

Form 12

Financial Hardship Application



- **Use this form** if you want to withdraw money from a locked-in retirement account (LIRA) or life income fund (LIF) because of financial hardship. This form must be provided to the financial institution holding your LIRA/LIF, along with supporting documentation, within 60 days of signing to be valid.

Complete pages 1, 2, 3, and as applicable page 4, Form 12(A), Form 12(B), Form 12(C), and/or Form 12(D)

1. Give your personal information

Last name:		Former last name (if applicable):	
First name:		Middle name:	
Mailing address:			
Town or city:	Province:	Postal code:	
Phone number:		Date of birth (dd/mm/yyyy):	

IMPORTANT: Have you considered other effects of withdrawing or transferring this money?

Before using this application for purposes of having money released from your Nova Scotia locked-in contract you may wish to:

- Seek the advice of a qualified lawyer or financial professional and undertake your own due diligence.
- Contact the *Canada Revenue Agency* to learn about the impact any withdrawal may have on your taxes at **1-800-959-8281**.
- Note that unlocking funds may impact your eligibility for certain government benefits. Contact the government department or agency that provides those benefits to see how they may be affected.

Be advised that once the funds are unlocked, the money is no longer protected from your creditors.

Once the application is complete, you must give the form and attachments to the financial institution that holds your LIRA or LIF.

Do not give this form and attachments to the Department of Finance and Treasury Board, Pension Regulation Division.

Questions? Contact the financial institution that holds your LIRA/LIF account

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2. Where the money in your LIRA or LIF was earned?

Company name: _____

Province of Employment: _____

3. Was the pension earned while working for the federal government, a federal agency, or a company regulated by the federal government*?

Yes. STOP. Do not use this form. Contact the financial institution that holds your locked-in account. *Note: Check the FAQ on the OSFI website: www.osfi-bsif.gc.ca/Eng/pp-rr/faq/Pages/ulk-dbc.aspx*

No. Continue to the next question.

4. What is your reason for withdrawing or transferring money from this account or fund?

Low Income: I expect to earn less than **\$47,533** (before taxes/deductions) over the next 12 months. (complete Form 12●A)

Mortgage Default: The mortgage on my home—my principal residence—has not been paid AND I have received a written demand for payment from the creditor which indicates I could face eviction or legal action if the debt is not paid. (complete Form 12●B)

Rental Default: The rent on my home—my principal residence—has not been paid AND I have received a written demand from my landlord threatening eviction if the rent is not paid. (complete Form 12●C)

Medical and/or Dental Expenses: I, my spouse, or a dependent have medical and/or dental expenses necessary to treat an illness or disability that are not covered by any other program. (complete Form 12●D)

5. In the event that this application results in the total value of your LIRA/LIF balance being \$500 or less, please elect one of the following:

For the funds to remain in the LIRA/LIF

For the funds to be withdrawn as indicated for the consented net amount

**Includes, but is not necessarily limited to, federal government departments or agencies, employees in air, water and rail transportation, interprovincial trucking, radio, television and telegraph, atomic energy and chartered banks*

Form 12

Owner's Certificate

I **certify** that I own the LIRA or LIF named in this application and am applying to withdraw or transfer money from it.

I **certify** that on the date I sign this application; the following statement is true:
(Check only one box)

I do not have a spouse.

I have a spouse, and have attached my spouse's consent to the withdrawal of money from my LIRA or LIF – Spousal Consent, page 4 of this application.

I have a spouse, but we do not live together now and do not intend to live together again in the future, and my spouse has given a Form 8 Spouse's Waiver of Death Benefit under a LIRA or LIF to my financial institution in relation to this money.

I have a spouse, but we do not live together now and do not intend to live together again in the future, and my spouse is not entitled to any part of the money in the LIRA or LIF because of a court order or domestic contract.

I **understand** that, in addition to the amount that I have applied to withdraw or transfer from my LIRA or LIF, applicable taxes will be withheld.

I **understand** that any funds withdrawn from the LIRA or LIF are not exempt from execution, seizure or attachment. Any money withdrawn or transferred from my LIRA or LIF will no longer be protected from my creditors and may impact my benefits under other government programs.

I **consent** to the use of the personal information that I provided with this application, including personal information that may be obtained by my financial institution from the Department of Finance and Treasury Board, Pension Regulation Division for the purpose of administering the financial hardship provisions of the *Pension Benefits Act* and *Pension Benefits Regulations* only (as necessary), in relation to my application to withdraw or transfer money from my LIRA or LIF.

