



**Executive  
Council**

*A certified copy of an Order in Council dated  
October 24, 2024* N.S. Reg. 232/2024

**FILED**

Date: October 24, 2024

**Jane Newton  
Registrar of Regulations  
Province of Nova Scotia**

2024-395

The Governor in Council, on the report and recommendation of the Minister of Finance and Treasury Board dated October 10, 2024, and pursuant to Section 139 of Chapter 41 of the Acts of 2011, the *Pension Benefits Act*, is pleased to amend the *Pension Benefits Regulations*, N.S. Reg. 200/2015, made by the Governor in Council by Order in Council 2015-133 dated April 21, 2015, respecting the unlocking of funds and the requirement to provide statements to former members and retired members of a pension plan, in the manner set forth in Schedule "A" attached to and forming part of the Report and Recommendation, effective on and after April 1, 2025.

**Certified to be a true copy**

  
.....  
**Jeannine Lagassé**  
Clerk of the Executive Council

**Schedule “A”**

**Amendment to the *Pension Benefits Regulations*  
made by the Governor in Council under Section 139  
of Chapter 41 of the Acts of 2011,  
the *Pension Benefits Act***

- 1 (1) The definition of “LIF” or “life income fund” in subsection 2(1) of the *Pension Benefits Regulations*, N.S. Reg. 200/2015, made by the Governor in Council by Order in Council 2015-133 dated April 21, 2015, is amended by
- (a) striking out “and Schedule 4: Nova Scotia LIF Addendum;” and substituting “and the requirements in either of the following;” and
  - (b) adding the following the following subclauses immediately after “either of the following;”:
    - (i) Schedule 4: Nova Scotia LIF Addendum, or
    - (ii) Schedule 4A: Nova Scotia LIF Addendum;
- (2) The definition of “owner” in subsection 2(1) of the regulations is amended by
- (a) striking out the semicolon at the end of paragraph (iii)(C) and substituting a comma; and
  - (b) adding the following paragraph immediately after paragraph (iii)(C):
    - (D) a former member, acting in accordance with clause 61(1)(b) of the Act and clause 12(1)(b) of Schedule 4A: Nova Scotia LIF Addendum, who has purchased an immediate life annuity;
- (3) The definition of “physician” in subsection 2(1) of the regulations is amended by striking out “former member” and substituting “member, former member or retired member”.
- 2 Clause 74(2)(r) of the regulations is amended by

- (a) adding “presented in a clear and prominent manner” immediately after “Superintendent,” in subclause (v); and
  - (b) adding “, expressed in plain language that is clear and concise” immediately after “benefits” in subclause (vi).
- 3 Subclause 76(2)(j)(i) of the regulations is amended by adding “expressed in plain language that is clear and concise,” immediately after “option,”.
- 4 The regulations are further amended by adding the following Sections immediately after Section 76:

**Biennial statement to former members**

**76A (1)** An administrator of a pension plan must transmit to each former member a written statement in respect of the pension plan every 2 years no later than 6 months after the end of the pension plan’s most recent fiscal year.

**(2)** A statement to former members must contain at least all of the following information for the period covered by the statement, as the information is recorded in the administrator’s records for the pension plan:

- (a) the name of the plan and its Provincial registration number;
- (b) the former member’s name and date of birth;
- (c) the name of any person recorded as the former member’s spouse;
- (d) the period covered by the statement;
- (e) the name of any person designated by the former member as a beneficiary for the purposes of the pre-retirement death benefit under Section 67 of the Act;
- (f) a description of any benefits to be provided on the former member’s death;
- (g) the former member’s normal retirement date under the plan;
- (h) the earliest date the former member will be eligible to receive any unreduced pension that may be available to the former member;
- (i) any indexing provisions that apply to the deferred pension;
- (j) any bridging benefit or special allowance and the date that the

benefit ceases to be paid;

- (k) any formula by which the member's deferred pension will be integrated with a pension payable under the CPP, QPP or OAS and any resulting reduction or increase to the deferred pension;
- (l) for a plan that provides defined benefits,
  - (i) the transfer ratio of the plan as of the valuation date of each of the 2 valuation reports most recently filed or submitted to the Superintendent, presented in a clear and prominent manner,
  - (ii) an explanation of the transfer ratio and how it relates to the level of funding of former member's benefits, expressed in plain language that is clear and concise;
- (m) if special payments are being made to liquidate any going concern unfunded liability or solvency deficiency, a statement to that effect;
- (n) if there is a solvency deficiency that the employer is funding by means of a letter of credit, a statement that the employer has provided a letter of credit to the trustee of the pension fund in accordance with subsection 77(1) of the Act, instead of making payments in relation to the solvency deficiency;
- (o) if the plan is exempt from the requirement to fund a solvency deficiency, a statement that the plan is exempt;
- (p) a statement setting out the treatment of any surplus in a continuing plan and on wind-up;
- (q) an explanation of any amendments affecting the former member that were made to the plan during the period, if an explanation has not been provided under Section 30;
- (r) for multi-employer pension plans and plans that provide defined benefits under which the obligation of the employer to contribute to the pension fund is limited to a fixed amount set out in a collective agreement, a statement that the member's pension benefits may be reduced if the assets of the plan are not sufficient to meet the liabilities of the plan on wind-up.

