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## Financial Hardship Unlocking

### Archived Content

The following content is no longer accurate.

It has been archived.

This information is provided for historical reference.

- [Eligibility for Financial Hardship Access to Locked-In Funds](#)
- [Financial Hardship Unlocking Fees](#) - (archived June 24, 2013)

### Archived - August 1, 2017

#### **Q38. May an individual apply for medical expenses that were incurred in the past? Is there a time limit?**

**A38.** As long as a physician or dentist certifies that the medical expenses are or were necessary for the person's treatment, they may be included in the application. The Regulations do not set out a time limit for past expenses. -03/14

### Archived June 24, 2013

In the 2012 Ontario Budget, the government announced that it plans to make changes to the financial hardship unlocking program, to make it easier for individuals to access the money in their locked-in accounts. For answers to frequently asked questions on the changes that were announced, refer to the questions below.

Under the current program, individuals who qualify under specific circumstances of financial hardship may submit an application to the Financial Services Commission of Ontario (FSCO) for special access to the money in their locked-in accounts. Until the new rules come into effect, applications should continue to be submitted to FSCO. For more information on the application process, including forms and instructions, refer to FSCO's web page on Applying for Financial Hardship Withdrawal. If you have additional questions, you may wish to contact us by mail, fax or telephone:

Financial Services Commission of Ontario  
Financial Hardship Unlocking Section  
5160 Yonge Street, Suite 1600  
Toronto ON M2N 6L9

Tel: (416) 250-7250  
Toll-free in Ontario: 1-800-668-0128  
Fax: (416) 226-7880

**Q: How is the financial hardship unlocking program affected by the proposed changes contained in the consultation released on November 13, 2012?**

**A:** The consultation proposes that Ontario's financial hardship unlocking program be restructured so that the consent of the Superintendent of Financial Services will no longer be required to withdraw money from locked-in accounts due to financial hardship. When the new rules come into effect, individuals will be able to request withdrawals directly from the financial institutions that hold their locked-in accounts. In addition, new financial hardship unlocking forms that are approved by the Superintendent will be made available. -11/12

**Q: Will the current rules for financial hardship unlocking still apply now that the consultation has been announced?**

**A:** Yes. The current rules for financial hardship unlocking continue to apply to all applications. Once the consultation has been completed, the government will determine how it will proceed and any changes to the application process and any other rules that will apply to the financial hardship unlocking. Once the information becomes available, it will be posted on FSCO's website. -11/12

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## Eligibility for Financial Hardship Access to Locked-In Funds - Archived

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### Ministry of Finance

Queen's Park  
Toronto ON M7A 1Y7

April 26, 2000

TORONTO - Those facing serious financial hardship who have a locked-in retirement account will now be able to apply to access the money they need to ease their financial burden, Minister of Finance Ernie Eves announced today.

"We are fulfilling our commitment to help people who find themselves in dire financial straits," Eves said. " These pension amendments will act as a bridge to help people through difficult times when they need it."

Individuals will need to demonstrate that they have an immediate and pressing financial need. Qualifying applicants will be able to supplement their income through withdrawals from their locked-in accounts.

Those suffering from financial hardship can apply to obtain the consent of the Superintendent of Financial Services for the Province of Ontario. If an individual meets the prescribed financial hardship criteria, the Superintendent of Financial Services will approve a withdrawal.

These amendments fulfill the Government's commitment to pension reform which was contained in Bill 27, the Pension Benefits Statute Law Amendment Act, 1999.

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Contact:

Colleen Kelly-Forrester  
Communications Branch  
(416) 325-5779

## **BACKGROUNDER**

### **FINANCIAL HARDSHIP: PENSION WITHDRAWALS**

Amendments to the Pension Benefits Act, 1990 and its regulations, effective May 1, 2000, will allow Ontarians who qualify to withdraw funds from locked-in accounts in cases of serious financial hardship. More flexible access to locked-in funds was announced in both the 1997 and 1998 Ontario Budgets. With the passing of Bill 27, the Pensions Benefit Law Amendment Act, 1999, Ontario made a commitment to enact the necessary regulations to provide more flexible access to these accounts for those facing financial hardship.

This amendment to Regulation 909 fulfills the Government's commitment to these unlocking provisions.

#### **Financial Hardship Access**

To be eligible for financial hardship access, applicants must meet one of the following circumstances:

- Facing eviction from a principal residence as a result of arrears of rent.
- Facing eviction from a principal residence as a result of debt secured on a principal residence (e.g. a mortgage or taxes).
- Reasonable non-reimbursed medical expenses for the treatment of illness or medical disability.
- Reasonable expenses for renovations or alterations of a principal residence made necessary by illness or physical disability.
- Requiring first and last months' rent to obtain a principal residence.
- A total income from all sources before taxes of less than \$25,000 per year.

