Saskatchewan Financial
Services Commission
Pensions Division

RETIREMENT OPTIONS

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Introduction

The traditional form of pension is the life annuity. Typically with a life annuity, your locked-in pension money is paid to a life insurance company. In return, the life insurance company guarantees the payment of a fixed amount of pension for your lifetime.

You have the option of opening a prescribed RRIF if your pension money is in a locked-in retirement account (LIRA), which you may know better as a locked-in RRSP, or if you have an existing Life Income Fund (LIF) or Locked-In Retirement Income Fund (LRIF) contract. If you are a pension plan member and you wish to transfer money directly from a pension plan to a prescribed RRIF at retirement, your plan must permit you to do so.

You cannot transfer money to a prescribed RRIF prior to attaining age 55 unless the pension plan from where the money originated provides that your pension may commence at an earlier age.

Pension legislation requires that your spouse sign a consent form before money can be transferred to a prescribed RRIF because you may withdraw the entire amount in your prescribed RRIF at any time.

The Pension Benefits Regulations, 1993 (Regulations) were recently amended to permit, but not require, defined contribution pension plans to offer a Variable Benefit to members and former members who are eligible to retire. A Variable Benefit, which is similar in nature to a prescribed RRIF, will provide members or former members with an additional alternative at retirement for receiving pension income directly from their plan.

Pension legislation requires that your spouse sign a consent form and a waiver form before money can be transferred to a Variable Benefit Account because you may withdraw the entire amount in your account at any time.

Individuals interested in a prescribed RRIF or a Variable Benefit should seek the assistance of a professional financial advisor.

Note: This publication has been developed as a general guide. It has no legal authority and should not be construed as legal advice. Sections 29, 29.1 and 29.2 of *The Pension Benefits Regulations, 1993* (Saskatchewan) prescribe the rules for a LIRA, a RRIF and a Variable Benefit, respectively. Nothing in this publication supersedes or replaces those regulations.

Jurisdiction

Do these rules apply to my pension money?

You may transfer money to a prescribed RRIF, as described by this bulletin, if your locked-in pension money originated with a pension plan subject to *The Pension Benefits Act* (the Act) of Saskatchewan. Essentially, the Act applies to pension plan members employed in Saskatchewan. However, there are some important exceptions.

Plans not subject to the Act include the following:

- Employee profit sharing plans, deferred profit sharing plans, retiring allowances or ordinary (i.e., not locked-in) registered retirement savings plans. This includes a group RRSP.
- Pension plans regulated by the federal government for businesses operating in areas of national interest, including airlines, railways, grain handlers, radio and television broadcasting stations and banks. Nevertheless, most companies operating on a nation-wide basis are subject to provincial legislation.
- Pension plans for federal government employees, including the R.C.M.P. and the armed forces.
- Some pension plans established by legislation of the Government of Saskatchewan for its own employees, including the Public Service Superannuation Plan, the Teachers' Superannuation Plan and the SaskPower Superannuation Plan.

How can I find out for sure?

Every pension plan must have an administrator. The administrator is the person responsible for running the pension plan.

The administrator is responsible for providing information to members and for responding to member questions about the plan. You must be provided with a pension plan booklet explaining or summarising your entitlements and obligations when you join the plan. If the written material you are provided about your plan does not indicate whether your plan is subject to *The Pension Benefits Act* of Saskatchewan, ask your plan administrator.

Does it matter that my pension plan is registered in another province?

No. All provinces in Canada, except Prince Edward Island, have pension benefits legislation. To simplify the administration of pension plans, the provinces have agreed to allow a pension plan to be registered in the province in which the plurality of members are employed. As a result, only about 400 of the over 1,300 plans in Canada with plan members working in Saskatchewan are registered with the Pensions Division of the Saskatchewan Financial Services Commission.

However, benefit standards, such as vesting and survivor pensions, continue to be set by the jurisdiction in which you are employed. The regulator of the jurisdiction of registration enforces the laws of other provinces. If you work in Saskatchewan, but your plan is registered elsewhere, you should ensure that the plan administrator understands your rights under Saskatchewan law, particularly on termination of employment and retirement.

Can I transfer my money to a LIRA, LIF or LRIF in another province?

If you are employed in Saskatchewan at the date you terminate employment or retire, then Saskatchewan's LIRA and RRIF rules will apply to your pension money no matter where you subsequently reside.

For example, if you terminate employment in Saskatchewan and transfer your pension money to a Saskatchewan LIRA and subsequently move to British Columbia, your money must remain in a Saskatchewan LIRA and cannot be transferred to a British Columbia LIRA.

However, nothing would prevent a financial institution located in British Columbia from administering a LIRA that met the requirements of Saskatchewan regulations.

Can I transfer my money outside of Canada?

No. The legislation does not permit an unlocking of pension money where you reside outside Canada, nor can you transfer the money to a retirement plan in another country. However, if you transfer your money to a prescribed RRIF or to a Variable Benefit Account, you may withdraw the entire amount in cash and pay the tax required by the *Income Tax Act*.

Transferring Your Money to a Prescribed RRIF

Can I transfer money directly from my pension plan to a prescribed RRIF?

You must be eligible to receive a pension before you can transfer to a prescribed RRIF. The age at which you can start your pension is determined by the rules of your plan.

A pension plan may provide for a direct transfer of pension money to a prescribed RRIF when you reach retirement age, but is not required to do so. A plan could meet its obligations to you by paying you a pension directly from the plan or by purchasing a life annuity on your behalf.

Before money can be transferred to a prescribed RRIF, your spouse must sign a consent form. A copy of Form 1, *Spouse's Consent to Transfer to a Registered Retirement Income Fund Contract*, can be found in Appendix A of this bulletin.

How do I know if my plan will allow me to transfer money to a prescribed RRIF?

In addition to providing you with a summary of your plan, your plan administrator must provide you with a statement advising you of your options at retirement or on termination of membership in the plan.

If the written material does not indicate whether you can transfer directly to a prescribed RRIF, ask your plan administrator.

Can I transfer money from my LIRA to a prescribed RRIF?

If your money is in a LIRA, you will have the option to move to a prescribed RRIF when you become eligible to start your pension. Before money can be transferred to a prescribed RRIF, your spouse must sign a consent form. A copy of Form 1, *Spouse's Consent to Transfer to a Registered Retirement Income Fund Contract*, can be found in Appendix A.

With the money in your LIRA, you may start your pension at age 55 or at an earlier age if the rules of the pension plan from where the money originated allow for earlier retirement.

What early retirement rule applies to my situation?

You may use the current early retirement rule in your former pension plan even if the early retirement rule changed after your money was transferred from the plan. The administrator of your former pension plan can confirm the current early retirement rule.

Can I transfer money from my pension plan to a LIRA?

You have the right to transfer pension monies from your pension plan to a LIRA if:

- you are vested,
- you terminate membership before becoming eligible to receive immediately a pension, and
- you terminate membership on and after January 1, 1993.

The Pension Benefits Act also requires plans to provide a pension to the surviving spouse of a member who dies prior to retirement. The surviving spouse has the right to move the value of the survivor’s pension to a LIRA.

As well, a division of a pension could occur on spousal relationship breakdown. The portion of the pension to which the non-member spouse is entitled must remain locked-in and would be transferred to a LIRA.

What is vesting?

Vesting means that you are unconditionally entitled to receive the pension you have earned under the pension plan.

Saskatchewan legislation specifies the maximum period of time that you must work before your pension is vested. However, some plans vest a pension in a member earlier than the date required by legislation.

For pensions earned prior to January 1, 1994, your pension is vested with you if your age plus continuous service in the plan total 45 years or more, with a minimum of 1 year of continuous service. Pensions earned on and after January 1,1994, are vested when you have completed two years of continuous employment with your employer. It is important to note that you must satisfy the vesting rule at the date of your termination of membership.

If you are not vested, then no pension is payable to you from the plan. If you contributed to the plan, those contributions together with interest must be returned to you.

