

## Pension Commission

### Update #13

*Revised August 2004*

## Transfer of Locked-in Pension Money to a Locked-in Retirement Account (LIRA)

**Reference:** *The Pension Benefits Act, Sections 21(13), 31(4), Regulation, Sections 18, 18.1*

A LIRA must be used when transferring locked-in pension funds arising from a termination, death, credit splitting application, or change of financial institution.

A transfer to a LIRA is only permitted if the eventual payment will be in a form allowed by the Act, i.e. a Life Annuity, Life Income Fund (LIF), or a Locked-In Retirement Income Fund (LRIF). No transfers to a LIRA for any plan member will be permitted unless the transfer is made under the process outlined in Section 18.1 of the Regulation.

### Superintendent's List of Approved LIRAs/LIFs/LRIFs

Section 18.1 provides that a transfer of locked-in money to a LIRA can be made only if the financial institution, which is to receive the money, has

- a. filed with the Superintendent for approval a copy of the standard LIRA addendum which contains all the contractual provisions required in subsection 18.1(15),
- b. been notified in writing that its name has been placed on the Superintendent's List of Financial Institutions for purposes of the LIRA/LIF/LRIF, and
- c. not been notified by the Superintendent that its name has been removed from that list.

To qualify as a LIRA, the financial institution must file the standard form of addendum it intends to use which must conform with the requirements in section 18.1(15) of the regulations under The Pension Benefits Act. Please note that financial institutions are **not** required to file their Registered Retirement Savings Plan Contract, Declaration of Trust or Application Form. **Only** a standard addendum conforming with the requirements in section 18.1(15) need be filed for approval. Confirmation that the RRSP contract has been registered with Canada Revenue Agency along with the registration number must also be submitted.

In the event the requirements of the regulation are met, the financial institution's name will be placed on the Superintendent's List of Financial Institutions for the purpose of the LIRA/LIF/LRIF. Amendments to the addendum must also be filed with the Superintendent.

Effective January 1, 2003, the regulation was amended. Section 18.1 now contains all provisions common to the LIRA, LIF and LRIF, section 18.2 all provisions relative to the LIF and LRIF only and section 18.3 has been deleted.

LIRAs presently on the Superintendent's List of Financial Institution that do not conform to the amended regulation must be amended and a revised LIRA addendum filed with the Pension Commission by January 1, 2004.

To facilitate the preparation of the addendum to be filed with the Commission, a [sample addendum](#) has been developed. Financial institutions may wish to refer to this addendum in preparing their standard addendum. However, institutions are also advised to review the applicable provisions of the regulation when preparing such addendum.

A copy of the most recent Superintendent's List of Financial Institutions may be obtained from the Pension Commission of Manitoba, or by viewing our website.

*This update has no legal authority. The Pension Benefits Act of Manitoba and The Pension Benefits Regulation, 188/87 R amended should be used to determine specific requirements.*