

Office of the Superintendent - Pension Commission

Policy Bulletin #3

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One-time 50% Transfer (Unlocking) Transfer Requests for Written Notice Prescribed Registered Retirement Income Funds

Reference: *The Pension Benefits Act Section 21.4, and the Pension Benefits Regulation Division 4, Part 10*

A LIF owner or person entitled to transfer money out of a pension plan, who is at least age 55, may apply for a one-time transfer under *The Pension Benefits Act* (Act) and Pension Benefits Regulation (regulation) of an amount up to 50% of the balance in one or more of his or her LIFs or locked-in pension under a pension plan to a Registered Retirement Income Fund (RRIF) as defined in the *Income Tax Act* (Canada), the contract for which meets the requirements of the regulation ("prescribed RRIF"). The regulation defines this as a "**one-time transfer**".

IMPORTANT NOTES

A one-time transfer may only be made *once-in-a-lifetime* and in respect of *Manitoba locked-in money*. Manitoba locked-in money is locked-in money earned by individuals working in Manitoba just before they terminated their pension plan membership, which was transferred from their pension plan to a locked-in account and is subject to the Act and regulation.

The administrator is responsible for the administration of Manitoba locked-in money in accordance with the Act and regulation. "Administrator" means

(a) in relation to a pension plan, the person or body of persons that is responsible for administering the plan, and

(b) in relation to a LIF or to a RRIF, the financial institution responsible for administering the plan or fund;

Penalties may result if Manitoba locked-in money is paid contrary to these requirements. Further, the financial institution continues to be liable for any pension that would have been provided had the payment not occurred.

Financial institutions are not required to file a standard form of prescribed RRIF contract with *The Office of the Superintendent – Pension Commission (OSPC)* in order to accept one-time transfers, but must ensure the contract complies with the regulation.

The OSPC does not provide or approve application forms. Administrators are responsible for preparing, providing and approving these forms. A sample application - [Application for a One-time Transfer.pdf](#) or [Application for a One-time Transfer.doc](#) - is available on the OSPC website.

ONE-TIME 50% TRANSFER (UNLOCKING)

Here are the steps for applying for a one-time transfer of up to 50% of the balance in one or more LIFs or pension benefit credits under a pension plan to a prescribed RRIF:

STEP ONE - Applicant's request to administrator for a one-time (once-in-a-lifetime) transfer

An applicant who wishes to make a one-time transfer must submit to the administrator a written transfer request that

- a) provides the name, address and date of birth of the applicant and, if a transfer consent is required, the name of the spouse or common-law partner whose consent is required,
- b) identifies the plan or plans administered by the administrator from which the transfer is to be made
- c) confirms that the transferor has not previously made a one-time transfer, and
- d) any other information the administrator may require to begin the transfer process.

NOTE: The applicant may need assistance to ensure all funds managed by that administrator are identified. Further, if an applicant wishes to make a one-time transfer from different plans he or she must make a separate transfer request to each administrator.

STEP TWO – Administrator must be satisfied and provide application

For purposes of Step Two and in order to facilitate the transfer, if the applicant is a pension plan member or former pension plan member who directly or indirectly transferred his or her locked-in pension under the plan to his or her LIF, the administrator must determine if the applicant is living separate and apart from a spouse or common-law partner by reason of a breakdown of their relationship at the time the applicant is applying for a one-time transfer.

The Act and regulation define "spouse" and "common-law partner" as follows:

"Spouse" means a person who is married to a member or former member.

"Common-law partner" of a member or former member means:

- a) a person who, with the member or former member, registered a common-law relationship under section 13.1 of The Vital Statistics Act, or
- b) a person who, not being married to the member or former member, is cohabiting with him or her in a conjugal relationship and has cohabited
 - i. for a period of at least three years, if either of them is married, or
 - ii. for a period of at least one year, if neither of them is married.

Upon receipt of the transfer request for a one-time transfer, and on being satisfied that:

- a) the applicant is at least 55 years old
- b) the administrator has not facilitated, and is not aware of, a previous one-time transfer by the applicant and
- c) no part of the amount to be transferred is the subject of

- i. a maintenance order under section 14.1 of *The Garnishment Act*, or
- ii. preservation order under section 59.3 of *The Family Maintenance Act*

the administrator must provide the applicant with an application form.