Can I transfer my money to a LIRA if I’m eligible to retire or if I terminated before 1993?

A plan may offer "portability" to you if you are eligible to commence a pension, but the plan is not required to do so by legislation. Your options will be spelled out in your plan summary and on your termination or retirement statement.

Can my existing LIF or LRIF contract be amended to become a prescribed RRIF?

No. There is no limit on the amount of money you could withdraw from a prescribed RRIF. That represents a substantial change from the current LIF and LRIF rules. Therefore, it is important that your spouse sign the consent form prior to the transfer of funds to a prescribed RRIF.

Can I transfer money from my LIF or LRIF to a prescribed RRIF?

Yes. If your money is in a LIF or an LRIF you may transfer the money to a prescribed RRIF. Before money can be transferred to a prescribed RRIF, your spouse must sign a consent form. A copy of Form 1, *Spouse's Consent to Transfer to a Registered Retirement Income Fund Contract*, can be found in Appendix A.

Can my money remain in my existing LIF or LRIF contract?

Yes. In fact, if your spouse does not agree to sign the consent form then you must remain in the contract or purchase an annuity. The contractual provisions of your LIF or LRIF would remain in place.

If I choose to remain in my existing LIF or LRIF contract, can I transfer those assets to a LIF or LRIF contract with another issuer?

Yes. If your LIF or LRIF contract was established prior to April 1, 2002, you may transfer your money to a LIF or LRIF contract offered by another issuer provided that issuer had an eligible LIF or LRIF contract prior to April 1, 2002.

Can I transfer money from my LIRA or registered pension plan to a LIF or LRIF?

No. The LIF and LRIF retirement options were repealed from the Regulations effective April 1, 2002.

Locked-in Retirement Account (LIRA)

What is a LIRA?

A LIRA is better known as a locked-in RRSP. The rules found in the *Income Tax Act* with respect to an RRSP apply to your LIRA. Therefore, you must purchase a life annuity or transfer money to a RRIF or a Variable Benefit Account by the end of the calendar year in which you reach 69 years of age. You also must follow the rules for investing an RRSP found in the *Income Tax Act* when investing your LIRA money.

Can I withdraw money from my LIRA?

Generally, no. “Locked in” means that the money in the LIRA cannot be withdrawn or surrendered and must ultimately be used to provide you with a pension.

Please refer to our bulletin “Unlocking Pension Money” for an explanation of the exceptions to the rules locking in pension money. Saskatchewan does not permit unlocking of pension money to alleviate financial hardship.

What happens to the money in my LIRA if I die?

Your spouse must be named as the beneficiary of your LIRA. However, your spouse may waive his or her designated beneficiary status by signing a waiver. Form 0.1, *Spouse’s Waiver of Designated Beneficiary Status Under a Locked-In Retirement Account Contract*, can be found in Appendix A at the back of this bulletin.

The waiver must be completed and filed with the financial institution that administers your LIRA before your date of death. Please note that your spouse may revoke the waiver at any time before your date of death by providing notice in writing to the financial institution administering your LIRA.

Upon your death, your spouse has the option to receive the balance remaining in your LIRA as a lump sum payment. Your spouse could also purchase a life annuity, transfer money to a prescribed RRIF or transfer money to a LIRA and purchase a pension at a later date.

If you have no spouse, the money will be paid as a lump sum to your named beneficiary. If there is no named beneficiary the money will be paid as a lump sum to your estate.

If you have a LIRA because you are the surviving spouse of a deceased plan member or if you have a LIRA as a result of a division on spousal relationship breakdown you are not required to name your new spouse as the beneficiary of your LIRA because you are not the original plan member.

Can I use the money in my LIRA for the Home Buyers' Plan permitted by the Income Tax Act?

No. While the Income Tax Act encourages the repayment of the amount borrowed from your RRSP to purchase a home, repayment is not required. In effect, your LIRA could be unlocked.

Where can I find a LIRA?

A wide variety of financial institutions, such as banks, trust companies, credit unions, insurance companies and brokerage firms, offer the product. The Pensions Division does not maintain a list of issuers.

Can my LIRA be seized by my creditors?

No. The money in a LIRA is exempt from execution, seizure or attachment. Also, you may not assign the money.

However, a LIRA could be subject to a division on spousal relationship breakdown pursuant to *The Family Property Act*. As well, the LIRA could be subject to attachment for purposes of enforcing a maintenance order pursuant to *The Enforcement of Maintenance Orders Act*.

Can I transfer assets to my LIRA from an ordinary RRSP or RRIF?

Pension legislation now permits, but does not require, a LIRA contract to accept assets that are not locked-in. This would allow you to transfer assets held in an ordinary RRSP or RRIF to your LIRA. However, once non-locked-in assets are transferred to a LIRA contract they are subject to the plan rules governing the contract and applicable legislation.

Is my LIRA guaranteed or protected from loss?

Your LIRA is not insured or guaranteed by the Government of Saskatchewan. Your pension assets could decline due to poor investment performance.

Some of the products in which you are invested might be guaranteed. For example, deposits at banks, trust companies and credit unions are backed by insurance schemes.

Protecting Your Spouse

When is a waiver from my spouse required?

If you have a spouse, pension legislation requires that your pension be offered in a "joint and survivor" form, which provides for the payment to your surviving spouse of a lifetime pension on your death of at least 60% of the pension that was being paid to you. The amount of a life annuity payable to you at retirement may be reduced to ensure that continuing payments can be made throughout your lifetime and also your spouse's lifetime.

You may receive a pension that does not offer this guaranteed survivor benefit only if your spouse signs the waiver prior to the commencement of your pension. In other words, your spouse must sign a waiver prior to the purchase of a single life annuity, an annuity with a survivor benefit of less than 60% or the establishment of a Variable Benefit Account under a defined contribution plan. Form 3, *Spouse's Waiver of 60% Post-Retirement Survivor Benefit*, can be found in Appendix A at the end of this bulletin.

Signing a waiver does not necessarily mean that your spouse would receive no benefits on your death. For example, you could purchase an annuity that provides a survivor benefit of less than 60% or a single life annuity with a guarantee period and designate your spouse as the beneficiary. As well, if you establish a Variable Benefit Account, your spouse must be named as the beneficiary of the account.

When should the waiver be signed?

To be in force, a waiver must be signed within 90 days prior to the commencement of your pension. Your spouse may cancel a signed waiver by providing written notice to the pension plan administrator or financial institution that issued the LIRA contract, prior to the commencement of the payment of an annuity that does not comply with Section 34 of the Act. If the waiver is revoked, your pension must be taken in the "joint and survivor" form. A waiver cannot be revoked after annuity payments have started.

When is consent from my spouse required?

As an alternative to purchasing an annuity, you may be able to transfer your money to a prescribed RRIF. Your spouse must sign a consent form prior to the transfer of funds to a prescribed RRIF. Form 1, *Spouse's Consent to Transfer to a Registered Retirement Income Fund Contract*, can be found in Appendix A at the end of this bulletin.

A consent form is also required to be signed by your spouse if you have money in a Life Income Fund (LIF) or a Locked-In Retirement Income Fund (LRIF) contract and wish to transfer to a prescribed RRIF.
If you are a member or former member of a defined contribution plan that offers a

Variable Benefit as an option at retirement, you may transfer your money to a Variable Benefit Account. Your spouse must sign a consent form prior to the transfer of funds to a Variable Benefit Account. Form 2.01, *Spouse's Consent to Transfer to a Variable Benefit Account*, can be found in Appendix A at the end of this bulletin.

This is a new form. Any waiver or consent forms previously signed by your spouse are not sufficient to allow you to transfer assets to establish a Variable Benefit Account.

Where can my spouse get the waiver or consent forms?

Copies of the prescribed forms can be found at the end of this bulletin or may be obtained from your pension plan administrator, the financial institution administering your LIRA, LIF or LRIF, or the Pensions Division.

Who is responsible for ensuring the waiver or consent form is signed?