### **Biennial statement to retired members**

- 76B** (1) An administrator of a pension plan must transmit to each retired member a written statement in respect of the pension plan every 2 years no later than 6 months after the end of the pension plan's most recent fiscal year.
- (2) A statement to retired members must contain at least all of the following information for the period covered by the statement, as the information is recorded in the administrator's records for the pension plan:
- (a) the name of the plan and its Provincial registration number;
  - (b) the retired member's name and date of birth;
  - (c) the name of any person recorded as the retired member's spouse;
  - (d) the period covered by the statement;
  - (e) the form of any pension payable to the retired member at retirement;
  - (f) any indexing provisions that apply to the pension;
  - (g) any bridging benefit or special allowance and the date on which the benefit ceases to be paid;
  - (h) any integration of the pension entitlement with a pension payable under the CPP, QPP or OAS and the effect of the integration;
  - (i) for a plan that provides defined benefits,
    - (i) the transfer ratio of the plan as of the valuation date of each of the 2 valuation reports most recently filed or submitted to the Superintendent, presented in a clear and prominent manner,
    - (ii) an explanation of the transfer ratio and how it relates to the level of funding of the retired members' benefits, expressed in plain language that is clear and concise;
  - (j) if special payments are being made to liquidate any going concern unfunded liability or solvency deficiency, a statement to that effect;
  - (k) if there is a solvency deficiency that the employer is funding by means of a letter of credit, a statement that the employer has

provided a letter of credit to the trustee of the pension fund in accordance with subsection 77(1) of the Act, instead of making payments in relation to the solvency deficiency;

- (l) if the plan is exempt from the requirement to fund a solvency deficiency, a statement that the plan is exempt;
- (m) a statement setting out the treatment of any surplus in a continuing plan and on wind-up;
- (n) an explanation of any amendments affecting the retired member that were made to the plan during the period, if an explanation has not been provided under Section 30;
- (o) for multi-employer pension plans and plans that provide defined benefits under which the obligation of the employer to contribute to the pension fund is limited to a fixed amount set out in a collective agreement, a statement that the member's pension benefits may be reduced if the assets of the plan are not sufficient to meet the liabilities of the plan on wind-up.

5 Section 129 of the regulations is amended by

- (a) striking out “former member” in subsection (1) and substituting “member, former member or retired member”;
- (b) striking out “deferred pension under subsection 69(2) of the Act” in subsection (2) and substituting “pension benefit, deferred pension or pension under subsection 69(2) of the Act”;
- (c) repealing clause (2)(a) and substituting the following clause:
  - (a) an application must be made to the administrator for either of the following:
    - (i) the withdrawal from the plan of the commuted value of the member's pension benefit, the former member's deferred pension or the retired member's pension,
    - (ii) in the case of a retired member who is receiving variable pension benefits, the withdrawal from the retired member's variable benefits account;
- (d) striking out “former member” wherever it appears in clause (2)(b) and substituting

“member, former member or retired member”;

- (e) striking out “deferred pension” in paragraph (2)(b)(ii)(B) and substituting “pension benefit, deferred pension or pension” in paragraph (2)(b)(ii)(B); and
  - (f) striking out “former member” in subsection (3) and substituting “member, former member or retired member”.
- 6 Subclause (i) of the definition of “bank deposit rate” in subsection 153(1) of the regulations is amended by
- (a) adding “using the rate reported for the last Wednesday of each month” immediately after “rates”; and
  - (b) striking out “V122515” and substituting “V80691336”.
- 7 Subsection 161(1) of the regulations is amended by striking out “62(5)” and substituting “62A(4)”.
- 8 Section 200 of the regulations is amended by
- (a) adding the following clauses immediately after clause (1)(aa):
    - (ab) an amount transferred in accordance with the Public Service Superannuation Plan under the *Public Service Superannuation Act*;
    - (ac) an amount transferred in accordance with subclause 24(11)(b)(ii) or 24(12)(b)(ii), or clause 41(4)(b) of the *Teachers’ Pension Plan Regulations*;
  - (b) striking out the period at the end of clause (2)(f) and substituting a semicolon; and
  - (c) adding the following clauses immediately after clause (2)(f):
    - (g) a former member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan;
    - (h) a spouse of a person who was a member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan;
    - (i) a former member of the Teachers’ Pension Plan who is entitled to make a

transfer in accordance with subclause 24(11)(b)(ii) or 24(12)(b)(ii) of the *Teachers' Pension Plan Regulations*;

- (j) a spouse of a person who was a member of the Teachers' Pension Plan who is entitled to make a transfer in accordance with clause 41(4)(b) of the *Teachers' Pension Plan Regulations*.