I **understand** that it is a criminal offence under the *Criminal Code of Canada* for anyone to knowingly make or use a false document with the intent that it be acted on as genuine.

Signature of Owner: _____	Date (dd/mm/yyyy): _____
Witnessed by: _____	Date (dd/mm/yyyy): _____

This consent must be signed before a witness who must be at least 19 years of age. They must see you sign the form, sign above, date, and complete the Witness' Information below immediately after seeing you sign and date this form.

Witness' Information

Last name: _____ First name: _____

Middle name: _____ Phone number: _____

Mailing address: _____

Town or city: _____ Province: _____ Postal code: _____

Time-sensitive material: This form must be received by the Financial Institution holding the LIRA/LIF within 60 days of signing to be valid.

Form 12

Spouse's Consent to Withdrawal

To be completed by the spouse referred to in the Owner's Certificate portion of this application. Before signing this consent, you should speak to a lawyer about your rights and the legal consequences of signing this consent.

Spouse's Information

Last name:	First name:	
Middle name:	Phone number:	
Mailing address:		
Town or city:	Province:	Postal code:

Spouse's Consent

I am the spouse (as defined on page 11 of this application) of the owner of the LIRA or LIF identified in this application.

I understand that the owner is applying to withdraw or transfer money from the LIRA or LIF named in this application.

I understand that the owner must have my consent to withdraw or transfer the money from the LIRA or LIF.

I understand that I do not have to give my consent—it is my choice to consent or not to consent.

I understand that while this money is kept in the LIRA or LIF, I may have a right to a share of this money if our relationship breaks down or if the owner dies.

I understand that when money is withdrawn or transferred from the LIRA or LIF, I may lose any right that I have to a share of the money that is withdrawn or transferred.

I consent to the owner's application to withdraw or transfer money from the LIRA or LIF.

I give my consent by signing and dating this application in the presence of a witness

Signature of Spouse: _____	Date (dd/mm/yyyy): _____
Witnessed by: _____ <i>Other than Spouse</i>	Date (dd/mm/yyyy): _____

This consent must be signed before a witness who must be at least 19 years of age. They must see you sign the form, sign above, date, and complete the *Witness' Information* below immediately after seeing you sign and date this form. **The witness cannot be your spouse.**

Witness' Information

Last name:	First name:	
Middle name:	Phone number:	
Mailing address:		
Town or city:	Province:	Postal code:

Time-sensitive material: This form must be received by the Financial Institution holding the LIRA/LIF within 60 days of signing to be valid.

Form 12 ● A

Low Income Declaration

I declare that

- I expect to earn less than **\$47,533** (before taxes/deductions) over the next 12 months.
- I have not had an approved application for a withdrawal because of low income made in the current calendar year.

Calculate your Gross Expected Income (before taxes and deductions) for the Next 12 Months

- Provide supporting documentation as indicated on the next page (see checklist on page 6).

Part-time, Full-time or Casual work:	\$
Employment Insurance (EI):	\$
Canada Pension Plan (regular or disability):	\$
Old Age Security (OAS):	\$
Guaranteed Income Supplement (GIS):	\$
Other Pensions:	\$
Social Assistance:	\$
Workers' Compensation Income:	\$
Self-Employment / Business Income:	\$
Estimated maximum annual LIF income & estimated maximum "Temporary Income" from each LIF, that owner eligible to receive:	\$
Other (specify):	\$
Total Gross Expected Income (TGEI)	\$

- If your total expected income is more than **\$47,533**, you are not eligible to withdraw any funds under the low income criteria and your application will be denied.
- If you own a LIF, ask your financial advisor for assistance in developing a reasonable estimate for the expected maximum amount of LIF income, consisting of both the annual LIF income and "temporary income" from a LIF that you are eligible to receive over the next 12 months. This amount must be included in your expected income, regardless of whether you intend to receive this income.

Calculate the maximum amount you can unlock due to low income in a 12 month period

The maximum net withdrawal amount is **\$35,650 less 75% of your TGEI**.

Maximum net withdrawal = \$35,650 – (0.75 x \$ insert TGEI) = \$ _____

Identify the net amount you wish to withdraw (after unlocking fee, if any, and withholding taxes). Choose only one option.

I want to withdraw the maximum net allowed.
or

\$ _____ (this net amount must be at least \$500 to process application)

Signature of applicant: _____ **Date (dd/mm/yyyy):** _____

Time-sensitive material: This form must be received by the Financial Institution holding the LIRA/LIF within 60 days of signing to be valid.