The pension plan or financial institution that is purchasing a life annuity or that is transferring your locked-in pension money to a RRIF or a Variable Benefit Account is responsible for ensuring the applicable form(s) is properly executed prior to the transfer or purchase. The waiver or consent is retained on their files. You should also keep a copy.

Does my spouse have to sign a waiver before I can transfer money to a LIRA?

No.

Are there circumstances where my spouse does not need to sign a waiver?

The requirement to purchase a "joint and survivor" pension does not apply if you have money in a LIRA by virtue of being the surviving spouse of a deceased plan member or as a result of a division of assets on spousal relationship breakdown. You may purchase any form of pension without a waiver from your spouse. The requirement to provide a survivor"s pension only applies to former pension plan members.

Is a waiver required if an annuity is purchased from a prescribed RRIF?

The answer depends on the form of annuity you purchase. If you wish to purchase an annuity with the money in a prescribed RRIF, the annuity must comply with Section 34 of *The Pension Benefits Act, 1992*. In other words, the annuity must provide your spouse with a survivor benefit equal to at least 60% of the pension that was being paid to you. If you wish to purchase a single life annuity or a joint annuity paying less than 60% to your survivor, then a waiver is required.

Is a waiver required if an annuity is purchased from a Variable Benefit Account?

The answer depends on the form of annuity you purchase. If you wish to purchase an annuity with the money in a Variable Benefit Account, the annuity must comply with Section 34 of *The Pension Benefits Act, 1992*. In other words, the annuity must provide your spouse with a survivor benefit equal to at least 60% of the pension that was being paid to you. If you wish to purchase a single life annuity or a joint annuity paying less than 60% to your survivor, then a waiver is required.

Are there any other waiver or consent rules?

The waiver or consent form, whichever is applicable to your situation, must be signed in the presence of a witness and outside of the presence of the plan member or contract owner. We also recommend that your spouse obtain independent legal advice before waiving the entitlement to a "joint and survivor" pension benefit or signing a consent form to allow for a transfer to a RRIF or a Variable Benefit Account.

Who is the beneficiary of my RRIF?

Your spouse must be named as the beneficiary of your prescribed RRIF. However, your spouse may waive his or her designated beneficiary status by signing a waiver. Form 2, *Spouse's Waiver of Designated Beneficiary Status*, can be found in Appendix A at the back of this bulletin.

The waiver must be completed and filed with the financial institution that administers your prescribed RRIF contract before your date of death. Please note that your spouse may revoke the waiver at any time before your date of death by providing notice in writing to the financial institution administering the prescribed RRIF contract.

Who is the beneficiary of my Variable Benefit Account?

Your spouse must be named as the beneficiary of your Variable Benefit Account. However, your spouse may waive his or her designated beneficiary status by signing a waiver. Form 2.02, *Spouse's Waiver of Designated Beneficiary Status Under a Variable Benefit Account*, can be found in Appendix A at the back of this bulletin.

The waiver must be completed and filed with the administrator of your pension plan before your date of death. Please note that your spouse may revoke the waiver at any time before your date of death by providing notice in writing to the administrator of your pension plan.

The *Income Tax Regulations* also allow you to designate your spouse as a "specified beneficiary". This type of designation would permit the payments being made to you from a Variable Benefit Account to continue to your spouse uninterrupted upon your death. Your spouse would also have the choice of transferring the assets out of the Variable Benefit Account.

How is "spouse" defined?

For purposes of *The Pension Benefits Act, 1992* and its regulations, "spouse" means:

(i) a person who is married to a member or former member; or

(ii) if a member or former member is not married, a person with whom the member or former member is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the member or former member as his or her spouse for at least one year prior to the relevant time.

What if my spouse and I are living separate and apart?

A legally married spouse would remain entitled to receive the survivor's pension and would have to sign a waiver before you could purchase a single life annuity or a consent form before you could transfer money to a RRIF or a Variable Benefit Account.

A married spouse is no longer entitled to a survivor's pension on divorce or where a couple have divided their property, including the pension assets, in accordance with a court order or interspousal agreement pursuant to *The Family Property Act*.

By definition, common law couples must be cohabiting.

What if I'm separated from my married spouse, but I am in a common law relationship?

A married spouse takes precedence over a common law spouse even where a married couple is no longer living together.

Life Annuity

What is a life annuity?

A life annuity provides you with a series of payments in return for a lump sum paid up front. A lump sum of money is transferred directly from your pension plan, LIRA, RRIF or Variable Benefit Account to a life insurance company to purchase an annuity. In return, the issuer pays you an annuity on a regular basis (monthly, quarterly, semi-annually, or annually) for the remainder of your life.

Where can I purchase a life annuity?

The life annuity may be purchased from a life insurance company licensed in any jurisdiction in Canada to carry on life insurance business.

How much will I receive?

The amount of your payment is based on the amount of the lump sum, your age (and that of your spouse if applicable), the survivor benefits you choose and the annuity rate in effect at the time of transfer. The annuity rate reflects the insurance company's expectations of the rate of return on its assets.

The amount will vary by insurance company. It pays to ask for a quotation from several insurance companies.

Will an insurance company pay less to a woman than a man because women generally live longer?

Your gender cannot be taken into account in determining the amount of the payment.

What if the life insurance company fails?

Your annuity is protected by the insurance industry, through the Canadian Life and Health Insurance Compensation Corporation, in case of the failure of the insurance company underwriting your annuity. However, you should be aware of the limits of the protection. Currently, $2,000 per month in income from life and term annuities is protected. You should ask your insurance company for more details of the coverage.

If the amount of your annuity would exceed the limits of coverage, you could consider splitting your purchase over more than one insurance company.

What happens when I die?

You may provide for the payment of a pension to a surviving co-annuitant. You also may seek the guarantee of the payment of your annuity for a fixed period even if you die prematurely. The following example illustrates some of the optional forms of annuity:

You and your spouse are reviewing your retirement options statement and are faced with selecting one of the following options:

- A single life annuity with no guarantee period that will pay you $1,350 per month during your lifetime. Nothing would be payable on your death.

- A single life annuity with a guarantee period of 10 years that will pay you $1,280 per month during your lifetime. If you die within 10 years after retirement, your named beneficiary or estate would receive the same monthly pension, $1,280, for the remainder of the 10 year period. No further payments would be made after the 10 years expired.

- A 60 per cent joint and survivor annuity that will pay you $1,150 per month during your lifetime, and then $690 per month to your spouse, on your death, for the remainder of your spouse's lifetime.

As you and your spouse work through the options, you see that the single life annuity provides the largest monthly pension as long as you are alive, but offers no continuing income to your spouse if your spouse survives you.

The single life annuity with a guaranteed 10 years is payable to you for the duration of your life, but if you live more than 10 years after retirement, it will stop at the time of your death. However, if you die before the 10 years expire, the pension is payable to your spouse if he or she is named as beneficiary, but only for the remainder of the 10 year guaranteed term.

The joint and survivor option provides the smallest monthly payment to you throughout your life. However, upon your death a reduced amount is payable to your spouse for your spouse's lifetime. You must select this option unless your spouse signs a waiver.

If my spouse dies before me can I name another co-annuitant? What if I marry or enter into a common law relationship after I start my annuity?

The terms of the contract between you and the insurance company will determine whether the contract can be altered or revoked. Direct these questions to your life insurance company.

Registered Retirement Income Fund

What is a prescribed RRIF?

A prescribed RRIF is a retirement option that operates similar to a RRSP except that it provides the owner with an annual income. A prescribed RRIF provides retirees with flexibility in determining how much income is withdrawn annually and how the money is invested. Investment earnings continue to grow on a tax-sheltered basis.

When can I start a prescribed RRIF?

You must be eligible to commence your pension to transfer locked-in pension money to a prescribed RRIF.

If you are transferring money directly from a pension plan, the earliest age at which your pension can commence is established by the rules of the plan. You may transfer money from a LIRA at the earlier of age 55 or the early retirement age established by the plan where the money originated.

