



SECTION: Locking In

INDEX NO.: L100-200

TITLE: Locked-in RRSP Cannot Be Transferred To A RRIF (also ref: Life Income Fund)

APPROVED BY: The Superintendent of Pensions

PUBLISHED: Bulletin 1/1, (February 1990)

EFFECTIVE DATE: When Published [No longer applicable - replaced by L200-100 and L200-200]

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

A banker asks: Can I rollover the funds from a locked-in RRSP to a RRIF? If not, why?

No. The proceeds from a locked-in RRSP must be used to provide a life annuity. All locked-in monies that originated from a pension plan must be paid out in the form of a life annuity - a series of regular, periodic payments that last until the person dies (with a reduced amount to a surviving spouse if applicable until the spouse's death). This is intended to ensure there will be regular payments a retired person will receive when earnings have stopped. Since one can outlive a RRIF, transferring a locked-in RRSP to a RRIF is not currently permitted in any Canadian jurisdiction.