



BC FINANCIAL SERVICES AUTHORITY

ONLY USE THIS FORM FOR APPLICATIONS SIGNED IN 2020

**Application to Unlock and Withdraw British Columbia Funds Due to Financial Hardship
(PBSA Section 69 (4) (c), Regulation Sections 110 and 129)**

You must use this application to apply to unlock British Columbia Funds from your Locked-In Retirement Account (LIRA) or Life Income Fund (LIF) when you are experiencing financial hardship as described in the British Columbia *Pension Benefits Standards Act* (PBSA) and Regulation.

Any withdrawal from your LIRA or LIF may affect your eligibility for certain government benefits. To find out more, contact the government department or agency that provides these benefits.

You cannot access pension funds in your employer's pension plan if you are still employed and the money is held in the registered pension plan.

The Superintendent of Pensions does not administer the Financial Hardship applications. Do not send your application form or any other documentation to the Superintendent.

All information you provide on this form, and on any other submitted document, is necessary for your financial institution to determine if you qualify to have British Columbia Funds released from your LIRA or LIF.

If you have any questions about the collection, use or disclosure of your personal information, please check the Privacy Policy of the financial institution holding your locked-in funds. The financial institution and its representatives are required to comply with all applicable privacy requirements in dealing with the information provided as part of this Application.

Submit this completed application, along with any other required documents, to the financial institution that holds your LIRA or LIF. This application form is designed to be self-explanatory and contains enough information so that your financial institution can process your application.

Your financial institution will determine if you qualify to have British Columbia Funds released from your LIRA or LIF.

If you are not satisfied with the decision made by your financial institution, you should contact the dispute resolution department of your financial institution.

Do not contact the Superintendent, as the processing of this application is entirely between you and your financial institution.

Additional information and Instructions

1. “British Columbia Funds” are funds that were transferred to a LIRA or LIF from a registered pension subject to the provisions of the *Pension Benefits Standards Act* of British Columbia and were earned in respect of employment in British Columbia.

If you were employed in another province or if your employment was subject to federal jurisdiction (e.g. banking, television or radio broadcasting, or airlines), the financial hardship unlocking provisions of the *Pension Benefits Standards Act* of British Columbia **do not apply to you**.

If you are unsure as to which jurisdiction’s law applies to your pension funds, please contact the employer who sponsored the pension plan under which you earned these funds.

2. Your spouse is the person
 - a. to whom you are married and have not been living separate and apart from for a continuous period longer than 2 years, or
 - b. with whom you have been living in a marriage-like relationship for a period of at least 2 years immediately preceding the date of this application.
3. Amounts withdrawn from a LIRA or a LIF owing to financial hardship will be subject to taxation under the *Income Tax Act* (Canada). Your financial institution may also charge an administrative fee. The amount that you make an application to receive represents the net amount that you will receive after deduction of applicable taxes and administrative fees.

The financial institution processing the application must ensure that you receive the amount necessary to satisfy any of the reasons for withdrawal described in this application. As an example only, if you want to withdraw \$5,000 for reasons of low income, assuming a 10% withholding tax rate and an administrative fee of \$100, your financial institution will withdraw a total \$5,655.56 from your LIRA or LIF.

Amount you want to withdraw:	\$ 5,000.00
CRA withholding tax:	\$ 555.56
Administrative fee, if applicable:	\$ 100.00
Total cost to the owner of LIRA/LIF:	<u>\$ 5,655.56</u>

This is an example only. Your withdrawal experience will depend on your individual circumstances. Please consult with the CRA for the applicable withholding tax rate and the financial institution holding your LIRA or LIF to determine whether a fee will be charged to unlock your pension funds.

4. If you do not qualify for unlocking and withdrawal for reasons of financial hardship, you may still be eligible to access funds under other exceptions in the *Pension Benefits Standards Act* and regulation. These exceptions are:
 - a. At any age, the value of the funds held in the LIRA or LIF is less than 20% of the Year’s Maximum Pensionable Earnings (YMPE);
 - b. You are age 65 or older and the value of the funds held in the LIRA or LIF is less than 40% of the YMPE;
 - c. You have been a non-resident of Canada for purposes of the *Income Tax Act* (Canada) for at least 2 years, and have written evidence from the Canada Revenue Agency that you are a non-resident; or
 - d. You have been certified by a medical practitioner as having a disability or illness that is likely to considerably shorten your life expectancy.
5. Assistance is available for individuals applying for unlocking and withdrawal owing to financial hardship at our website: <https://bcfsa.ca/>

GENERAL APPLICANT INFORMATION

Information about the Owner of the LIRA or LIF

TITLE (MR./MRS./MS.)	LAST NAME	FIRST NAME	MIDDLE NAME
MAILING ADDRESS			
CITY	PROVINCE	POSTAL CODE	TELEPHONE
EMAIL ADDRESS			DATE OF BIRTH (MM/DD/YYYY)

Financial Institution and Account Information

NAME OF FINANCIAL INSTITUTION HOLDING LOCKED-IN FUNDS
ACCOUNT NUMBER OF BC LOCKED-IN RETIREMENT ACCOUNT OR LIFE INCOME FUND

Spousal Information

TITLE (MR./MRS./MS.)	LAST NAME	FIRST NAME	MIDDLE NAME
MAILING ADDRESS <input type="checkbox"/> SAME AS APPLICANT			
CITY	PROVINCE	POSTAL CODE	TELEPHONE

You may apply only once in a calendar year under each of the categories below. If you are applying under more than one category, you must complete a separate form for each application.

A. Low Income

Complete this section if you will earn less than \$39,133 before taxes in the next 12 months.