Form 12 ● A

Low Income Checklist

Along with completed pages 1, 2, 3, Form 12●A, and page 4 (if applicable), the following documentation is necessary to process your application. Please note that additional documentation may be requested once your application is reviewed.



Documents to Confirm Your Expected Income:

- a) If you are Employed (part-time, full-time or casual), submit any of the following:
 - Copies of your three most recent paystubs
 - A letter from your employer (signed, dated and on official company letterhead) confirming your expected income from employment over the next 12 months.
- b) If you are Self Employed, submit any of the following:
 - Profit and Loss statement
 - Invoice and/or receipts
 - Any documents which clearly show your income as declared in your application
- c) If you are collecting Employment Insurance (EI), provide a copy of your EI benefits summary which shows:
 - Start and End Dates of your EI benefits
 - Total number of weeks of EI eligibility
 - Gross amount (before taxes and deductions) being received weekly/biweekly
- d) If you are receiving any of the following, please provide a benefits statement or a T4 or other tax document that outline amounts you are receiving from:
 - Canada Pension Plan (CPP)
 - Old Age Security (OAS)
 - Guaranteed Income Supplement (GIS)
 - Other Pensions
 - Social Assistance
 - Workers Compensation
 - Long-term or Short-term Disability
 - Other forms of Income

Form 12 • B

Mortgage Default Declaration

I declare that

- The mortgage on my principal residence has not been paid and my financial institution has indicated I could face eviction on my principal residence, the home where I normally live, or legal action if the debt remains unpaid.
- I have not had a previous application for mortgage default approved.
- I am aware that a successful application for mortgage default can only be made once in a lifetime.

Declare the location of your principal residence

The same address given above in my personal information

or

The following address: _____

Declare the net amount you wish to withdraw (Choose only one option)

- This amount cannot be greater than the mortgage debt that is in default and enforcement costs that are owed as of the date of the application.
- This amount cannot include any other money that is owed.

I want to withdraw the net maximum allowed.

or

\$ _____ (this amount must be at least \$500 to process application)

Signature of applicant: _____ Date (dd/mm/yyyy): _____

Time-sensitive material: This form must be received by the Financial Institution holding the LIRA/LIF within 60 days of signing to be valid.

Mortgage Default Checklist

Along with completed pages 1, 2, 3, Form12•B, and page 4 (if applicable), the following documentation is necessary to process your application. Please note that additional documentation may be requested once your application is reviewed.



Mortgage Default Demand: A copy of the written demand for payment from the mortgage holder (bank/bank's legal representative) that sets out the amount needed to pay both the mortgage debt in default on your home and all directly related enforcement costs to bring the mortgage into good standing. If not indicated in the written demand, provide a statement of the amount and frequency of the regular mortgage payment and confirmation that the mortgage is on your principal residence. The demand must also indicate that you could face eviction or legal action if the debt is not paid.

Form 12 ● C

Rental Default Declaration

I declare that

- The rent on my principal residence has not been paid and my landlord provided me with a written demand for the arrears and has indicated that I could face eviction from my principal residence, the home where I normally live, if the arrears are not paid.
- **I have not had a previous application for rental default approved.**
- **I am aware that a successful application for rental default can only be made once in a lifetime.**

Declare the location of your principal residence

The same address given above in my personal information

or

The following address: _____

Declare the net amount you wish to withdraw (Choose only one option)

- This amount cannot be greater than the rental default and all directly related enforcement costs that are owed as of the date of the application.
- This amount cannot include any other money that is owed.

I want to withdraw the net maximum allowed.

or

\$ _____ (this amount must be at least \$500 to process application)

Signature of applicant: _____ Date (dd/mm/yyyy): _____

Time-sensitive material: This form must be received by the Financial Institution holding the LIRA/LIF within 60 days of signing to be valid.

Rental Default Checklist

Along with completed pages 1, 2, 3, Form 12●C, and page 4 (if applicable), the following documentation is necessary to process your application. Please note that additional documentation may be requested once your application is reviewed.

Notice to Quit for Rental Arrears: A written notice from the landlord indicating the amount required to pay the rental default on your principal residence and all directly related enforcement costs. The notice must also indicate that you could face eviction if the default remains unpaid.

