



SECTION:	Locked-In Accounts
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TITLE:	2008 Schedule 1 Life Income Fund (LIF) Maximum Annual Income Payment Amount Table
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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.

The table set out in this policy has been prepared by the Financial Services Commission of Ontario (FSCO). An updated version of FSCO pension policy L200-300 on Life Income Funds (LIFs) and other related policies will soon be available on FSCO's website at www.fSCO.gov.on.ca, or may be picked up in person at the reception desk, 4th Floor, 5160 Yonge Street, Toronto, Ontario.

The table sets out percentages for use in calculating the maximum annual income 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 maximum annual income 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 L200-405.

Note that the table reflects changes to the Regulation made in July 2007 that eliminated the requirement to purchase a life annuity using the money in a Schedule 1 LIF by the end of the year in which the owner attains 80 years of age. Accordingly, the table now includes percentages for ages up to age 90, at which time (and any time afterwards) the owner may be paid all the money in the Schedule 1 LIF.

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 2007 (which is 4.22%) 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 if less than twelve months. Part of a month is treated as a full month.

2008 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, 2008	New Age During 2008	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%
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, 2008, using the interest rate assumptions on page 2 of this policy.