Applicants will be limited to making one application per criteria per year. The minimum amount that can be applied for is \$500.

#### **Expenses Claimed**

Applications can be made for expenses already incurred or for estimates of future expenses. Original receipts and estimates must be provided.

#### **Medical**

- For medical expenses and medically related home renovations, an applicant may claim expenses made on behalf of a spouse, a same-sex partner or a dependent.
- If the medically related expenses are for a person with a disability, a statement from the doctor indicating that the applicant requires treatment or medically related home renovations must also be provided.
- The expenses claimed must not be subject to reimbursement from any other source (e.g. insurance or OHIP).

## **Financial Disclosure of Assets and Liabilities**

Applicants must provide a complete list of their and their spouse's or same-sex partner's assets and liabilities, other than excluded assets and liabilities. Assets and liabilities of dependents will also be considered in circumstances where the dependent is the intended beneficiary of the withdrawal.

### **Examples of Included Assets and Liabilities**

- A secondary residence, cottage or vacation home or tract of land.
- An insurance policy, stock, bonds, and money in bank accounts or investments.

### **Excluded Assets and Liabilities**

- The applicant's principal residence, motor vehicles and personal effects.
- Tools of the trade essential to the applicant's employment.
- Up to \$50,000 equity in an owner-operated business or farm.

## **Calculating Eligible Withdrawals**

### **Calculation One: Assets and Liabilities**

The amount of the net assets, after exclusions and deductions, will be deducted from the amount requested.

### **Calculation Two: Low Income Applicant**

When an application is based on low income, of less than \$25,000 before taxes, the amount that can be released will be 50 % of the CPP Year's Maximum Pensionable Earnings (YMPE, currently \$37,600) less 75 % of income. The maximum withdrawal for an applicant with no other income would be \$18,800 this year.

## **How To Apply**

Individuals facing financial hardship who own either a Locked-In Retirement Account (LIRA), a Life Income Fund (LIF) or a Locked-In Retirement Income Fund (LRIF) may apply to the Superintendent of Financial Services for the Superintendent's consent to withdraw funds necessary to meet their financial need.

Any application for consent to withdraw funds must be in writing using the application form provided by the Financial Services Commission of Ontario (FSCO) and must be accompanied by:

- A list of assets and liabilities.
- Original receipts and estimates.
- The written consent of the applicant's spouse or same sex partner agreeing that funds can be withdrawn from the account.

For more information, contact FSCO at (416) 226-7889 or 1-800-668-0128 ext. 7889, TTY 1-800-387-0584 or visit the FSCO web site @ [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca).

## **Administrative Fee**

Applicants will be charged an administrative fee to partially offset administrative costs at FSCO.

April 26, 2000

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## Financial Hardship Unlocking Fees

### Archived Content

The following content was archived on June 24, 2013.

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The allows individuals who qualify under certain circumstances of financial hardship to apply for special access to the money in their Locked-in Retirement Accounts, Life Income Funds, or Locked-in Retirement Income Funds. Depending on the specific circumstances, the application will be made to the Financial Services Commission of Ontario or the financial institution that holds your locked-in account.

The *Pension Benefits Act* allows individuals who qualify under certain circumstances of financial hardship to apply for special access to the money in their Locked-in Retirement Accounts, Life Income Funds, or Locked-in Retirement Income Funds. Depending on the specific circumstances, the application will be made to the Financial Services Commission of Ontario or the financial institution that holds your locked-in account.

In the past, for situations where the application is made to the Financial Services Commission of Ontario, successful applicants were charged an application fee in order to offset FSCO's administrative costs. The 2011 Ontario Budget will extend the current application fee waiver for applications approved on and after April 1, 2009. The following questions and answers provide additional details.

#### **Q: How does the fee waiver on financial hardship unlocking applications work?**

**A:** While the fee waiver is in place, FSCO will *not* be charging the required fees on financial hardship unlocking applications approved on or after April 1, 2009.

Approved applications will still be subject to applicable withholding taxes at the time that funds are withdrawn from an Ontario locked-in account (locked-in retirement accounts (LIRA), life income funds (LIF) or locked-in retirement income funds (LRIF)).

**Q: I received approval to withdraw money from my locked-in account because of financial hardship prior to April 1, 2009 but have not withdrawn the money yet. If I withdraw the money after April 1, will my fee be waived?**

**A:** No. The fee waiver only applies where the approval of your application is on or after April 1, 2009. The timing of your withdrawal does not alter this.

**Q: Can I get back the fees I already paid to unlock my money?**

**A:** No. The fee waiver will apply only to applications approved on or after April 1, 2009. There will be no refunds of fees paid.

**Q: When will the fee waiver on financial hardship unlocking expire?**

**A:** The fee waiver applies to financial hardship unlocking applications approved on or after April 1, 2009 and is in place until further notice.

[Financial Hardship Unlocking Fees](#)



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