

Money Matters

Rules relax for Ontario locked-in retirement accounts

Recent changes to the regulation of Ontario locked-in retirement accounts will provide significant flexibility for seniors who require access to additional funds and allow them to manage their retirement income more easily.

These changes affect individuals who have transferred money from their Ontario-registered pension plans into locked-in accounts that are used to provide a steady stream of income in retirement. Such accounts include Locked-In Retirement Accounts (LIRAs), Old Life Income Funds (Old LIFs), New Life Income Funds (New LIFs) and Locked-In Retirement Income Funds (LRIFs).

According to the Financial Services Commission of Ontario (FSCO) – the government agency responsible for regulating registered pension plans in Ontario – here are the key changes that you should be aware of:

- **If you purchase a New LIF after December 31, 2009**, you'll have a one-time opportunity to withdraw in cash, or transfer to an RRSP or RRIF, up to 50 per cent of the total market value of the assets of the fund.
- **From January 1, 2010 to December 31, 2010**, if you own a New LIF, you will have a one-time opportunity to withdraw in cash, or transfer to an RRSP or RRIF, an additional 25 per cent of the total market value of the assets that were transferred into the account on or before December 31, 2009. Financial institutions are required to give you notice of these and other related changes on or before January 1, 2010.
- **From January 1, 2011 to April 30, 2012**, if you own an Old LIF or LRIF, you will have a one-time opportunity to withdraw in cash, or transfer it to an RRSP or RRIF, up to 50 per cent of the total market value of the assets of the fund. Financial institutions are required to give you notice of these and other related changes on or before September 30, 2010.

To learn more about the locked-in account rule changes, visit FSCO's website at www.fSCO.gov.on.ca and select *Pensions*.

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