

Retirement Tips:

Locked-in funds ensure a reliable income stream

To get the maximum return out of retirement funds requires assistance and access to reliable information, say experts in this field. Over the last three years, for example, the new rules in Ontario governing locked-in accounts have provided some significant, one-time income opportunities. The details of these changes are important to your lifelong planning and are available from the provincial regulator, the Financial Services Commission of Ontario (FSCO) at www.fSCO.gov.on.ca.

Locked-in refresher

When members of a pension plan terminate employment (or plan membership) they have a number of options available to them for the treatment of their pension benefits and the commuted value of their pension, notes FSCO.

If, for example, you elect a direct transfer into a locked-in account, the Ontario Pension Benefits Act gives you significant control over your retirement monies. This legislation contains restrictions that are intended to preserve the money and give you (and your spouse) a lifetime stream of retirement income. These restrictions are generally referred to as 'locking-in rules'.

In June 2009, numerous important changes were made to the rules governing Locked-In Retirement Accounts (LIRAs), Old Life Income Funds (Old LIFs), New Life Income Funds (New LIFs) and Locked-In Retirement Income Funds (LRIFs). Your financial institution is required to provide you with all of the information about these changes.

When looking for reliable answers on pensions and retirement funds, the FSCO website (link above) is an accurate and dependable tool.

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