

September 28, 2015

Changes to Nova Scotia LIFs and LIRAs

In April 2015, the government of Nova Scotia announced changes to its Pension Benefits Act. Effective June 1, 2015, financial institutions are now required to send amended Life Income Fund (LIF) and Locked-In Retirement Account (LIRA) Addenda to clients who hold locked-in plans with a Nova Scotia jurisdiction.

A copy of the updated addenda and a letter highlighting these changes will be mailed out on or around December 31, 2015 to all affected clients. The changes include:

- **Pro-rating the maximum calculation for the initial fiscal year** – If opened on or after February 1, the maximum amount allowed for the year must be adjusted in proportion to the number of months remaining (including the current month), divided by 12.
- **Marriage breakdown** – In the event of a marriage breakdown, the proportionate share of a LIRA or LIF must be calculated in accordance with a prescribed formula.
- **Definition of spouse** – This definition has been changed to include persons of the same sex.
- **Unlocking provision changes:**
 - (i) **Non-residency (new)** – 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 their assets.
 - (ii) **Excess amounts (new)** – This is a new unlocking provision that allows excess amounts to be withdrawn.
 - (iii) **Life expectancy (updated)** – A physician must state that the illness or the physical disability is likely to shorten the client's life expectancy to less than two years.
 - (iv) **Small amount at age 65 (updated)** – A withdrawal may be made if the value of the assets in all LIRAs and LIFs owned by a client, who must be at least 65 years old, is less than 50% (previously 40%) of the Yearly Maximum Pensionable Earnings (YMPE) for that calendar year.

For more information about the changes to the Pension Benefits Act and the Nova Scotia LIF and LIRA amended addenda, please visit the [Nova Scotia Board Finance and Treasury](#) website.

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