9 Section 205 of the regulations is amended by

- (a) adding the following clauses immediately after clause (1)(aa):
  - (ab) an amount transferred in accordance with the Public Service Superannuation Plan under the *Public Service Superannuation Act*;
  - (ac) an amount transferred in accordance with subclause 24(11)(b)(ii) or 24(12)(b)(ii), or clause 41(4)(b) of the *Teachers' Pension Plan Regulations*;
- (b) striking out the period at the end of clause (2)(f) and substituting a semicolon; and
- (c) adding the following clauses immediately after clause (2)(f):
  - (g) a former member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan;
  - (h) a spouse of a person who was a member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan;
  - (i) a former member of the Teachers' Pension Plan who is entitled to make a transfer in accordance with subclause 24(11)(b)(ii) or 24(12)(b)(ii) of the *Teachers' Pension Plan Regulations*;
  - (j) a spouse of a person who was a member of the Teachers' Pension Plan who is entitled to make a transfer in accordance with clause 41(4)(b) of the *Teachers' Pension Plan Regulations*.

10 The regulations are further amended by repealing Section 206 and substituting the following Section:

**Contracts establishing and governing LIFs**

**206 (1)** A contract establishing and governing a LIF purchased before April 1,



2025, must include the following in relation to the LIF:

- (a) all of the information required for a LIRA in clauses 201(a) to (f), substituting “LIF” for “LIRA”;
- (b) a statement by the financial institution that it agrees to provide the information described in Section 14 of Schedule 4: Nova Scotia LIF Addendum, to the persons indicated in that Section;
- (c) a copy of Schedule 4: Nova Scotia LIF Addendum attached to the contract.

(2) A contract establishing and governing a LIF purchased on or after April 1, 2025, must include the following in relation to the LIF:

- (a) all of the information required for a LIRA in clauses 201(a), (b), (d), (e) and (f), substituting “LIF” for “LIRA”;
- (b) a statement by the financial institution providing the LIF that it agrees not to amend the contract except as provided in Schedule 4A: Nova Scotia LIF Addendum and these regulations;
- (c) a statement by the financial institution that it agrees to provide the information described in Section 11 of Schedule 4A: Nova Scotia LIF Addendum to the persons indicated in that Section;
- (d) a copy of Schedule 4A: Nova Scotia LIF Addendum attached to the contract.

11 The regulations are further amended by repealing Section 207.

12 The regulations are further amended by repealing subsection 208(1).

13 Paragraph 214(a)(ii)(A) of the regulations is amended by

- (a) adding “governed by Schedule 4: Nova Scotia LIF Addendum” immediately after “for a LIF” in subparagraph (II); and
- (b) adding the following subparagraph after subparagraph (II):
  - (III) for a LIF governed by Schedule 4A: Nova Scotia LIF Addendum, Section 16 of Schedule: 4A Nova Scotia LIF Addendum,

14 Subsection 223(4A) of the regulations is amended by

- (a) repealing clause (a) and substituting the following clause:
  - (a) the maximum amount of annual LIF income that may be paid out of each LIF of the owner for the year as determined in accordance with
    - (i) Schedule 4: Nova Scotia LIF Addendum for a LIF governed by Schedule 4: Nova Scotia LIF Addendum,
    - (ii) Schedule 4A: Nova Scotia LIF Addendum for a LIF governed by Schedule 4A: Nova Scotia LIF Addendum;
  - (b) in clause (b), striking out “Section 1” and substituting “Section 1A”.
- 15 Section 232 of the regulations is amended by
  - (a) repealing subsection (1) and substituting the following subsection:
    - (1) An owner may apply in an approved form to the financial institution that provides their LIRA or LIF to withdraw all or part of the money in their LIRA or LIF because they have ceased to be a resident of Canada for at least the 2 immediately previous calendar years.
  - (b) repealing clause (2)(a) and substituting the following clause:
    - (a) a declaration signed by the owner that they have not been a resident of Canada for at least the 2 immediately previous calendar years;
  - (c) adding the following subsection immediately after subsection (3):
    - (4) For the purpose of determining residency under subsections (1) and (2), an owner is deemed to be a resident of Canada in a calendar year if the owner resides in Canada for 183 days or more of that calendar year.
- 16 (1) The heading to Section 233 of the regulations is amended by striking out “65” and substituting “55”.
  - (2) Section 233 of the regulations is amended by
    - (a) striking out “65” and substituting “55” in subsection (1); and
    - (b) striking out “65” and substituting “55” in clause (4)(c).
- 17 The regulations are further amended by adding the following Sections immediately after Section 233:

