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FAQs on Rules for Ontario Locked-In Accounts

Last Updated: December 31, 2010

On July 27, 2007, significant changes to the rules that govern locked-in accounts in Ontario were enacted under Ontario Regulation 416/07, which is made under the Pension Benefits Act (PBA). This was followed by additional changes under Ontario Regulation 239/09 in June 2009, which has further altered the rules for Ontario locked-in accounts.

The following frequently asked questions (FAQs) provide answers to some of the questions that have arisen as a result of these changes, and consolidate and update all previous FAQs that were posted since July 2007. The notation after each answer provides the date that each FAQ was posted. In the future, each new or amended FAQ will have its own notation.

Locked-in Accounts Include:

- Old Life Income Funds (refer to LIFs that are governed by Schedule 1 of R.R.O. 1990, [Regulation 909](#));
- Locked-In Retirement Income Funds;
- New Life Income Funds (refer to LIFs that are governed by Schedule 1.1 of R.R.O. 1990, [Regulation 909](#)); and
- Locked-In Retirement Accounts.

FAQs are Grouped Under the Following Sections:

- [Old Life Income Funds \(Old LIFs\)](#)
- [Locked-In Retirement Income Funds \(LRIFs\)](#)
- [New Life Income Funds \(New LIFs\)](#)
- [Locked-In Retirement Accounts \(LIRAs\)](#)

FSRA is actively reviewing all FSCO regulatory direction, including but not limited to forms, guidelines and FAQs.

Until FSRA issues new regulatory direction, all existing regulatory direction remains in force.

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Locked-In Accounts (LIFs and LIRAs) v

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Summary of the Most Significant Changes

The list below summarizes the most significant changes to the locked-in rules that have come into effect since July 2007.

- On January 1, 2008, the New LIF was introduced. Owners of New LIFs are able to receive more flexible payments from the fund and have a time-limited opportunity to withdraw or transfer to an unlocked account a percentage of the funds that were transferred into the New LIF.
- As of January 1, 2008, money in a locked-in account may be transferred directly to an unlocked account upon the death of its owner, or if the owner is over the age of 55 and only has a small amount of money in his or her account.
- As of January 1, 2008, owners of locked-in accounts who are non-residents of Canada —as determined by the Canada Revenue Agency for the purpose of the federal Income Tax Act — may apply to unlock and withdraw the money in their accounts two years after they have departed from Canada.
- After December 31, 2008, Old LIFs and LRIFs are no longer available for purchase.
- Effective January 1, 2011, the rules for Old LIFs and LRIFs will be harmonized with the rules for New LIFs.
- Effective January 1, 2011, the rules that govern LIRAs will be consolidated into the new Schedule 3 under R.R.O. 1990, Regulation 909.
- Effective January 1, 2011 owners of Ontario Schedule 1 LIFs or LRIFs may withdraw or transfer up to 50% of the money - January 1, 2011 to April 30, 2012.
- Financial institutions are required to provide notice to their existing clients of all changes to the rules that govern locked-in accounts.

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Disruption Notice

Please consult our [outage schedule](#) for more details.

Note: These FAQs use “LIF formula” to refer to the maximum amount that can be paid from a LIF or an LRIF in accordance with Schedule 1 or 1.1 (LIF) or Schedule 2 (LRIF).

How to Contact FSCO

If you have a question or require assistance, you can reach the Financial Services Commission of Ontario’s **contact centre** by telephone at 1-800-668-0128 (call toll-free) or (416) 250-7250 (in Toronto), or by email at contactcentre@fSCO.gov.on.ca.