



SECTION: Life Income Fund/Locked-In Retirement Account

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TITLE: Shortened Life Expectancy - Verification Required by Financial Institution
PBA, 1990 ss. 42(11)

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Who makes the decision to provide a variation in payment when the life expectancy of a LIRA planholder is likely to be shortened considerably due to a mental or physical disability (a shortened life expectancy situation in accordance with section 49 of the Act)?

Verification by a qualified medical practitioner should be submitted to the financial institution. On the basis of that opinion and confirmation that the former pension plan does contain a shortened life expectancy provision, the financial institution should determine whether a variation in payment is appropriate in the circumstances.

Subsection 42(11) of the Act discharges a plan administrator from any further responsibility for administering the pension or deferred pension entitlement of an individual when locked-in money is transferred to a financial institution. Financial institutions that receive locked-in money assume responsibility for administering a LIRA in accordance with the relevant provisions of the Regulations.