### **Withdrawal from LIF at age 55**

- 233A (1)** In relation to a transfer of assets made into a LIF governed by Schedule 4A: Nova Scotia LIF Addendum, an owner who is at least 55 years of age may apply in accordance with this Section to withdraw from the LIF or transfer to an RRSP or RRIF an amount representing
- (a) up to 50% of the market value of the assets transferred if the transfer is from a pension fund, locked-in retirement account or LIF governed by Schedule 4: Nova Scotia LIF Addendum;
  - (b) up to 50% of the of the market value of the assets transferred if the transfer is from a LIF governed by Schedule 4A: Nova Scotia LIF Addendum and the transfer is a result of a division, as defined in Section 234;
- (2)** Despite subsection (1), if the assets are transferred into a LIF governed by Schedule 4A: Nova Scotia LIF Addendum from a variable benefits account, the owner cannot make a withdrawal or transfer described in clause (1)(a).
- (3)** An application for a withdrawal or transfer under this Section must be given to the financial institution that administers the LIF governed by Schedule 4A: Nova Scotia LIF Addendum within 60 days after the assets are transferred into the LIF.
- (4)** An application under this Section must be signed by the owner and accompanied by 1 of the following documents:
- (a) a statement signed by the owner attesting to the fact that none of the money in the LIF governed by Schedule 4A: Nova Scotia LIF Addendum is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner;
  - (b) if a statement cannot be provided under clause (a), a declaration about a spouse in accordance with Section 214.
- (5)** If the assets in the LIF governed by Schedule 4A: Nova Scotia LIF Addendum consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.
- (6)** For purposes of this Section, the market value of the assets transferred into a LIF governed by Schedule 4A: Nova Scotia LIF Addendum is to be determined as of the date the assets were transferred into the LIF.

- (7) A payment or transfer to an owner by a financial institution under this Section must be made no later than 30 days after the date the financial institution receives the completed application and all accompanying documents from the owner.

**LIFs governed by Schedule 4A effective January 1, 2035**

- 233B (1)** On January 1, 2035, Schedule 4: Nova Scotia LIF Addendum ceases to have effect and Schedule 4A: Nova Scotia LIF Addendum is deemed to apply to all LIFs, including any LIFs created before April 1, 2025.
- (2) An owner of a LIF that is deemed to be governed by Schedule 4A: Nova Scotia LIF Addendum under subsection (1) who is at least 55 years old may apply in accordance with subsections 233A(4) and (5) to withdraw from the LIF or transfer to an RRSP or RRIF an amount representing up to 50% of the market value of the assets in the LIF as at December 31, 2034.
  - (3) An application for a withdrawal or transfer described in subsection (2) must be given to the financial institution that administers the LIF governed by Schedule 4A: Nova Scotia LIF Addendum by March 31, 2035.
  - (4) A payment or transfer to an owner by a financial institution under this Section must be made no later than 30 days after the date the financial institution receives the completed application and all accompanying documents from the owner.

**Owner may transfer assets in LIF before December 31, 2034**

**233C** Despite Section 233B, an owner may transfer the assets in a LIF governed by Schedule 4: Nova Scotia LIF Addendum into a LIF governed by Schedule 4A: Nova Scotia LIF Addendum at any time before December 31, 2034, in accordance with the Act and these regulations.

- 18 Clause 242(2)(c) of the regulations is amended by adding “or Section 12 of Schedule 4A: Nova Scotia LIF Addendum” immediately after “Addendum”.
- 19 Section 246 of the regulations is amended by
  - (a) striking out “pension benefit or deferred pension” wherever it appears and substituting “pension benefit, deferred pension or pension”; and
  - (b) striking out “former member” in clause (a) and substituting “member, former member or retired member”.
- 20 Schedule 3: Nova Scotia LIRA Addendum to the regulations is amended by

- (a) in the definition of “owner” in Section 1,
  - (i) striking out the semicolon at the end of subclause (vi) and substituting a comma, and
  - (ii) adding the following subclauses immediately after subclause (vi):
    - (vii) a former member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,
    - (viii) a spouse of a person who was a member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,
    - (ix) a former member of the Teachers’ Pension Plan who is entitled to make a transfer in accordance with subclause 24(11)(b)(ii) or 24(12)(b)(ii) of the *Teachers’ Pension Plan Regulations*,
    - (x) a spouse of a person who was a member of the Teachers’ Pension Plan who is entitled to make a transfer in accordance with clause 41(4)(b) of the *Teachers’ Pension Plan Regulations*;
- (b) striking out “age 65” and substituting “age 55” under the heading “Prohibitions on transactions from Section 91 of Act” in the “Note Re Requirements of the *Pension Benefits Act* and *Regulations* and the *Pooled Registered Pension Plans Act* and its regulations”.