Does my spouse have to sign a consent form for me to transfer to a prescribed RRIF?

Yes. Under pension legislation, your spouse is entitled to receive a guaranteed pension on your death paying 60% of the pension amount to which you were entitled. A prescribed RRIF cannot provide that guarantee to your spouse. As well, there is nothing preventing you from withdrawing the entire amount from your prescribed RRIF in which case your spouse would not receive any pension on your death.

What is the minimum withdrawal required to be made from a RRIF?

A RRIF must be registered under the *Income Tax Act*. One of the most important rules found in the *Income Tax Act* for a RRIF is that you must be paid an income each year, except for the first year of the contract. The *Income Tax Act* establishes the minimum annual withdrawal required to be made from a RRIF. You do not have to withdraw money in the calendar year in which the RRIF is established.

A RRIF operates on a calendar year basis. The amount of the minimum withdrawal varies each year based on your age at January 1.

Can I use my spouse’s age in determining the minimum withdrawal?

Yes. The *Income Tax Act* permits you to use your age or the age of your spouse in determining the minimum withdrawal. This is a one-time decision made when the prescribed RRIF is established. Using the age of the younger person will reduce the minimum required withdrawal. To determine the minimum annual payment, multiply the value of your prescribed RRIF as at January 1 by the rate that corresponds to your age:

Age at January 1	Rate (%)	Age at January 1	Rate (%)
50	2.50	73	7.59
51	2.56	74	7.71
52	2.63	75	7.85
53	2.70	76	7.99
54	2.78	77	8.15
55	2.86	78	8.33
56	2.94	79	8.53
57	3.03	80	8.75
58	3.13	81	8.99
59	3.23	82	9.27
60	3.33	83	9.58
61	3.45	84	9.93
62	3.57	85	10.33
63	3.70	86	10.79
64	3.85	87	11.33
65	4.00	88	11.96
66	4.17	89	12.71
67	4.35	90	13.62
68	4.55	91	14.73
69	4.76	92	16.12
70	5.00	93	17.92
71	7.38	94 and beyond	20.00
72	7.48		

What is the maximum withdrawal from a prescribed RRIF?

There is no maximum limit on RRIF withdrawals.

Will I be taxed on the withdrawals?

The withdrawal will be considered part of your income for the year and you will have to pay tax. There is no withholding tax on the minimum withdrawal. Tax is required to be withheld on withdrawals that exceed the minimum.

What are the rules for investing my prescribed RRIF?

The investment rules are those placed on a RRIF by the *Income Tax Act*. No further restrictions apply. You determine how the money in your prescribed RRIF is invested and investment earnings continue to grow on a tax-sheltered basis to the extent they are not withdrawn.

What happens when I die?

You must name your spouse as beneficiary of the money in your prescribed RRIF. However, your spouse may waive his or her designated beneficiary status by signing a waiver form and filing it with the financial institution that administers your prescribed RRIF before your death. Your spouse may revoke the waiver at any time before your death by providing notice in writing to the issuer of the prescribed RRIF. Form 2, *Spouse's Waiver of Designated Beneficiary Status*, can be found in Appendix A at the end of this bulletin.

If you have no spouse or if your spouse has signed a waiver, the money will pass to a designated beneficiary or your estate and will be taxed in the year of your death as determined by your executor.

The disposition of the money is governed by the *Income Tax Act*.

Where can I find a prescribed RRIF?

A wide variety of financial institutions, such as banks, trust companies, credit unions, insurance companies and brokerage firms, offer the product.

Can my prescribed RRIF be seized by my creditors?

No. The money in a prescribed RRIF is exempt from execution, seizure or attachment. Also, you may not assign the money.

However, a prescribed RRIF could be subject to a division on spousal relationship breakdown pursuant to *The Family Property Act*. As well, the money in a prescribed RRIF could be subject to attachment for purposes of enforcing a maintenance order pursuant to *The Enforcement of Maintenance Orders Act*.

Do I ever have to purchase a life annuity?

No. You do not have to purchase a life annuity.

Is my prescribed RRIF guaranteed or protected from loss?

Your prescribed RRIF is not insured or guaranteed by the Government of Saskatchewan. Your pension income could suffer from poor investment performance.

Some of the products in which you are invested might be guaranteed. For example, deposits at banks, trust companies and credit unions are backed by insurance schemes.

I'm comfortable with my LIRA investments, but want to start a prescribed RRIF. How can I keep my investments?

Subject to the provisions of your prescribed RRIF contract, you may be able to transfer identifiable and transferable securities, either into or out of a prescribed RRIF. This would permit you to continue a particular investment strategy you have adopted in investing your LIRA assets without having to dispose of and repurchase the securities.

Can I transfer my money from one prescribed RRIF to another prescribed RRIF?

Yes. However, before the transfer takes place, the minimum annual withdrawal amount required under the *Income Tax Act* must be taken.

Can I roll over my annual withdrawal to an RRSP or RRIF?

No. The prescribed RRIF has certain characteristics such as protection of spouses that make it different from an ordinary RRSP or RRIF.

Can I transfer assets to my Prescribed RRIF from an ordinary RRSP or RRIF?

Pension legislation now permits, but does not require, a prescribed RRIF contract to accept assets that are not locked-in. This would allow you to transfer assets held in an ordinary RRSP or RRIF to your prescribed RRIF. However, once non-locked-in assets are transferred to a prescribed RRIF they are subject to the plan rules governing the contract and applicable legislation.

Do I receive my income monthly or in a lump sum at the start of the year?

The frequency of payments is a matter between you and your financial institution.

Are prescribed RRIF payments eligible for the pension tax credit?

Payments from a RRIF to a person age 65 and older are eligible for the pension tax credit. However, if you are under age 65, you will not be able to claim your RRIF payments.

Variable Benefit

What is a Variable Benefit?

A Variable Benefit is a retirement option paid directly from a defined contribution plan which is similar in nature to the prescribed RRIF. It provides retirees with flexibility in determining how much income is withdrawn annually and how the money is invested. Investment earnings continue to grow on a tax-sheltered basis.

How do I find out if my pension plan offers a Variable Benefit?

Only a defined contribution plan is permitted to offer a Variable Benefit. You must contact the administrator of your pension plan to inquire if your plan offers a Variable Benefit as a retirement option.

When can I start a Variable Benefit?

You must be eligible to commence your pension to transfer locked-in pension money to establish a Variable Benefit Account. The earliest age at which your pension can commence is established by the rules of your plan.

If I previously transferred assets out of my pension plan can I establish a Variable Benefit Account?

Your previous plan may permit you to transfer assets back into the pension plan in order to establish a Variable Benefit Account. You must contact the administrator of your previous pension plan to determine if the rules of the plan permit the transfer.

Is it possible to transfer only part of my locked-in assets to a Variable Benefit Account?

The rules of your plan will determine if partial amounts can be transferred to a Variable Benefit Account. Pension legislation requires your spouse to provide the applicable consent form and waiver form prior to each transfer. You must contact the administrator of plan to determine if partial transfers are allowed.

Can I start a Variable Benefit and continue to work for my employer?

The rules of your plan will determine if you are permitted to continue to work while receiving a Variable Benefit from the plan. You must contact the administrator of your pension plan to inquire if you can continue on in employment after establishing a Variable Benefit Account.

Does my spouse have to sign a consent form and a waiver form for me to establish a Variable Benefit Account?

Yes. Under pension legislation, your spouse is entitled to receive a guaranteed pension on your death paying 60% of the pension amount to which you were entitled. A Variable Benefit cannot provide that guarantee to your spouse. As well, there is nothing preventing you from withdrawing the entire amount from your Variable Benefit Account in which case your spouse would not receive any pension on your death.

What is the minimum withdrawal required to be made from a Variable Benefit Account?

A Variable Benefit must comply with the *Income Tax Act*. The *Income Tax Act* establishes the minimum annual withdrawal required to be made from a Variable Benefit Account. The minimum withdrawal is a percentage of your total account balance based on age at the beginning of each year. There is no minimum withdrawal required prior to age 70. Please refer to page 16 for the minimum withdrawal schedule.

