

What is a life income fund (LIF)?

For savings from a pension plan, locked-in RRSP and locked-in retirement accounts (LIRAs)

Available in all provinces except Prince Edward Island and Saskatchewan, LIFs provide an opportunity to turn your locked-in savings into retirement income while deferring taxes.

LIFs are designed to provide an income that lasts a lifetime. However, there are some restrictions. In most cases, you can't cash out your LIF, and the government sets both a minimum and maximum for the payments you can receive each year. Within this range, you can choose whatever payment stream you want. Some provinces require that you purchase a life annuity once you reach a certain age, while others allow for a 50 per cent one-time unlocking, meaning you can withdraw up to half the fund's value. You can also select the investments you want to hold and make changes as needed down the road.

There are other options for locked-in funds, depending on the jurisdiction your savings fall under, that are similar to LIFs:

- Locked-in retirement income fund (LRIF) – available in Newfoundland and Labrador, no requirement to purchase an annuity at a certain age
- Restricted life income fund (RLIF) – available for federally regulated savings with up to 50 per cent unlocking for Canadians age 55 or older, within 60 days of creation
- Prescribed registered retirement income fund (PRRIF) – available in Manitoba and Saskatchewan, with no maximum withdrawal limit and unlocking of up to 50 per cent within 60 days of creation

The decisions you make about retirement income are in some cases irreversible and will affect the rest of your life.

For full details about your options and help with making your decision, contact your financial advisor if you have one, or call *Access Line* at 1-800-724-3402 and ask to speak with an investment and retirement specialist. We have a variety of income options to suit your needs.