Form 12 • D

Medical or Dental Expenses Declaration (Part 1)

Physician/Dentist Statement

Use this form to give your opinion for the purposes of the owner's application. or Give your opinion in another written format, such as a letter. The other format must

- state that you are a physician or dentist licensed to practice medicine or dentistry in the jurisdiction in which you practice and, if outside of Canada, include your licence number and the name of the licensing body for the jurisdiction where you are licensed to practice.
- state that, in your opinion, the patient requires specified goods or services necessary to treat an illness or disability
- specify the goods or services that are necessary
- include your signature and date

Physician's or Dentist's Information

Full name: _____

Name of medical practice/institution: _____

Mailing address: _____

Town or city: _____ Province: _____ Postal code: _____

Phone number: _____ Fax number: _____

Physician's or Dentist's Statement

I am a physician or dentist licensed to practice medicine/dentistry in the jurisdiction in which I practice.

In my opinion, my patient, (Print the full name of your patient on the below line)

_____ has an illness or physical disability and the following expenses for the following goods or services are or were necessary for my patient's treatment:

Signature: _____ **Date (dd/mm/yyyy):** _____

Time-sensitive material: This form must be received by the Financial Institution holding the LIRA/LIF within 60 days of signing to be valid.

Form 12 • D is continued on the following page.

Form 12 ● D

Medical or Dental Expenses Declaration (Part 2)

I declare that

- These expenses are for medical or dental expenses that are not covered by any other program or alternate source, such as insurance, a benefit plan, Pharmacare, or any other government program.
- These expenses are needed to treat an illness or disability.
- No approval has been given for a previous application for a withdrawal to cover any medical or dental expenses for the person that are being sought in this application within the last calendar year.

Declare the net amount you wish to withdraw (after unlocking fee and withholding taxes). Choose only one option.

- This amount cannot be more than the cost of all medical or dental expenses in the 12 months before and the 12 months after the date of this application.
- Your physician or dentist must identify the goods or services that are necessary to treat an illness or disability. Estimated future costs must be based on written information from the provider of the goods or services.

I want to withdraw the net maximum allowed.

OR

\$ _____ (this amount must be at least \$500 to process application)

Declare who the medical or dental expenses are for

me, the owner of the LIRA or LIF
my spouse or dependent

Spouse or Dependent Information (as defined on page 11 of this application):

Last name: _____ First name: _____
Middle name: _____

Signature of applicant: _____ **Date (dd/mm/yyyy):** _____

Declaration for Non-Residents of Canada:


I declare that I reside outside of Canada and that I reside in the same jurisdiction as the physician or dentist providing treatment for the illness or disability for the individual declared in this application.

Signature of applicant: _____ **Date (dd/mm/yyyy):** _____

Time-sensitive material: This form must be received by the Financial Institution holding the LIRA/LIF within 60 days of signing to be valid.

Medical or Dental Expenses Checklist

Along with completed pages 1, 2, 3, Form12●D (Part 1 and Part 2), and page 4 (if applicable), the following documentation is necessary to process your application. Please note that additional documentation may be requested once your application is reviewed.

 **Medical or Dental Expenses:** Please provide copies of your medical expenses for the past 12 months, and/or a cost estimate for medical supplies and/or services required over the next 12 months. Please note funds in an amount equal to the expenses supported by the written opinion of a physician or dentist that are necessary to treat an illness or disability will be available for unlocking.

Form 12 • Definitions

Consent

Permission or approval to do something.

Dependant

A dependant is one of the following who is dependent on you or your spouse for support at the time this application is signed or in the 12 months before it is signed:

- a child, stepchild, grandchild
- a parent, step-parent, or grandparent
- a brother, half-brother, or step-brother
- a sister, half-sister, or step-sister
- an uncle, aunt, niece, or nephew

Domestic contract

A domestic contract means

- a written agreement that provides for a division between spouses of a pension benefit, deferred pension, or pension; or
- a marriage contract as defined in the Matrimonial Property Act.

Financial Institution

The financial institution that administers the LIRA or LIF of an owner.

Owner

The owner of the locked-in retirement account (LIRA) or a life income fund (LIF).

Spouse

- The person you are married to.
- The person you are married to, if the marriage hasn't been legally ended.
- The person you thought you were married to, if you are still living together.
- The person you thought you were married to, if you have lived together within the last 12 months.
- The person you are living with as a registered domestic partner under the Vital Statistics Act.
- The person you have been living with in a conjugal relationship for at least one year, if neither of you are married to someone else.
- The person you have been living with in a conjugal relationship for at least three years, even if one or both of you are married to someone else.

Waiver

A written agreement in which a person gives up a right to something to which they would ordinarily be entitled. For example, a written agreement in which a spouse gives up the right to receive pension benefits to which they would ordinarily be entitled.