Can I use my spouse's age in determining the minimum withdrawal?

Yes. The *Income Tax Act* permits you to use your age or the age of your spouse in determining the minimum withdrawal. Using the age of the younger person will reduce the minimum required withdrawal. The rules of your pension plan will determine how often this decision may be exercised.

What is the maximum withdrawal from a Variable Benefit Account?

There is no maximum limit on withdrawals from a Variable Benefit Account.

Do I receive my income monthly or in a lump sum at the start of the year?

The frequency of payments is a matter between you and the rules of your pension plan.

Will I be taxed on the withdrawals?

Withdrawals from a Variable Benefit Account are considered to be pension payments and will be part of your income for the year. You will have to pay tax in accordance with the *Income Tax Act*.

What are the rules for investing my Variable Benefit Account?

The investment rules are those provided under your pension plan. You determine how the money in your Variable Benefit Account is invested and investment earnings continue to grow on a tax-sheltered basis to the extent they are not withdrawn.

What happens when I die?

You must name your spouse as beneficiary of the money in your Variable Benefit Account. However, your spouse may waive his or her designated beneficiary status by signing a waiver form and filing it with the administrator of your plan before your death. Your spouse may revoke the waiver at any time before your death by providing notice in writing to the administrator of your plan. Form 2.02, *Spouse's Waiver of Designated Beneficiary Status Under a Variable Benefit Account*, can be found in Appendix A. If you have no spouse or if your spouse has signed a waiver, the money will pass to a designated beneficiary or your estate. The disposition of the money is governed by the *Income Tax Act*.

The *Income Tax Regulations* also allow you to designate your spouse as a "specified beneficiary". This type of designation would permit the payments being made to you from a Variable Benefit Account to continue to your spouse uninterrupted upon your death. Your spouse would also have the choice of transferring the assets out of the Variable Benefit Account.

Can the assets in my Variable Benefit Account be seized by my creditors?

No. The money in a Variable Benefit Account is exempt from execution, seizure or attachment. Also, you may not assign the money.

However, a Variable Benefit Account could be subject to a division on spousal relationship breakdown pursuant to *The Family Property Act*. As well, the money in a Variable Benefit Account could be subject to attachment for purposes of enforcing a maintenance order pursuant to *The Enforcement of Maintenance Orders Act*.

Do I ever have to purchase a life annuity?

No. You do not have to purchase a life annuity.

Can I transfer my money out of a Variable Benefit Account?

Yes. You may transfer the balance in your Variable Benefit Account to another plan, a Locked-In Retirement Account (provided you are not past age 69), to a prescribed Registered Retirement Income Fund or you may purchase a life annuity.

Can I roll my annual withdrawal to an RRSP or RRIF?

No. The Variable Benefit has certain characteristics such as protection of spouses that make it different from an ordinary RRSP or RRIF.

Can I transfer assets to my Variable Benefit Account from an ordinary RRSP or RRIF?

Your plan may permit you to transfer assets that are not locked-in to your Variable Benefit Account from an ordinary RRSP or RRIF. However, once non-locked-in assets are transferred to a Variable Benefit Account they are subject to the plan rules governing the Variable Benefit and applicable legislation.

Which Option is Right for You?

It's important to remember that many factors enter into your retirement planning decisions. The following are some general comments regarding the characteristics of life annuities, registered retirement income funds and variable benefits. Although in most cases these general characteristics will apply, they may not hold true in every case.

You do not have to place all of your pension money into a single retirement product. You may use a portion of your money to purchase a life annuity, with the remainder being transferred to a prescribed RRIF or where applicable, a Variable Benefit Account. As well, you could leave part of your pension money in a LIRA, provided you are young enough to still have an RRSP.

- What are your goals? In general, if providing income for yourself and your spouse during retirement is your goal, a life annuity provides a stable, predictable stream of income. If leaving an estate for your heirs is your primary objective, then a prescribed RRIF or a Variable Benefit is the option to choose. If you are thinking about your estate, bear in mind that lump sum payments from a prescribed RRIF or a Variable Benefit Account on your death are taxable, unlike the payment of a death benefit from an insurance policy.

- Are you permanently retired? If you believe that retirement is temporary, remember that a prescribed RRIF or a Variable Benefit allows you to “un-retire” by transferring money to a LIRA. To do so, you must be young enough to be able to hold money in an RRSP. Under the *Income Tax Act* you cannot have an RRSP beyond the calendar year you reach age 69.

- How much risk are you willing to bear? If you purchase a life annuity, the investment risk is transferred to the issuer of that annuity. You get the same amount of income each month regardless of the investment return on your money. If you invest in a prescribed RRIF or establish a Variable Benefit Account, you bear the risk of poor investment returns and have the opportunity to benefit from good investment returns.

  On the other hand, taking on investment risk may allow you to protect the purchasing power of your retirement income. The value of a fixed life annuity payment will erode with inflation. History has shown us that over the long-run, equities provide the best hedge against inflation. A prescribed RRIF allows you to invest in equities. A Variable Benefit allows you to invest in the investment options available under your pension plan.

  It cannot be said that there is no investment risk associated with a life annuity. You bear the risk that the market value of your pension assets or the interest rate on which the annuity depends is abnormally low on the date you purchase the annuity.

You have no opportunity to take advantage of subsequent improvements in either.

- How long will you live? With a prescribed RRIF or a Variable Benefit your income is likely to decline with age. With a life annuity, the same amount will be paid to you for as long as you live. People are living longer. In 1941, a 65 year old Canadian female could expect to live another 13.6 years. In 1986, life expectancy for a 65 year old female was 19.1 years. With a prescribed RRIF or a Variable Benefit you bear the risk of outliving your retirement money.

- What do you expect annuity rates to be? If you believe annuity rates are low at the time you retire, you may wish to put off purchasing an annuity until rates are more favourable. A prescribed RRIF or a Variable Benefit allows you to delay the purchase of an annuity while still receiving retirement income. Probably the most important factor in determining the direction you expect annuity rates to go is your expectation of inflation. If you believe the rate of inflation will increase significantly then you should expect annuity rates to follow suit.

- What's your complication threshold? Purchasing a life annuity has the least complication after the initial decisions are made. Your lifetime income is set. With a prescribed RRIF or a Variable Benefit, you will be making investment decisions and you also must decide before the beginning of each year just how much you wish to withdraw from your prescribed RRIF or Variable Benefit Account.

  A prescribed RRIF and a Variable Benefit are more difficult to invest than a LIRA or RRSP. The minimum annual withdrawal requirement means that you will have to maintain a portion of your fund in liquid assets. The withdrawal also means that you will have to regularly review and perhaps buy and sell securities to maintain your asset mix objectives.

We strongly urge you to contact someone qualified to give financial advice who can help you evaluate your own personal situation.

Appendix A

- Form 0.1 Spouse’s Waiver of Designated Beneficiary Status Under a Locked-In Retirement Account Contract
- Form 1 Spouse's Consent to Transfer to a Registered Retirement Income Fund Contract
- Form 2 Spouse's Waiver of Designated Beneficiary Status
- Form 2.01 Spouse’s Consent to Transfer to A Variable Benefit Account
- Form 2.02 Spouse’s Waiver of Designated Beneficiary Status under a Variable Benefit Account
- Form 2.1 Spouse’s Waiver of Pre-Retirement Survivor Benefit Pursuant to Clause 33(6)(a) of *The Pension Benefits Act, 1992*
- Form 3 Spouse's Waiver of 60% Post-Retirement Survivor Benefit

Saskatchewan Financial
Services Commission
Pensions Division

Form 0.1
[Clause 29(4.4)(a)]
SPOUSE'S WAIVER OF DESIGNATED BENEFICIARY STATUS UNDER A LOCKED-IN RETIREMENT ACCOUNT CONTRACT

I, ____
(print or type full name of spouse)

certify that I am the spouse (within the meaning of clause 2(1)(ff) of *The Pension Benefits Act, 1992*) of

____
(print or type full name of member or former member)

(hereinafter called "the owner") who is the owner of a locked-in retirement account contract (hereinafter called "the contract") that is subject to the provisions of *The Pension Benefits Act, 1992*.

