Old LIF is based on the amount in the most recent statement that was issued by the financial institution when the application was made. The statement must be dated within one year of the date the application was made. - 05/10

**Q3. A client applied for withdrawal of an additional 25 per cent from his New LIF in January 2010 using FSCO pension Form 5.1.1. Section 8.1(1) under Schedule 1.1 under Regulation 909 provides that the 25 per cent is based on "the total market value of all assets transferred into the fund on or before December 31, 2009". How do we determine this amount?**

**A3.** "The total market value of all the assets transferred into the fund on or before December 31, 2009" is the market value of the assets that were transferred in relation to each particular transfer, and is determined as of the date of the relevant transfer. You do not take into account any increase or decrease in the value of the New LIF after the money was transferred into it. - 05/10

**Q4. In January 2010, a client transferred \$100,000 into her New LIF and applied to withdraw 50 per cent of the total market value of the transferred assets to her RRSP using FSCO pension Form 5.2. Section 8(2.1) under Schedule 1.1 under Regulation 909 provides that the 50 per cent is based on "the total market value of the assets transferred into the fund in relation to a transfer of assets made on or after January 1, 2010". How do we determine this amount?**

**A4.** "The total market value of the assets transferred into the fund in relation to a transfer of assets made on or after January 1, 2010" is the amount that was transferred into her New LIF on the relevant transfer date. This amount should be available in your records. You do not take into account any increase or decrease in the value of the New LIF after the money was transferred into it. - 05/10

**Q5. When money is transferred into a New LIF, does the financial institution that administers the New LIF need to be aware of the source of that money? Does the prior locked-in vehicle's original date of purchase need to be validated?**

**A5.** The financial institution that administers the New LIF will have to determine what kind of locked-in vehicle (e.g., a pension plan, annuity, LIRA, Old LIF, New LIF or LRIF) the money was transferred from. This is because the 50 per cent withdrawal or transfer under the New LIF after January 1, 2010 only applies to money that comes from a pension plan, LIRA, Old LIF or LRIF. It does not apply to an annuity or an existing New LIF.

It is not necessary for the financial institution that is receiving the money, to know the date on which any prior locked-in vehicle was purchased by the owner. - 05/10

**Q6. If money is transferred to a New LIF from another New LIF, Old LIF or LRIF, is the financial institution required to keep track of the investment income that is earned by the transferring fund for the fiscal year up to the date of the transfer?**

**A6.** The financial institution that administers the New LIF that received the transferred funds must be aware of the investment returns that are attributable to the transferring fund's fiscal year, up to the date of transfer. This information is required so that the financial institution can calculate one of the possible maximum income payment amounts for the New LIF's next fiscal year.

For example, if money was transferred from an LRIF to a New LIF on December 1, 2008, and \$500 of investment income was earned in the LRIF's 2008 fiscal year prior to the transfer, the financial institution must ensure it determines and records the \$500. In addition, this amount must be used to calculate the maximum income amount that is payable from the New LIF in 2009. - 07/07

**Q7. Can a financial institution simply convert an Old LIF into a New LIF? If not, will the New LIF require a new specimen plan number, or can the Old LIF's specimen number be used?**

**A7.** A New LIF is a completely different type of locked-in account than an Old LIF, in the same way that an LRIF is a different type of locked-in account from a LIF. Effective January 1, 2008, financial institutions were permitted to offer two distinct types of Ontario LIFs – Old LIFs and New LIFs. If an owner of an Old LIF wants a New LIF, he/she must purchase a New LIF by transferring money from the Old LIF into a New LIF. The Old LIF cannot simply be converted into a New LIF.

However, on January 1, 2011, the rules for Old LIFs, LRIFs and New LIFs will become harmonized. All three funds are essentially the same, except that owners of Old LIFs and LRIFs

will have a one-time opportunity to withdraw or transfer up to 50 per cent of the money in their account. The rules for determining the maximum annual income payment from Old LIFs, LRIFs and New LIFs will be identical. The maximum income payment for all three funds will be the greater of the amount calculated under the LIF formula, or the fund's investment earnings from the previous year.

