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SECTION: Life Income Fund/Locked-In Retirement Account

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TITLE: Transfer of Locked-in Funds by Financial  
Institutions, O. Reg. 909 ss. 20(3), s. 21, Schedule 1

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#### **Condition of Administration for LIF and LIRA Contracts by Financial Institutions**

LIF or LIRA documents constitute a contract between a former pension plan member and a transferee institution. The transferee institution must ensure that money held under an approved contract is administered in accordance with the terms of the contract. This means that any person or institution responsible for transferring locked-in money\* cannot assume that a contract approved by another jurisdiction also complies with Ontario's contractual requirements.

The Ontario LIF and LIRA are defined under section 1 of the Regulation. An Ontario LIF must comply with the contractual requirements of Schedule 1 to the Regulation and section 21 of the Regulation. **Locked-in money may not be transferred to any LIF or LIRA that does not satisfy the contractual requirements of an Ontario LIF or LIRA.**

Subsection 20(3) of the Regulation prohibits the administrator of a registered pension plan (the initial transferor) from making a transfer from a plan fund until specific conditions have been met by the transferee. The transferee must agree to administer the money as required by the Act and the Regulation. It is recommended that the plan administrator obtain the transferee's written agreement to evidence the transferee's obligation.

Any financial institution that has received locked-in money may not subsequently transfer moneys (now the transferor), including all accrued interest or investment gains, until the successor transferee has also agreed to the administration condition. Again, it is recommended that the transferee's written agreement be obtained to evidence that the transferee undertakes to meet that obligation.

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\* The term "locked-in money" mentioned above refers only to pension money that is required to be administered according to the locking in provisions of Ontario's Act and Regulation.