1. I understand that, in the absence of this waiver, on the death of the owner, I am entitled to the balance of the money in the contract, to the extent permitted by the *Income Tax Act* (Canada).

2. I understand and declare that, by signing this waiver and filing it with the issuer of the contract:

    (a) I am giving up my status and rights as designated beneficiary; and

    (b) on the death of the owner, the balance of the money in the contract will be paid, to the extent permitted by the *Income Tax Act* (Canada):

        (i) to the beneficiary designated by the owner if the designated beneficiary is a person other than myself; or

        (ii) to the personal representative of the owner's estate in his or her representative capacity if there is no valid designation of a beneficiary.

3. I certify that this waiver is being signed freely and voluntarily without any compulsion on the part of the owner and outside the immediate presence of the owner**.**

4. I understand that I may revoke this waiver at any time before the date of the owner's death by providing written notice to the issuer of the contract.

In witness whereof, I sign this waiver at ____________________________

this________ of ________________ 20____ in the presence of __________________

____
(print or type name of witness)

of ____
(address of witness)

________________________ ________________________
(Signature of witness) *(Spouse's signature)*

COMMENTS AND INSTRUCTIONS
FORM 0.1
SPOUSE'S WAIVER OF DESIGNATED BENEFICIARY STATUS UNDER A LOCKED-IN RETIREMENT ACCOUNT CONTRACT

This waiver must be completed by the spouse of the owner of a locked-in retirement account contract (hereinafter called "the contract") where the spouse wishes to waive his or her designated beneficiary status under clause 29(4.4)(a) of *The Pension Benefits Regulations, 1993*. The waiver must be completed before the death of the owner of the contract and filed with the issuer of the contract. The waiver may be revoked by the spouse at any time before the owner’s death by providing written notice to the issuer of the contract.

By completing and signing this waiver, the spouse waives his or her entitlement to the assets remaining in the contract on the death of the owner and allows the owner to designate a beneficiary of his or her choice. Prior to signing this waiver, the spouse should seek the advice of a lawyer and a qualified financial advisor.

Under *The Pension Benefits Act, 1992*, a spouse is the spouse of a former member at the day on which the pension is payable to the former member. "Spouse" means:

(a) a person who is married to a member or former member; or

(b) if a member or former member is not married, a person with whom the member or former member is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the member or former member as his or her spouse for at least one year prior to the relevant time.

The waiver must be:

- completed in its entirety;
- signed by the spouse, in the presence of a witness, outside of the immediate presence of the owner; and
- filed with the issuer of the contract.

If the owner transfers the money in the contract to a contract issued by another financial institution, a copy of the completed waiver must be provided to that institution by the owner.

We strongly urge the spouse to seek independent legal advice before signing this waiver.

Saskatchewan Financial Services Commission
Pensions Division

Form 1
[Subclause 29.1(4)(b)(ii)]
SPOUSE'S CONSENT TO TRANSFER TO A REGISTERED RETIREMENT INCOME FUND CONTRACT

I, ____
(print or type full name of spouse)

certify that I am the spouse (within the meaning of clause 2(1)(ff) of *The Pension Benefits Act, 1992*) of

____
(print or type full name of member or former member)

(hereinafter called "the owner") who is a member or former member of a registered pension plan that is subject to the provisions of *The Pension Benefits Act, 1992*.

1. I understand that the owner wants to transfer his or her pension benefit entitlement to a registered retirement income fund contract (hereinafter called "the contract") in accordance with section 29.1 of *The Pension Benefits Regulations, 1993*, and that my written consent is required to enable the owner to make the transfer.

2. I understand that transferring the pension benefit entitlement to the contract will allow the owner to manage the money in the contract, subject to the minimum annual withdrawal payment required by the *Income Tax Act* (Canada).

3. I also understand that there is no maximum withdrawal restriction imposed under the contract and that the owner may withdraw part or all of the balance of the money in the contract at any time.

4. I certify that this consent is being signed freely and voluntarily without any compulsion on the part of the owner and outside the immediate presence of the owner.

In witness whereof, I sign this consent at ______________________________

this ____________ day of ________________________20 ____ in the presence of

____
(print or type name of witness)

of ____
(address of witness)

______________________ ______________________
(Signature of witness) *(Spouse's signature)*

SKFORM1-2002

COMMENTS AND INSTRUCTIONS
FORM 1
SPOUSE'S CONSENT TO TRANSFER TO A REGISTERED RETIREMENT INCOME FUND CONTRACT

This consent must be completed by the spouse of a member or former member (hereinafter called "the owner") of a pension plan that is subject to the provisions of *The Pension Benefits Act, 1992* (the *Act*), where the owner wishes to transfer his or her pension benefit entitlement to a registered retirement income fund contract.

A registered retirement income fund contract has no limit on the amount of annual income that may be withdrawn. The owner could withdraw the entire balance in the contract leaving the spouse with no survivor benefit payable on the death of the owner. Prior to signing this consent form, the spouse should seek the advice of a lawyer and a qualified financial advisor.

Under *The Pension Benefits Act, 1992*, a spouse is the spouse of a former member at the day on which the pension is payable to the former member. "Spouse" means:

(a) a person who is married to a member or former member; or

(b) if a member or former member is not married, a person with whom the member or former member is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the member or former member as his or her spouse for at least one year prior to the relevant time.

This consent must be completed and signed by the spouse if the owner has assets in:

- a registered pension plan;
- a locked-in retirement account contract;
- a life income fund contract; or
- a locked-in retirement income fund contract

and the owner wishes to transfer to a registered retirement income fund contract.

The consent must be:

- completed in its entirety;
- signed by the spouse, in the presence of a witness, outside of the immediate presence of the owner; and
- filed with:

(a) the administrator of the registered pension plan if the assets are still held by the plan; or

(b) the financial institution that issued the locked-in retirement account contract, the life income fund contract or the locked-in retirement income fund contract holding the assets of the owner.

We strongly urge the spouse to seek independent legal advice before signing this consent.

Form 2
[Clause 29.1(4)(h)]
SPOUSE'S WAIVER OF DESIGNATED BENEFICIARY STATUS

I, ____
(print or type full name of spouse)

certify that I am the spouse (within the meaning of clause 2(1)(ff) of *The Pension Benefits Act, 1992*) of

____
(print or type full name of owner of registered retirement income fund contract)

(hereinafter called "the owner") who is the owner of a registered retirement income fund contract (hereinafter called "the contract") that is subject to the provisions of *The Pension Benefits Act, 1992*.

1. I understand that, in the absence of this waiver, on the death of the owner, I am entitled to the balance of the money in the contract, to the extent permitted by the *Income Tax Act* (Canada).

2. I understand and declare that, by signing this waiver and filing it with the issuer of the contract:

(a) I am giving up my status and rights as designated beneficiary; and

(b) on the death of the owner, the balance of the money in the contract will be paid, to the extent permitted by the *Income Tax Act* (Canada):

(i) to the beneficiary designated by the owner if the designated beneficiary is a person other than myself; or

(ii) to the personal representative of the owner's estate in his or her representative capacity if there is no valid designation of a beneficiary.

3. I certify that this waiver is being signed freely and voluntarily without any compulsion on the part of the owner and outside the immediate presence of the owner.

4. I understand that I may revoke this waiver at any time by providing written notice to the issuer of the contract.

In witness whereof, I sign this waiver at ____________________________

this ____________ day of _______________________20 ____ in the presence of

____
(print or type name of witness)

of ____
(address of witness)

____________________________ ____________________________
(Signature of witness) *(Spouse's signature)*

COMMENTS AND INSTRUCTIONS
FORM 2
SPOUSE'S WAIVER OF DESIGNATED BENEFICIARY STATUS

This waiver must be completed by the spouse of the owner of a registered retirement income fund contract (hereinafter called "the contract") where the spouse wishes to waive his or her designated beneficiary status under clause 29.1(4)(h) of *The Pension Benefits Regulations, 1993*. The waiver must be completed before the death of the owner of the contract and filed with the issuer of the contract. The waiver may be revoked by the spouse at any time before the owner's death by providing written notice to the issuer of the contract.