The application form must include:

- a) the name, address, date of birth and social insurance number of the applicant;
- b) the name and address of the administrator to which the application is being made;
- c) if the applicant wishes to make a one-time transfer from two or more plans not all of which are administered by the same administrator, the name and address of each administrator of such plan;
- d) a statement signed by the applicant
 - i. confirming that he or she has not previously made a one-time transfer,
 - ii. authorizing the administrator to whom the application is being made or authorized administrator to
 - A. make a request for verification from the superintendent that there has been no record of a previous one-time transfer which must include the application's name, address, date of birth, social insurance number, and amount required to be transferred from each plan,
 - B. when making that request, to provide the superintendent the information required by clauses (a) and (f), and
 - C. provide the superintendent's response to each administrator if there is more than one,
- e) a statement of the maximum amount that may be transferred from the plan or from each plan if applicable;
- f) a statement of the amount the applicant wishes to transfer from the plan or from each plan;
- g) the date the maximum amount and other prescribed information required under subsection 10.56(3) of the regulation was provided to the applicant and the spouse or common-law partner whose consent is required;
- h) a statement by the applicant that no transfer consent is required, or if required, the spouse or common-law partner consents in a form approved by the superintendent;
- i) the name and address of the financial institution that will manage the prescribed RRIF.

Maximum Calculation

The maximum amount is calculated as 50% of the net fund balance of the LIF at the date of request for which an application is being made or 50% of the locked-in pension benefit credits under the plan at the time of applying for the transfer. According to subsection 21.4(4) of the Act and Division 4 of Part 10 of the regulation, the maximum amount available for a one-time transfer may be affected by:

- any amount that is payable to a spouse, former spouse or former common-law partner as required by the credit splitting provisions under subsection 31(2) of the Act,
- an order issued by the Maintenance Enforcement Program of the Department of Justice under *The Garnishment Act* to enforce a maintenance order
- an order issued by the Maintenance Enforcement Program under section 59.3 of *The Family Maintenance Act* to preserve assets.

If there an order under section 59.3 of *The Family Maintenance Act* exists and if the amount in the preservation order is equal to or greater than the maximum amount, the applicant would be prevented from making a one-time transfer.

See *Policy Bulletin #11 - Maintenance Enforcement - Garnishment of Pension Benefit Credits*, for further information.

The Maintenance Enforcement Program, Manitoba Justice is located at 225 - 405 Broadway, Winnipeg and may be contacted at (204) 945-7133, or 1-866-479-2717 toll-free in Manitoba.

Maximum Calculation	
1. Balance on the Date of Application:	\$ _____
LESS: the amount, if any, to be paid under ss. 31(2) of the Act	\$ _____
LESS: the amount, if any, to satisfy an order under <i>The Garnishment Act</i> :	\$ _____
Net Balance:	\$ _____
2. Maximum amount available for a one-time transfer	
50% of Net Balance:	\$ _____
LESS: the amount, if any, to be preserved under <i>The Family Maintenance Act</i> :	\$ _____
Revised Net Balance:	\$ _____
Maximum amount available: (Cannot exceed net amount in 2.)	\$ _____

STEP THREE – Applicant must provide completed application

Within 30 days after receiving the application form and prescribed information required under subsection 10.56(3) of the regulation, the applicant must provide the completed application form to the administrator together with the completed transfer consent if required.

Where transfers are to be made by plans administered by different administrators, each administrator who is not authorized must provide to the authorized administrator the name, address, date of birth and social insurance number of the applicant, the name and address of each administrator and the amount to be transferred from each plan.

STEP FOUR – Administrator’s request to Superintendent

The authorized administrator must promptly request the superintendent verify that the superintendent has no record of a previous one-time transfer by the applicant.

TRANSFER REQUESTS

The “[One-Time Transfer](#)” [online request for written notice](#) is an electronic service that allows administrators to request written notices for one-time transfers quickly and efficiently. This online service also prevents delays due to incorrect or missing data.

The online request form is **simple** and **secure**. Go to the [OSPC home page](#) and click on



Please do not request the status of a Transfer Request until *10 working days after* the on-line request was submitted. For the fastest response, please [email](#) the OSPC and include the *confirmation number* issued by the online service when the request was accepted.