21 Schedule 4: Nova Scotia LIF Addendum to the regulations is amended by

- (a) in the definition of “owner” in Section 1,
  - (i) striking out the semicolon at the end of subclause (vi) and substituting a comma, and
  - (ii) adding the following subclauses immediately after subclause (vi):
    - (vii) a former member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,

- (viii) a spouse of a person who was a member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,
  - (ix) a former member of the Teachers' Pension Plan who is entitled to make a transfer in accordance with subclause 24(11)(b)(ii) or 24(12)(b)(ii) of the *Teachers' Pension Plan Regulations*,
  - (x) a spouse of a person who was a member of the *Teachers' Pension Plan* who is entitled to make a transfer in accordance with clause 41(4)(b) of the *Teachers' Pension Plan Regulations*;
- (b) adding the following Section immediately after Section 1:

**LIF governed by this Schedule cannot be purchased on or after April 1, 2025**

**1A (1)** A LIF that is governed by this Schedule cannot be purchased on or after April 1, 2025.

**(2)** Money cannot be transferred into a LIF that is governed by this Schedule on or after April 1, 2025.

- (c) striking out “age 65” and substituting “age 55” under the heading “Prohibitions on transactions from Section 91 of Act” in the “Note Re Requirements of the *Pension Benefits Act* and *Regulations* and the *Pooled Registered Pension Plans Act* and its regulations”.

- 22 The regulations are further amended by adding the following Schedule immediately after Schedule 4:

**Schedule 4A: Nova Scotia LIF Addendum**  
(*Pension Benefits Regulations*)

Note: This document is Schedule 4A to the *Pension Benefits Regulations* (Nova Scotia). It forms part of the regulations and must be read, construed and interpreted in conjunction with the *Pension Benefits Act* and its regulations.

**Definitions for this Schedule**

**1** In this Schedule,

“Act” means the *Pension Benefits Act*;

“domestic contract”, as defined in Section 2 of the regulations, means a written agreement referred to in and for the purpose of Section 74 of the Act, or Section

14 of the *Pooled Registered Pension Plans Act*, that provides for a division between spouses of any pension benefit, deferred pension, pension, LIRA or LIF and includes a marriage contract as defined in the *Matrimonial Property Act*;

“federal *Income Tax Act*”, as defined in Section 2 of the regulations, means the *Income Tax Act* (Canada) and, unless specified otherwise, includes the regulations made under that Act;

“owner” means any of the following persons, as set out in subsection 205(2) of the regulations, who has purchased a LIF:

- (i) a former member who is entitled to make a transfer under clause 61(1)(b) of the Act,
- (ii) a spouse of a person who was a member, and who is entitled to make a transfer under clause 61(1)(b) of the Act,
- (iii) a person who has previously transferred an amount under clause 61(1)(b) of the Act into a LIRA or LIF,
- (iv) a person who has previously transferred an amount into a LIF as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act,
- (v) a spouse who is entitled to transfer a lump sum as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act,
- (vi) if the funds in the account of a pooled registered pension plan are used for the purchase, a person who transfers the amount in accordance with the *Pooled Registered Pension Plans Act* and the *Pooled Registered Pension Plans Regulations*,
- (vii) a former member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,
- (viii) a spouse of a person who was a member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,
- (ix) a former member of the Teachers’ Pension Plan who is entitled to

make a transfer in accordance with subclause 24(11)(b)(ii) or 24(12)(b)(ii) of the *Teachers' Pension Plan Regulations*,

- (x) a spouse of a person who was a member of the Teachers' Pension Plan who is entitled to make a transfer in accordance with clause 41(4)(b) of the *Teachers' Pension Plan Regulations*;

“regulations” means the *Pension Benefits Regulations* made under the Act;

“spouse”, as defined in the Act, means either of 2 persons who

- (i) are married to each other,
- (ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity,
- (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the 12-month period immediately preceding the date of entitlement, and
- (iv) are domestic partners within the meaning of Section 52 of the *Vital Statistics Act*, or
- (v) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least
  - (A) 3 years, if either of them is married, or
  - (B) 1 year, if neither of them is married;

“Superintendent” means the Superintendent of Pensions, as defined in the Act.

### **Fiscal year of LIFs**

- 2 (1) In this Schedule, “fiscal year” means the fiscal year of a LIF.
- (2) A fiscal year must end on December 31 and must not be longer than 12 months.

### **Reference rate criteria**

- 3 A reference rate in this Schedule for a fiscal year must meet all of the following criteria:
  - (a) it must be based on the month-end nominal rate of interest earned



on long-term bonds issued by the Government of Canada for November of the year immediately before the beginning of the fiscal year, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series V122487, with the following adjustments applied successively to that nominal rate:

- (i) an increase of 0.5%,
  - (ii) the conversion of the increased rate, based on interest compounded semi-annually, to an effective annual rate of interest,
  - (iii) the rounding of the effective interest rate to the nearest multiple of 0.5%;
- (b) it must not be less than 6%.