By completing and signing this waiver, the spouse waives his or her entitlement to the assets remaining in the contract on the death of the owner and allows the owner to designate a beneficiary of his or her choice. Prior to signing this waiver, the spouse should seek the advice of a lawyer and a qualified financial advisor.

Under *The Pension Benefits Act, 1992*, a spouse is the spouse of a former member at the day on which the pension is payable to the former member. "Spouse" means:

(a) a person who is married to a member or former member; or

(b) if a member or former member is not married, a person with whom the member or former member is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the member or former member as his or her spouse for at least one year prior to the relevant time.

The waiver must be:

- completed in its entirety;
- signed by the spouse, in the presence of a witness, outside of the immediate presence of the owner; and
- filed with the issuer of the contract.

If the owner transfers the money in the contract to a contract issued by another financial institution, a copy of the completed waiver must be provided to that institution by the owner.

We strongly urge the spouse to seek independent legal advice before signing this waiver.

Saskatchewan Financial Services Commission
Pensions Division

Form 2.01
[Subclause 29.2(3)(b)(i)]
SPOUSE'S CONSENT TO TRANSFER TO A VARIABLE BENEFIT ACCOUNT

I, ______________________________
(print or type full name of spouse)

certify that I am the spouse (within the meaning of clause 2(1)(ff) of *The Pension Benefits Act, 1992*) of

____
(print or type full name of member or former member)

(hereinafter called "the member") who is a member or former member of a registered pension plan that is subject to the provisions of *The Pension Benefits Act, 1992*.

1. I understand that the member wants to transfer money to a variable benefit account (hereinafter called "the account") in accordance with section 29.2 of *The Pension Benefits Regulations, 1993*, and that my written consent is required to enable the member to make the transfer.

2. I declare that, by signing this consent and filing it with the administrator of the plan:

   (a) I am authorizing the member to manage the money in the account, subject to the minimum annual withdrawal payment required by the *Income Tax Act* (Canada); and

   (b) I understand that there is no maximum withdrawal restriction imposed under the account and I am authorizing the member to withdraw part or all of the balance of the money in the account at any time.

3. I certify that this consent is being signed freely and voluntarily without any compulsion on the part of the member and outside the immediate presence of the member.

In witness whereof, I sign this consent at ______________________________

this ____________ day of ________________________20 ____ in the presence of

____
(print or type name of witness)

of ______________________________
(address of witness)

______________________________ ______________________________
(Signature of witness) *(Spouse's signature)*

COMMENTS AND INSTRUCTIONS
FORM 2.01
SPOUSE'S CONSENT TO TRANSFER TO A VARIABLE BENEFIT ACCOUNT

This consent must be completed by the spouse of a member or former member (hereinafter called "the member") of a pension plan that is subject to the provisions of *The Pension Benefits Act, 1992* (the *Act*), where the member or former member wishes to transfer part or all of his or her pension benefit entitlement to a variable benefit account offered by the plan.

A variable benefit account has no limit on the amount of annual income that may be withdrawn. The member could withdraw the entire balance in the variable benefit account leaving the spouse with no survivor benefit payable on the death of the member. Prior to signing this consent form, the spouse should seek the advice of a lawyer and a qualified financial advisor.

Under *The Pension Benefits Act, 1992*, a spouse is the spouse of a member or former member at the day on which the pension is payable to the member or former member. "Spouse" means:

(a) a person who is married to a member or former member; or

(b) if a member or former member is not married, a person with whom the member or former member is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the member or former member as his or her spouse for at least one year prior to the relevant time.

This consent must be completed and signed by the spouse if the member has locked-in assets in:

- a registered pension plan;
- a locked-in retirement account contract;
- a life income fund contract; or
- a locked-in retirement income fund contract

and the member wishes to transfer part or all of his or her locked-in assets to a variable benefit account. Where a member elects a partial transfer of assets, this consent applies only to the amount that is transferred. A new consent is required for any subsequent transfer of assets to the member's variable benefit account.

The consent must be:

- completed in its entirety;
- signed by the spouse, in the presence of a witness, outside of the immediate presence of the member and
- filed with the administrator of the plan.

We strongly urge the spouse to seek independent legal advice before signing this consent.

Saskatchewan Financial Services Commission
Pensions Division

Form 2.02
[Clause 29.2(3)(g)]
SPOUSE'S WAIVER OF DESIGNATED BENEFICIARY STATUS UNDER A VARIABLE BENEFIT ACCOUNT

I, ____
(print or type full name of spouse)

certify that I am the spouse (within the meaning of clause 2(1)(ff) of *The Pension Benefits Act, 1992*) of

____
(print or type full name of member or former member)

(hereinafter called "the member") who has a variable benefit account (hereinafter called "the account") that is subject to the provisions of *The Pension Benefits Act, 1992*.

1. I understand that, in the absence of this waiver, on the death of the member, I am entitled to the account, to the extent permitted by the *Income Tax Act* (Canada).

2. I understand and declare that, by signing this waiver and filing it with the administrator of the plan:

   (a) I am giving up my status and rights as designated beneficiary; and

   (b) on the death of the member, the balance of the money in the account will be paid, to the extent permitted by the *Income Tax Act* (Canada):

      (i) to the beneficiary designated by the member if the designated beneficiary is a person other than myself; or

      (ii) to the personal representative of the member's estate in his or her representative capacity if there is no valid designation of a beneficiary.

3. I certify that this waiver is being signed freely and voluntarily without any compulsion on the part of the member and outside the immediate presence of the member.

4. I understand that I may revoke this waiver at any time before the date of the member's death by providing written notice to the administrator of the plan.

In witness whereof, I sign this waiver at ______________________________

this __________ of ____________________ 20_____ in the presence of ____________________

____
(print or type name of witness)

of ____
(address of witness)

______________________ ______________________
(Signature of witness) *(Spouse's signature)*

COMMENTS AND INSTRUCTIONS
FORM 2.02
SPOUSE'S WAIVER OF DESIGNATED BENEFICIARY STATUS
UNDER A VARIABLE BENEFIT ACCOUNT

This waiver must be completed by the spouse of the member or former member (hereinafter called “the member”) who has a Variable Benefit Account under a plan, where the spouse wishes to waive his or her designated beneficiary status under clause 29.2(3)(g) of *The Pension Benefits Regulations, 1993*. The waiver must be completed before the death of the member and filed with the administrator of the plan. The waiver may be revoked by the spouse at any time before the member’s death by providing written notice to the administrator of the plan.

By completing and signing this waiver, the spouse waives his or her entitlement to the assets remaining in the variable benefit account on the death of the member and allows the member to designate a beneficiary of his or her choice. Prior to signing this waiver, the spouse should seek the advice of a lawyer and a qualified financial advisor.

Under *The Pension Benefits Act, 1992*, a spouse is the spouse of a member or former member at the day on which the pension is payable to the member or former member. "Spouse" means:

(a) a person who is married to a member or former member; or

(b) if a member or former member is not married, a person with whom the member or former member is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the member or former member as his or her spouse for at least one year prior to the relevant time.

The waiver must be:

- completed in its entirety;
- signed by the spouse, in the presence of a witness, outside of the immediate presence of the member; and
- filed with the administrator of the plan.

We strongly urge the spouse to seek independent legal advice before signing this waiver.