STEP FIVE - Superintendent to provide written statement

Upon being satisfied that the applicant had not previously made a one-time transfer, the Superintendent must provide a written notice stating whether or not, according to the superintendent’s records, the applicant has previously made a one-time transfer.

Where transfers are to be made from plans administered by different administrators, the authorized administrator must provide a copy of the notice to each other plan administrator.

STEP SIX –Time for completing transfer

The administrator must complete the transfer within 90 days after providing the information required under subsection 10.56(3) of the regulation, unless the investment term has not expired.

Garnishing Order Satisfied

If before completing a transfer, an administrator is served with an order under section 14.1 of *The Garnishment Act* that affects the information specified by the regulation to be provided to the applicant under subsection 10.56(3) of the regulation the administrator must provide revised information to the applicant and the spouse or common-law partner, if any, whose consent was required.

The applicant may either withdraw the application or submit a revised application form and if a consent of the spouse or common-law partner was required, a new consent.

The revised application form must be submitted within 30 days after the revised information specified by the regulation was provided to the applicant, and if required, to his or her spouse or common-law partner.

If a request was submitted to the superintendent for the written notice under step four, a further request to the superintendent is not required.

PRESCRIBED REGISTERED RETIREMENT INCOME FUNDS (Prescribed RRIFs)

While financial institutions are not required to file a standard form of prescribed RRIF contract with the OSPC, the institutions must ensure the contract complies with Division 4, Part 10 of the regulation.

A prescribed RRIF contract must

- a) restrict amounts transferred to it to *only* amounts that are transferred from
 - i. a prescribed retirement benefit plan under section 21.4 of the Act,
 - ii. a pension plan as permitted by Division 4 of Part 10 of the regulation, or
 - iii. another prescribed RRIF;
- b) permit the owner to transfer all or any part of the balance from it *only*
 - i. to another prescribed RRIF,
 - ii. to purchase an annuity, or
 - iii. to a pension plan, if it is permitted under the terms of the plan;
- c) provide that if all or any part of the balance of the RRIF is paid out contrary to the Act or this Division, the administrator of the RRIF will provide, or ensure the provision of, an amount equal to the amount of the balance paid out;
- d) in the case of a RRIF any part of the balance of which is derived, directly or indirectly, from the owner's previous entitlement, as a member of a pension plan, to pension benefits under that plan, provide that upon the owner's death the balance of the prescribed RRIF shall be paid
 - i. to the owner's surviving spouse or common-law partner, unless he or she,
 - A. has received or is entitled to receive all or any part of the balance under an agreement or order under *The Family Property Act*, or
 - B. has waived his or her entitlement to receive the balance and has not revoked that waiver, and
 - ii. in any other case, to the designated beneficiary or the estate of the owner; and
- e) includes the statement that, subject to an agreement or order under *The Family Property Act* or enforcement proceedings taken by a designated officer, as defined in section 52 of *The Family Maintenance Act*, under Part VI of that Act, the balance of the RRIF
 - i. may not be assigned, charged, anticipated or given as security, and any transaction purporting to do so is void, and
 - ii. is exempt from execution, seizure or attachment.

A designated officer of the Maintenance Enforcement Program (MEP) is authorized by *The Family Maintenance Act* to administer the spousal and child support obligations under the terms of a Court Order or Agreement. *The Maintenance Enforcement Act* is available on the [Manitoba Laws website](#).

Who to contact for information on processing one-time transfers

If you are an applicant, a subsidiary, affiliate or agent of a financial institution responsible for administering an applicant's LIF, you should contact that financial institution to obtain direction and support for processing a one-time transfer.

Who to contact for information concerning the Maintenance Enforcement Program

Maintenance Enforcement Program
Canada Building
100-352 Donald Street
Winnipeg MB R3B 2H8

Phone the MEPLine: (204) 945-7133 in Winnipeg or
or 1-866-479-2717
e-mail: manitobamepinquiries@gov.mb.ca

Who to contact for regarding this bulletin

If you have any questions regarding this bulletin you may contact us at:

Office of the Superintendent - Pension Commission
1004 – 401 York Avenue
Winnipeg MB R3C 0P8
Phone: (204) 945-2740
e-mail: pensions@gov.mb.ca

This bulletin has no legal authority. The Pension Benefits Act of Manitoba and the Pension Benefits Regulation should be used to determine specific requirements.