



---

SECTION: Life Income Fund/Locked-In Retirement Account

INDEX NO.: L050-900

TITLE: Treatment of Funds By Other Jurisdictions

APPROVED BY: The Pension Commission of Ontario

PUBLISHED: Bulletin 3/4 (March 1993)

EFFECTIVE DATE: When Published [No longer applicable - replaced by L200-100]

---

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

**I read the LIF article in the December 1992 *Bulletin* and don't understand how money transferred from an Ontario LIF will be treated by pension regulators in other jurisdictions.**

The last paragraph of the LIF article deals with two specific situations related to the transfer of LIF funds. Since Ontario cannot enforce legislated requirements restricting the use of locked-in benefit values held in LIFs if the funds were transferred outside of Canada, no such transfers are allowed. This same restriction also applies to locked-in monies held in RRSPs.

The second situation refers to the transfer of funds from an Ontario LIF to a financial institution outside the province of Ontario. For instance, a former plan member who terminates employment in Ontario purchases a LIF with funds locked-in in accordance with the PBA. Subsequently, the LIF annuitant transfers all or a portion of the funds from the Ontario LIF for the purpose of purchasing a LIF in another provincial jurisdiction. The carrier for the original LIF is not permitted to make the transfer unless the carrier for the second LIF agrees to administer the fund in accordance with Ontario's pension legislation. Again, the same requirements apply to the transfer of the balance from a locked-in RRSP. A former plan member cannot effect a change in the legislated requirement applicable to locked-in monies by making a transfer to a financial institution in another provincial jurisdiction.