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## Changes to British Columbia locked-in plans

The British Columbia government has announced changes to its Pension Benefits Act affecting locked-in plans. Financial institutions are now required to send amended Life Income Fund (LIF) and Locked-In Retirement Account (LIRA) Addenda to all clients who hold a British Columbia locked-in plan.

A copy of the updated addenda and a letter highlighting the changes will be mailed on or about December 31, 2015 to affected clients. The changes, which are effective September 30, 2015, include:

**Changes to LRSP** – BC has adopted the use of the term locked-in retirement account or LIRA. The terms locked-in registered retirement savings plan, locked-in RRSP or LIRRSP will no longer be used.

**Prescribed addenda** – The Locked-in Retirement Account and Life Income Fund addenda will now be prescribed.

**LIF maximums** – The maximum amount that may be paid out by a LIF in a calendar year will be the greatest of the investment returns for the previous calendar year and the amount determined by dividing the account balance by the withdrawal factor. The maximum withdrawal from a LIF will no longer be set out in a schedule.

**LIF age** – The earliest age at which a LIF may be established will be age 50, reduced from 55.

**Survivor benefits** – A surviving spouse will be entitled to receive money from a deceased owner's LIF on an unlocked basis.

### Unlocking provision changes

- (i) **Non-residency** – This is a new unlocking provision that permits an owner who is no longer considered to be a resident of Canada to apply to the financial institution to withdraw all or a portion of the assets. This provision was optional previously.
- (ii) **Financial hardship** – The financial hardship unlocking will be available from either a LIRA or a LIF. A spousal waiver is required. Unlocking will be administered by financial institutions.
- (iii) **Life expectancy** – All LIRA and LIF contracts will be required to provide for unlocking if the owner has a disability or terminal illness that is likely to considerably shorten the person's life. A doctor's certificate and a spousal waiver are required. This provision was optional before.
- (iv) **Small amount at age 65** – A person's right at age 65 to unlock benefits in all locked-in accounts if the person's cumulative entitlement is less than 40% of the Yearly Maximum Pensionable Earnings (YMPE) has changed so that it applies to each individual account.

For further information about the Pension Benefits Act changes and the British Columbia LIF and LIRA amended addenda, please visit the [British Columbia Financial Institutions Commission](#) website.

If you have any questions about these changes, please contact CI Client Services Department at 1-800-563-5181.