**Note Re Requirements of the *Pension Benefits Act* and Regulations and the *Pooled Registered Pension Plans Act* and its regulations**

**Prohibitions on transactions from Section 91 of Act**

Under Section 91 of the Act and Section 12 of the *Pooled Registered Pension Plans Act*, money held in a LIF must not be commuted or surrendered in whole or in part except as permitted by this Schedule and the regulations including, without limiting the generality of the foregoing, the following Sections of the regulations:

- Section 198, respecting the transfer of an excess amount, as defined in that Section
- Sections 211 through 229, respecting withdrawal in circumstances of financial hardship
- Section 231, respecting withdrawal in circumstances of considerably shortened life expectancy
- Section 232, respecting withdrawal in circumstances of non-residency
- Section 233, respecting withdrawal of small amounts at age 55
- Section 233A, respecting withdrawal of amounts upon transfer into Schedule 4A LIF

Pursuant to subsection 91(2) of the Act and subsection 12(2) of the *Pooled Registered Pension Plans Act*, any transaction that contravenes Section 91 of the Act or Section 12 of the *Pooled Registered Pension Plans Act* is void.

**Values of assets in LIF subject to division**

The value of the assets in a LIF is subject to division in accordance with all of the following:

- an order of the Supreme Court of Nova Scotia that provides for the division of a pension benefit, deferred pension or pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the *Pooled Registered Pension Plans Act*
- a domestic contract that provides for the division of a pension benefit, deferred pension or pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the *Pooled Registered Pension Plans Act*
- the regulations

### **Money held in LIF**

The following requirements are set out in the *Pension Benefits Act* and are applicable to LIFs governed by this Schedule:

- Money held in a LIF must not be assigned, charged, or given as security except as permitted by subsection 88(3) of the Act, Section 90 of the Act, subsection 12(3) of the *Pooled Registered Pension Plans Act* or Section 13 of the *Pooled Registered Pension Plans Act*, and any transaction purporting to assign, charge, anticipate or give the money in the LIF as security is void.
- Money held in a LIF is exempt from execution, seizure or attachment except for the purpose of enforcing a maintenance order as permitted by Section 90 of the Act or Section 13 of the *Pooled Registered Pension Plans Act*.

### **Periodic payments of income out of LIFs**

- 4**     **(1)**     An owner must be paid an income from their LIF, the amount of which may vary, annually.
- (2)**     Income payments from a LIF must begin no earlier than
- (a)     the earliest date that the owner would have been entitled to receive a pension under any pension plan from which the money was transferred; or
- (b)     if all of the money in a LIF is derived from sources other than a pension benefit provided in respect of any employment of the owner, the date the owner turns 55 years old.
- (3)**     Income payments from a LIF must begin no later than the end of a LIF's 2nd fiscal year.

### **Amount of income payments from LIFs**

- 5** (1) Subject to the minimum amount in Section 6 of this Schedule, an owner of a LIF must establish the amount of income to be paid during each fiscal year at the beginning of the fiscal year and after they have received the information required by Section 11 of this Schedule.
- (2) Except as provided in subsection (5), an owner of a LIF must notify the financial institution providing the LIF of the amount to be paid out of the LIF each year and any owner who does not do so is deemed to have selected the minimum amount determined under Section 6 of this Schedule.
- (3) The owner's notice required by subsection (2) must be given either
- (a) except as provided in subsection (5), at the beginning of the fiscal year;
  - (b) at a time agreed to by the financial institution providing the LIF.
- (4) The owner's notice required by subsection (2) expires at the end of the fiscal year to which it relates.
- (5) If a financial institution providing a LIF guarantees the rate of return of the LIF over a period that is greater than 1 year, the period must end at the end of a fiscal year and the owner may establish the amount of income to be paid during the period at the beginning of the period.

### **Minimum annual LIF withdrawal**

- 6** (1) The amount of income that is paid out of a LIF during a fiscal year must not be less than the minimum amount prescribed for a registered retirement income fund by the federal *Income Tax Act*, determined on the basis of the owner's age or the age of the owner's spouse if the spouse is younger than the owner.
- (2) Despite Sections 7, 8 and 9 of this Schedule, if the minimum amount specified by subsection (1) is greater than the maximum amount determined under those Sections for a fiscal year, then the minimum amount under subsection (1) must be paid out of the LIF during the fiscal year.

### **Pro-rating amount of withdrawal if initial fiscal year less than 12 months**

- 7** If the initial fiscal year is less than 12 months long, the maximum amount determined under Sections 8 and 9 of this Schedule must be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an

incomplete month counting as 1 month.

**Maximum annual life income from LIF**

**8** The maximum annual amount of life income to be paid each year from a LIF is determined by the following formula:

$$\text{maximum payable} = F \times B$$

in which

F = is the factor in Schedule 5: Life Income Fund—Factor F that corresponds to the reference rate for the fiscal year and the owner’s age at the end of the previous year

B = the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after the beginning of that fiscal year and reduced by any money transferred from another LIF, to the LIF, in the same year.

**Maximum annual income payable if financial institution guarantees rate of return of LIFs**

**9 (1)** If a financial institution that provides a LIF guarantees the rate of return of the LIF over a period greater than 1 year and the owner establishes the amount of income to be paid during that period, the maximum income that may be paid during each of the fiscal years during the period must be determined at the beginning of each fiscal year in the period in accordance with this Section.