Specimen plan numbers appear to be an issue for the Canada Revenue Agency (CRA), but not for FSCO. You may wish to contact the CRA's Registered Plan Directorate at 1-800-267-3100 to discuss this question. - 09/10

**Q8. If an individual merges two LIRA accounts from two different financial institutions into a New LIF, the funds are likely to be transferred into the New LIF at different times. Should the receiving financial institution determine the calculation for the 50 per cent withdrawal or transfer when each amount is received separately, or base it on the total amount when both are received? Is the individual entitled to a second 50 per cent withdrawal or transfer after the second transfer is made?**

**A8.** The 50 per cent withdrawal or transfer applies to each individual transfer of money into the New LIF. Each time a sum of money is transferred into the New LIF from a LIRA, LRIF, Old LIF or pension plan, the New LIF owner has 60 days from the date of the transfer to apply to the financial institution to withdraw or transfer up to 50 per cent of the amount that was transferred into the New LIF. For each withdrawal or transfer, a separate application has to be made. - 05/10

**Q9. If an individual wants to transfer in-kind securities from a locked-in account (other than a New LIF) into a New LIF, and the securities are received by the New LIF on different days, on what date can the individual apply for the 50 per cent withdrawal or transfer?**

**A9.** If an individual makes a single transfer of funds which are invested in securities into a New LIF, the assets related to that transaction may be deposited into the New LIF on different dates. This is because those assets are being transferred in-kind from other locked-in accounts. The date of transfer for the 50 per cent withdrawal or transfer application is based on the last date on which any of those assets are actually transferred into the New LIF. The individual has 60 days from that date to make his or her application.

In such a case, the financial institution that administers the New LIF must inform the individual prior to making the transfer that he/she will only be able to apply for the 50 per cent withdrawal or transfer after the last deposit of assets has been received by the financial institution. The financial institution also needs to advise the owner once the transfer has been completed. - 05/10

**Q10. If a client applies for a 50 per cent withdrawal or transfer from his/her New LIF, when is the financial institution required to pay or transfer the money?**

**A10.** The financial institution is required to make the payment or transfer within 30 days of receiving the completed application form and accompanying documents from the owner of the New LIF. - 05/10

**Q11. How are investment returns in a particular year calculated if there has been a 50 per cent withdrawal or transfer from a LIF?**

**A11.** Follow the steps below to easily calculate investment returns that are attributable to a particular fiscal year for a LIF:

1. Take the balance in the LIF at the end of the fiscal year.
2. Subtract the balance in the LIF at the start of the fiscal year.
3. Add the value of any money that was withdrawn or transferred out of the LIF anytime during the fiscal year (e.g., income payments to the client, transfers of money to other accounts, unlocking application amounts that were moved out, etc.).
4. Subtract the value of any new money that was deposited into the account anytime during the fiscal year (e.g., amounts transferred into the account from other accounts, etc.).

**Example:**

On January 1st the balance in the New LIF was \$50,000 and on December 31st of the same year the balance in the New LIF was \$60,000. The owner received a \$5,000 payment from the New LIF during the year as his annual income payment. That year, he also transferred \$3,000 from a LIRA into his New LIF, and withdrew 50 per cent of that amount (\$1,150).

To calculate this client's investment return for the year, you would do the following:

- \$60,000 (balance on December 31)
- **Minus** \$50,000 (balance on January 1);
- **Plus** \$6,150 (\$5,000 income payment and \$1,150 unlocked amount that was withdrawn);

- **Minus** \$3,000 (transfer received from LIRA);
- **Equals** \$13,150 (the investment income).

Therefore the client's investment return for the year was \$13,500. - 05/10

**Q12. If a client with an Old LIF wants to use this money to purchase a New LIF, does the financial institution have to pay out the minimum annual income amount from the Old LIF? Does it also need to set the maximum income payment amount for the New LIF to zero?**

**A12.** If money is transferred from an Old LIF to a New LIF, any minimum amount that is required to be paid out of the Old LIF under the federal Income Tax Act must be paid out of the Old LIF before the end of its fiscal year. No money can be paid out of the New LIF during the fiscal year when the transfer occurred. - 07/07

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## LRIFs

**Q13. What information are financial institutions required to disclose to their LRIF clients?**

**A13.** Financial institutions must inform LRIF owners of the following ***at the beginning of the fiscal year of the fund that ends on December 31, 2010:***

- They will not be able to receive payments for all or part of any unused income payment amounts that were carried forward from a previous year.
- As of January 1, 2011, LRIF owners who choose to be paid less than the maximum annual income amounts will not be able to carry forward the difference and add it to their maximum income payment amounts for future years.

Financial institutions must inform LRIF owners of the following ***on or before September 30, 2010:***

- After December 31, 2010, they can no longer transfer assets from an LRIF to a LIRA.
- Between January 1, 2011 and April 30, 2012, they may make a one-time application to withdraw or transfer up to 50 per cent of the total market value of the assets that are in their LRIF fund(s). Applications for this withdrawal or transfer will not be accepted after April 30, 2012.


