



SECTION:	Locked-In Accounts
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TITLE:	2010 Schedule 1 Life Income Fund (LIF) Maximum Annual Income Payment Amount Table
APPROVED BY:	Deputy Superintendent, Pensions
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Note: Where this policy conflicts with the Financial Services Commission of Ontario Act, 1997, S.O. 1997, c. 28 (FSCO Act), Pension Benefits Act, R.S.O. 1990, c. P.8 (PBA) or Regulation 909, R.R.O. 1990 (Regulation), the FSCO Act, PBA or Regulation govern.

*Note: The electronic version of this policy, including direct access to all linked references, is available on FSCO's website at www.fSCO.gov.on.ca. All pension policies can be accessed from the **Pensions** section of the website through the **Pension Policies** link.*

Purpose

The table set out in this policy has been prepared by the Financial Services Commission of Ontario (FSCO), and identifies the percentages for use in calculating the 2010 maximum annual income payment amount that can be paid from a LIF that is subject to the requirements of Schedule 1 to the Regulation (Schedule 1 LIF). To calculate the 2010 maximum annual income payment amount that can be paid from a LIF that is subject to the requirements of Schedule 1.1 to the Regulation, please see pension policy L200-409.

Section 6 of Schedule 1 under the Regulation provides that the amount of income paid during a fiscal year out of a Schedule 1 LIF must not exceed the amount calculated using the formula:

C/F, in which

“C” is the value of the assets in the Schedule 1 LIF at the beginning of the fiscal year, and

“F” is the present value, at the beginning of the fiscal year, of an annuity of \$1 payable annually in advance over the period commencing at the beginning of the fiscal year and ending on December 31 of the year in which the owner reaches 90 years of age.

The interest rate assumptions used in determining the value of “F” in the formula above are:

- (1) 6.00%, which represents the greater of the CANSIM V122487 rate for November 2009 (which is 3.84%) and 6.00%, for the first 15 years, and
- (2) 6.00% for the sixteenth and each subsequent fiscal year.

Percentages shown in the table must be prorated for the initial fiscal year is less than twelve months. Part of a month is treated as a full month.

**2010 Maximum Annual Income Payment Amount Table for an Ontario Schedule 1 LIF
(Using C/F formula in Section 6 of Schedule 1 of the Regulation)**

Age at January 1, 2010	New Age During 2010	Years to End of Year Age 90 is Attained	Maximum Payment as a Percentage of the Sch. 1 LIF Balance at start of fiscal year*
40	41	50	5.98531%
41	42	49	6.00600%
42	43	48	6.02808%
43	44	47	6.05167%
44	45	46	6.07687%
45	46	45	6.10382%
46	47	44	6.13265%
47	48	43	6.16350%
48	49	42	6.19655%
49	50	41	6.23197%
50	51	40	6.26996%
51	52	39	6.31073%
52	53	38	6.35454%
53	54	37	6.40164%
54	55	36	6.45234%
55	56	35	6.50697%
56	57	34	6.56589%
57	58	33	6.62952%
58	59	32	6.69833%
59	60	31	6.77285%
60	61	30	6.85367%
61	62	29	6.94147%
62	63	28	7.03703%
63	64	27	7.14124%

64	65	26	7.25513%
65	66	25	7.37988%
Age at January 1, 2010	New Age During 2010	Years to End of Year Age 90 is Attained	Maximum Payment as a Percentage of the Sch. 1 LIF Balance at start of fiscal year*
66	67	24	7.51689%
67	68	23	7.66778%
68	69	22	7.83449%
69	70	21	8.01930%
70	71	20	8.22496%
71	72	19	8.45480%
72	73	18	8.71288%
73	74	17	9.00423%
74	75	16	9.33511%
75	76	15	9.71347%
76	77	14	10.14952%
77	78	13	10.65661%
78	79	12	11.25255%
79	80	11	11.96160%
80	81	10	12.81773%
81	82	9	13.87002%
82	83	8	15.19207%
83	84	7	16.89953%
84	85	6	19.18515%
85	86	5	22.39589%
86	87	4	27.22561%
87	88	3	35.29338%
88	89	2	51.45631%
89	90	1	100.00000%

* The maximum annual income payment percentage is calculated on the basis of a twelve-month fiscal year to December 31, 2010, using the interest rate assumptions on page 2 of this policy.