**(2)** For each year after the initial fiscal year, the maximum income to be paid for the fiscal year under a LIF described in subsection (1) is equal to the lesser of the following amounts:

(a) the balance of the LIF at the time of payment in that year;

(b) the amount determined by the following formula:

$$\text{maximum income} = (I \times B) \div RB$$

In which

I = the maximum income determined for the initial fiscal year under Section 8 of this Schedule

B = the balance of the LIF at the beginning of the fiscal year

RB = the reference balance determined at January 1 of the year as calculated under subsection (3).

- (3) For the formula in clause (2)(b), the reference balance (“RB”) must be calculated by the following formula:

$$RB = (PRB - I) + [(PRB - I) \times RR/100]$$

in which

PRB = the reference balance

- (i) at the beginning of the previous year, or
- (ii) for the 2nd year of the period, the LIF balance at the beginning of the 1st year of the period

I = the maximum income determined for the initial fiscal year

RR = the reference rate for the year, if the fiscal year is one of the first 16 fiscal years of the LIF, or by 6% for any other year.

#### **Income in excess of maximum**

- 10** If income paid to an owner under a LIF during a fiscal year exceeds the maximum that may be paid, the balance of the LIF must not be reduced by the excess unless the payment is attributable to incorrect information provided by the owner.

#### **Information to be provided annually by financial institution**

- 11 (1)** At the beginning of each fiscal year, a financial institution providing a LIF must provide all of the following information to an owner about their LIF:
- (a) with respect to the previous fiscal year:
    - (i) the sums deposited,
    - (ii) any accumulated investment earnings including any unrealized capital gains or losses,
    - (iii) the payments made out of the LIF,
    - (iv) any withdrawals from the LIF made under the following circumstances, in accordance with Sections 211 to 229 of the regulations:

- (A) a mortgage default circumstance, as defined in clause 212(1)(a) of the regulations,
- (B) a medical expense circumstance, as defined in clause 212(1)(b) of the regulations,
- (C) a rental default circumstance, as defined in clause 212(1)(c) of the regulations,
- (D) a reduced income circumstance, as defined in clause 212(1)(d) of the regulations,
- (v) any transfers made out of the LIF,
- (vi) the fees charged against the LIF;
- (b) the value of the assets in the LIF at the beginning of the fiscal year;
- (c) the minimum amount that must be paid out as income to the owner during the current fiscal year;
- (d) the maximum amount that may be paid out as income to the owner during the current fiscal year;
- (e) a statement that the maximum amount of income that may be paid to the owner during the fiscal year will not be increased if assets held in another LIF during the year are transferred to the LIF;
- (f) if the beginning of the fiscal year is later than the beginning of the calendar year, a statement as to whether any sums deposited were held in another LIF during the year, and the amount of those deposits;
- (g) a statement that if the owner wishes to transfer the balance of the LIF, in whole or in part, and still receive the income determined for the fiscal year from the LIF, then an amount must be retained in the LIF that is at least equal to the difference between the income determined for the fiscal year and the income already received from the LIF since the beginning of the fiscal year;
- (h) a statement that if the owner dies before the balance in the LIF is used to purchase a life annuity contract or is transferred under Section 12 of this Schedule, then the financial institution must provide the owner's spouse or beneficiary or the personal

representative of their estate with the information in clauses (a) and (b), determined as of the date the owner died;

- (i) a statement that if the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, then the financial institution must provide the owner the information in clauses (a) and (b), determined as of the date of the transfer or annuity purchase;
- (j) a statement that if the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, then the financial institution must comply with Section 209 of the regulations, in accordance with subsection 12(6) of this Schedule.

- (2) If the assets in the LIF are withdrawn or transferred under Sections 211 to 233C, a financial institution that provided the LIF must provide to the owner the information described in subclauses (1)(a)(i) to (vi) and clause (b), determined as of the date of the transfer or withdrawal.

#### **Transferring assets from LIFs**

**12 (1)** An owner of a LIF may transfer all or part of the assets in the LIF as follows:

- (a) to either of the following:
  - (i) another LIF,
  - (ii) a LIRA, if permitted under the federal *Income Tax Act*;
- (b) to purchase an immediate life annuity; or
- (c) for an owner who is a member or former member of a pension plan that provides for variable pension benefits, to the owner's variable benefits account in accordance with Section 150 of the regulations, if the transfer is permitted by the plan.