- On or after January 1, 2011, the maximum amount that may be paid from the LRIF as income each year will be the greater of the amount under the LIF formula or the fund's investment earnings from the previous year.

Financial institutions are also required to include in their clients' annual statements the amounts of any withdrawals that were taken out of the fund in the previous year. - 05/10

**Q14. Between January 1, 2011 and April 30, 2012, owners of LRIFs may apply to withdraw or transfer up to 50 per cent of the total market value of the assets in the fund. How do we determine this amount?**

**A14.** The total market value of the assets in the fund is based on the amount in the most recent statement that was issued by the financial institution at the time of the application. The statement must be dated within one year of the date the application was made. - 05/10

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## FAQs: Option to Transfer Money from a Locked-in Account to an Unlocked vehicle

This page addresses questions relating to the option to transfer money from a locked-in account to an unlocked vehicle.

### **Q1. How have the rules for transfers of locked-in accounts changed?**

**A1.** Effective January 1, 2008, owners of locked-in accounts have new transfer options in the following two situations:

1. If the owner of a locked-in account dies, his/her surviving spouse will be able to transfer the survivor benefit directly to his/her own RRSP or RRIF, where permitted by the federal Income Tax Act. (Under the previous rules, the surviving spouse could only take the benefit in a lump sum.)
2. If the owner of a locked-in account is older than 55 and has less than 40 per cent of the [Year's Maximum Pensionable Earnings](#) under the Canada Pension Plan in all of his/her locked-in accounts, the owner may transfer the entire amount directly to his/her own RRSP or RRIF, rather than receive it in a lump sum. - 07/07

### **Q2. When the owner of a locked-in account dies, is her/her surviving spouse required to take the full value of the survivor benefit in cash, or transfer it to an RRSP or RRIF? Is the surviving spouse allowed to take part of the survivor benefit in cash and transfer part of it to an RRSP or RRIF?**

**A2.** When the survivor benefit is paid, the surviving spouse is required to fully withdraw or transfer the entire amount of the locked-in account into his/her own RRSP or RRIF. The surviving spouse cannot withdraw part of the survivor benefit in cash and transfer the remaining amount to an RRSP or RRIF. - 05/10

### **Q3. Is the survivor benefit required to go to the surviving spouse, or can it go to a named beneficiary?**

**A3.** The survivor benefit must be paid to the owner's spouse. It can only be paid to the owner's named beneficiary in the following three situations:



- if the spouse waived his/her entitlement to a survivor benefit;
- if the owner of the locked-in account and his/her spouse were living separate and apart on the date of the owner's death due to a breakdown in their relationship; or
- If the owner of the locked-in account had no spouse when he/she died.

If there is no named beneficiary, then the survivor benefit would be paid to the owner's estate.

- 05/10

#### **Q4. Can I transfer 50 per cent of the funds from my New LIF to a spousal RRSP or a spousal RRIF?**

**A4.** Ontario's pension laws allow owners of New LIFs to transfer up to 50 per cent of the funds to any RRSP or RRIF. The law does not prohibit you to transfer that money to a spousal RRSP or a spousal RRIF. However, there may be restrictions under the federal Income Tax Act for such a transfer. Questions about the tax impact of this type of transfer should be directed to the Canada Revenue Agency's Individual Income Tax Inquiry Line at 1-800-959-8281 . - 05/10

#### **More information:**

- [FSCO Policies on Locked In Accounts](#)
- [FAQs on Rules for Ontario Locked-In Accounts](#)

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## FAQs on the Effects of Changes on Other Unlocking Applications

This page provides information relating to other unlocking applications.


### **Q1. Will the changes to the rules that effect locked-in accounts impact the requirements for withdrawing money due to financial hardship or shortened life expectancy?**

**A1.** The changes to the rules that effect locked-in accounts will not change the rules for unlocking your locked-in account due to financial hardship or shortened life expectancy. However, there is one exception that affects financial hardship unlocking. With the introduction of the Ontario Child Benefit in the 2007 Ontario Budget, the section of the regulations under the Pension Benefit Act that exempts certain sources of income from an individual's total income — which is used to calculate eligibility for a low income financial hardship withdrawal — will now also exempt the new benefit. - 07/07

### **Q2. If I withdrew 50 per cent of the money that was in my New LIF, can I still apply to unlock the funds in my New LIF due to financial hardship or any other unlocking criteria?**

**A2.** Yes, applications for unlocking due to financial hardship or other unlocking criteria can still be made. - 05/10

#### **More information:**

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