Form 2.1
[Subsection 32(3)]

SPOUSE'S WAIVER OF PRE-RETIREMENT SURVIVOR BENEFIT PURSUANT TO CLAUSE 33(6)(a) OF *THE PENSION BENEFITS ACT, 1992*

I, ____

(print or type full name of spouse)

certify that I am the spouse (within the meaning of clause 2(1)(ff) of *The Pension Benefits Act, 1992*) of

____

(print or type full name of member or former member)

(hereinafter called "the member") who is a member or former member of a registered pension plan that is subject to the provisions of *The Pension Benefits Act, 1992*.

1. I understand that, in the absence of this waiver, on the death of the member, I am entitled to a pre-retirement survivor benefit payable as either a lump sum payment or in the form of a deferred or immediate pension.

2. I understand and declare that, by signing this waiver I am giving up my entitlement, on the death of the member, to any pre-retirement death benefit payable pursuant to Section 33 of *The Pension Benefits Act, 1992*.

3. I understand that by signing this waiver:

   (a) I will not be paid any pre-retirement death benefit pursuant to Section 33 of *The Pension Benefits Act, 1992*; and

   (b) the payment of any pre-retirement death benefit pursuant to Section 33 of *The Pension Benefits Act, 1992*, will be made to either:

      (i) a beneficiary designated by the member; or

      (ii) the estate of the member if there is no validly designated beneficiary.

4. I certify that this waiver is being signed freely and voluntarily without any compulsion on the part of the member and outside the immediate presence of the member.

5. I understand that this waiver is not valid unless it is signed and witnessed before the date of the member's death.

6. I understand that I may revoke this waiver at any time prior to the date of the member's death by providing written notice to the administrator of the pension plan.

In witness whereof, I sign this waiver at ______________________________

this ____________ of ____________________ 20______ in the presence of ______________________

____

(print or type name of witness)

of ____

(address of witness)

______________________________ ______________________________

(Signature of Witness) *(Signature)*

COMMENTS AND INSTRUCTIONS
FORM 2.1
SPOUSE'S WAIVER OF PRE-RETIREMENT SURVIVOR BENEFIT

This waiver must be completed by the spouse of a member or former of a pension plan that is subject to the provisions of *The Pension Benefits Act, 1992* (the *Act*), where the spouse wishes to waive entitlement to the pre-retirement survivor benefit provided under section 33 of the *Act.*

The pre-retirement survivor benefit provided under the *Act* ensures that, on the death of a member or former member, the surviving spouse will receive a survivor benefit. If the member or former member dies before meeting the early retirement rule provided under the pension plan, the value of the survivor benefit must be equal to the commuted value of the pension of the deceased individual. If the member or former member dies after meeting the early retirement rule provided under the pension plan, the value of the survivor benefit must be at least equal to the post-retirement benefit provided under Section 34 of the *Act.*

The pre-retirement survivor benefit may be paid to the surviving spouse as a lump sum payment or in the form of an immediate or deferred pension. The surviving spouse may also elect to transfer the survivor benefit in accordance with the portability options under Section 32(2) of the *Act*.

Under clause 2(1)(ff) of the *Act*, "spouse" means:

(a) a person who is married to a member or former member; or

(b) if a member or former member is not married, a person with whom the member or former member is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the member or former member as his or her spouse for at least one year prior to the relevant time.

The spouse may waive entitlement to the pre-retirement survivor benefit by completing and signing *Form 2.1 – Spouse's Waiver of Pre-Retirement Survivor Benefit Pursuant to Clause 33(6)(a) of The Pension Benefits Act, 1992* prior to the date of the death of the member or former member. The waiver must be:

- completed in its entirety;
- signed outside of the immediate presence of the member or former member;
- signed by the spouse and witnessed prior to the date of the death of the member or former member;
- filed with the administrator of the pension plan.

The waiver may be revoked at any time prior to the date of the death of the member or former member by providing notice in writing to the administrator of the pension plan.

If at the date of death of a member or former member a valid waiver has been filed with the administrator of a pension plan the pre-retirement survivor benefit will be paid to:

- a designated beneficiary; or
- the estate of the member or former member, where there is no valid beneficiary.

We strongly urge the spouse to seek independent legal advice before signing this waiver.

Saskatchewan Financial Services Commission
Pension Benefits

Form 3
[Subsection 34(4) of *The Pension Benefits Act, 1992*]

SPOUSE'S WAIVER OF 60% POST-RETIREMENT SURVIVOR BENEFIT

I, ____
(print or type full name of spouse)

certify that I am the spouse (within the meaning of clause 2(1)(ff) of *The Pension Benefits Act, 1992*) of

____
(print or type full name of member or former member)

(hereinafter called "the pensioner") who is a member or former member of a registered pension plan that is subject to the provisions of *The Pension Benefits Act, 1992*.

1. I understand that, in the absence of this waiver, on the death of the pensioner, I am entitled to a pension of at least 60% of the original amount of the pension payable to the pensioner;

2. I also understand and declare that, by signing this waiver:

   (a) I am giving up my entitlement, on the death of the pensioner, to a pension of at least 60% of the original amount of the pension payable to the pensioner;

   (b) I am permitting the pensioner to receive a pension that does not comply with section 34 of *The Pension Benefits Act, 1992*; and

   (c) on the death of the pensioner, I may receive no pension or may receive a pension of less than 60% of the original amount of the pension payable to the pensioner.

3. I certify that this waiver is being signed freely and voluntarily without any compulsion on the part of the pensioner and outside the immediate presence of the pensioner.

4. I understand that this waiver is not valid if it is signed more than 90 days before pension commencement.

5. I understand that I may revoke this waiver at any time before pension commencement by providing written notice to the administrator of the pension plan or issuer of the contract, as the case may be.

In witness whereof, I sign this waiver at ______________________________

this ____________ day of ________________________ 20 ____ in the presence of

____
(print or type name of witness)

of ____
(address of witness)

______________________________ ______________________________
(Signature of witness) *(Spouse's signature)*

SKFORM3-2002

COMMENTS AND INSTRUCTIONS
FORM 3
SPOUSE'S WAIVER OF 60% POST-RETIREMENT SURVIVOR BENEFIT

This waiver must be completed by the spouse of a member or former member (hereinafter called "the pensioner") of a pension plan, that is subject to the provisions of *The Pension Benefits Act, 1992* (the *Act*), where the spouse wishes to waive his or her entitlement to the post-retirement survivor benefit provided under section 34 of the *Act.*

The post-retirement survivor benefit provided under the *Act* ensures that, on the death of a pensioner, the surviving spouse will continue to receive a lifetime benefit of at least sixty per cent of the pension that was being paid to the pensioner. The pensioner may elect a pension that does not offer this survivor benefit only if the spouse completes and signs this waiver.

Under *The Pension Benefits Act, 1992*, a spouse is the spouse of a former member at the day on which the pension is payable to the former member. "Spouse" means:

(a) a person who is married to a member or former member; or

(b) if a member or former member is not married, a person with whom the member or former member is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the member or former member as his or her spouse for at least one year prior to the relevant time.

This waiver must be completed and signed by the spouse if the pensioner has assets in:

- a registered pension plan;
- a locked-in retirement account contract; or
- a registered retirement income fund contract;

and the pensioner wishes to elect a form of pension that does not provide the spouse with a survivor benefit of at least sixty per cent of the pension payable to the pensioner.

The waiver must be:

- completed in its entirety;
- signed outside of the immediate presence of the pensioner;
- signed by the spouse and witnessed not earlier than 90 days prior to the date that the pension payments are to commence; and
- filed with:

  (a) the administrator of the registered pension plan if the assets are still held by the plan; or

  (b) the financial institution that issued the locked-in retirement account contract or the registered retirement income fund contract holding the assets of the pensioner.

The waiver may be revoked at any time prior to the commencement of the pension payments by providing notice in writing to the administrator of the registered pension plan or the issuer of the contract.

We strongly urge the spouse to seek independent legal advice before signing this waiver.

For additional information please contact:

Pensions Division
Saskatchewan Financial Services Commission
Suite 601, 1919 Saskatchewan Drive
REGINA SK S4P 4H2

Tel: (306) 787-7650
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Web site: www.sfsc.gov.sk.ca

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