- (2) The date of a transfer under subsection (1) must not be later than 30 days after the owner requests it, unless any of the following apply:

- (a) the financial institution providing the LIRA does not have all the information necessary to complete the transaction, in which case the 30-day period begins to run from the date the financial institution has all the necessary information;

- (b) the transfer is in respect of assets held as securities whose term of investment extends beyond the 30-day period, in which case the 30-day period begins to run from the date the term of investment expires.
- (3) If assets in a LIF consist of identifiable and transferable securities, the financial institution providing the LIF may transfer the securities with the consent of the owner.
- (4) If assets held in a LIF are transferred to another LIF at any time in the current fiscal year, the maximum amount of income that may be paid to the owner of the LIF must not be increased.
- (5) A financial institution providing a LIF must advise the financial institution to which the assets of the LIF are transferred
  - (a) that the assets were held in a LIF in the current year; and
  - (b) whether the assets were determined in a manner that differentiated on the basis of sex.
- (6) If the balance of a LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution providing the LIF must comply with Section 209 of the regulations.

**Information to be provided by financial institution on transfer of balance of LIFs**

- 13** If the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution making the transfer must provide the owner with all of the information required to be provided annually under clauses 11(a) to (g) of this Schedule, determined as of the date of the transfer or annuity purchase.

**Information to be provided upon transfer of additional amounts to LIFs**

- 14** No later than 30 days after the date that money in locked-in funds that has not been held in a LIF at any time in the current year is transferred to a LIF, the financial institution providing the LIF must provide the owner with all of the following information:
- (a) the information required to be provided annually under clauses 11(a) to (e) of this Schedule, determined as of the date of the transfer;
  - (b) the balance of the LIF used to determine the maximum amount that may be paid to the owner as income during the fiscal year.



## **Death benefits**

- 15** (1) If the owner of a LIF dies, the following are entitled to receive a benefit equal to the value of the assets in the LIF, subject to subsections (4) and (5):
- (a) the owner's spouse;
  - (b) if there is no spouse or if the spouse is otherwise disentitled under subsection (4) or (5), the owner's named beneficiary;
  - (c) if there is no named beneficiary, the personal representative of the owner's estate.
- (2) For the purposes of subsection (1), a determination as to whether an owner of a LIF has a spouse must be made as of the date the owner dies.
- (3) For the purposes of subsection (1), the value of the assets in a LIF includes all accumulated investment earnings, including any unrealized capital gains and losses, of the LIF from the date of death until the date of payment.
- (4) A spouse is not entitled to receive the value of the assets in a LIF under clause (1)(a) if the owner of the LIF was not
- (a) a member or former member of a pension plan from which the assets were transferred, directly or indirectly, to purchase the LIF; or
  - (b) a member of a pooled registered pension plan from which the assets were transferred, directly or indirectly, to purchase the LIF.
- (5) A spouse who, as of the date the owner of the LIF dies, is living separate and apart from the owner without a reasonable prospect of resuming cohabitation is not entitled to receive the value of the assets in the LIF under clause (1)(a) if any of the following conditions apply:
- (a) the spouse delivered a written waiver to the financial institution in accordance with Section 16 of this Schedule;
  - (b) the terms of a written agreement respecting the division of the LIF entered into before the date of the owner's death disentitle, or do not expressly or impliedly entitle, the spouse to receive an amount under the LIF;

(c) the terms of a court order issued before the owner's death disentitle, or do not expressly or impliedly entitle, the spouse to receive an amount under the LIF.

(6) The benefit described in subsection (1) may be transferred to an RRSP or a RRIF in accordance with the federal *Income Tax Act*.

**Waiver of entitlement to death benefits by spouse**

**16 (1)** A spouse of an owner of a LIF may waive their entitlement to receive a benefit described in Section 15 of this Schedule from the LIF, by delivering, any time before the death of the owner, a written waiver in an approved form to the financial institution providing the LIF.

(2) A spouse who delivers a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date the owner of the LIF dies.

**Information to be provided by financial institution on death of owner**

**17** If the owner of a LIF dies before the balance in the LIF is transferred or used to purchase a life annuity contract, the financial institution providing the LIF must give the information required to be provided annually under clauses 11(a) to (f) of this Schedule, determined as of the date of the owner's death, to any person entitled to receive the assets in the LIF under subsection 15(1) of this Schedule.

23 Schedule 5: Life Income Fund—Factor F to the regulations is amended by adding “and in Sections 8 and 9 of Schedule 4A: Nova Scotia LIF Addendum” immediately before the period at the end of the sentence “This table is used to determine the factor (F) in the formulas in Sections 8, 10 and 11 of Schedule 4: Nova Scotia LIF Addendum”.

24 Schedule 8: Original Pension Plan—Information Required for Notices for Transfers of Assets (S. 108 and 110 of Act) to the regulations is amended by adding “, expressed in plain language that is clear and concise” immediately after “report” in clause 3(1).

25 Schedule 9: Successor Pension Plan—Information Required for Notices for Transfers of Assets (S. 108 and 110 of Act) to the regulations is amended by

(a) adding “, expressed in plain language that is clear and concise” immediately after “ancillary benefits” in clause 1(i); and

(b) adding “, expressed in plain language that is clear and concise” immediately after “plan” in clause 2(1).