- This is **your** expected income
- Do not include income from any other member of your family

Calculation of Amount that May be Unlocked

Expected income in the next 12 months, before taxes (A)

Multiply (A) by 0.75 (B)

\$29,350 – (B) (C)

Amount that may be unlocked and withdrawn
(Lesser of \$29,350 and (C))

B. Foreclosure on Principal Residence

- I am applying for release of funds to avoid foreclosure against my principal residence or my spouse’s principal residence due to mortgage arrears. I have included copies of the following information and documents:
 - o Written demand for mortgage payments in default
 - o Documents showing the amount of mortgage arrears owing

Address of principal residence

STREET ADDRESS

CITY/TOWN

PROVINCE

POSTAL CODE

Amount of funds for which release is sought.

\$ _____

C. Threat of Eviction from Principal Residence (rental)

- I am applying for release of funds to avoid eviction from my principal residence or my spouse being evicted from his or her principal residence owing to rent arrears. I have included copies of the following information and documents:
 - o Written demand for rent arrears
 - o Documents showing the amount of rental arrears owing

Address of principal residence

STREET ADDRESS

CITY/TOWN

PROVINCE

POSTAL CODE

Amount of funds for which release is sought.

\$ _____

D. Need to Secure New Principal Residence (rental)

- I am applying for release of funds that are necessary for me or my spouse to obtain a new principal residence. The withdrawal is needed to pay the first month’s rent, security deposit and/or pet damage deposit. I have included copies of the following information and documents:
 - o Lease/rental agreement

Address of principal residence

STREET ADDRESS

CITY/TOWN

PROVINCE

POSTAL CODE

Amount of funds for which release is sought.

\$

E. Medical Costs (including renovations related to a medical condition)

Money held in a LIRA or LIF may be unlocked and withdrawn to pay medical costs incurred or to be incurred in the one-year period following the date of this application, only where you do not receive any payments from a third party, such as an insurance company.

- I am applying for release of funds to pay required medical (including dental/orthodontic) costs for me, my spouse or a dependant. I have included copies of the following information and documents:
 - o Certificate from a medical practitioner of treatment(s) required
 - o Prescription receipts.
 - o Receipts, invoices or estimates of medical or dental treatments.

OR

- I am applying for release of funds to pay for required renovations or alterations to my principal residence or my spouse’s principal residence, or additional expenses during construction of the residence, that, in the opinion of a medical practitioner, are necessary owing to a medical condition for me, my spouse or a dependant. I have included copies of the following information and documents:
 - o Receipts, invoices or estimates of the renovations.

Amount of funds for which release is sought.

\$

CERTIFICATION

Once you sign and date this application, the financial institution that administers your LIRA or LIF must receive it within 90 days. Documents supporting an application under Part B, C, D or E must be signed and dated not more than 12 months before the financial institution that administers your LIRA or LIF receives it.

I understand that it is an offence under the PBSA to provide information in this Application that is not true, accurate and complete. I hereby certify that all of the information set out in this Application to Unlock British Columbia Funds due to Financial Hardship is true and accurate.

I further certify that

- I do not have a spouse

OR

- I have a spouse and a signed copy of Form 1 of Schedule 3 to the Pension Benefits Standards Regulation is attached to this Application or a confirmation of section 145 of the Family Law Act applies to determine the rights of the member/former member and spouse when the relationship ends is attached to this application.

SIGNATURE OF APPLICANT

DATE

**SPOUSE'S WAIVER TO PERMIT BENEFITS IN A PENSION PLAN,
LOCKED-IN RETIREMENT ACCOUNT OR LIFE INCOME FUND
TO BE UNLOCKED**

WHEN TO USE THIS FORM

Form 1 is used when the spouse of a member/former member of a pension plan agrees to waive or give up his or her right to receive survivor's benefits to permit the member/former member to unlock ("withdraw") benefits from a pension plan, locked-in retirement account or life income fund on the basis of shortened life expectancy, non-residency or financial hardship.

WHEN THIS FORM IS NOT REQUIRED

Form 1 is not required to withdraw locked-in benefits if the total benefit entitlement does not exceed the amount set out in the regulations made under section 69 (1) or (2) of the *Pension Benefits Standards Act*.

Form 1 is not required if section 145 of the *Family Law Act* applies to determine the rights of the member/former member and spouse when the relationship ends. Confirmation that section 145 applies must be provided to the pension plan administrator, locked-in retirement account issuer or life income fund issuer.

[Please print]

Spouse of member/former member *[see definition of "spouse" in section 1 of this form]*

Name _____

Address _____

Email address _____

Telephone _____

Name of member/former member _____

Address _____

Email address _____

Telephone _____

Name of pension plan holding funds/from which funds were transferred _____

Address of plan administrator _____

Plan's provincial registration number _____

[Do not complete the following section if the benefits are in the pension plan]

Name of locked-in retirement account issuer or life income fund issuer _____

Address _____

Account number _____

I confirm the following:

1. I am the spouse of the member/former member. Being the member's/former member's "spouse" means
 - (a) I am married to the member/former member and have not been living separate and apart from that person for a continuous period longer than 2 years immediately preceding the date on which I sign this form, or
 - (b) I have been living with the member/former member in a marriage-like relationship for a period of at least 2 years immediately preceding the date on which I sign this form.
2. I understand that because I am the member's/former member's spouse, the *Pension Benefits Standards Act* and the regulations under that Act give me the right to receive the following survivor's benefits:
 - (a) ***if the member/former member dies before starting pension or annuity payments*** – I have the right as beneficiary, after the member's/former member's death, to receive the member's/ former member's benefits in the pension plan and any locked-in retirement account, life income fund or annuity purchased using those benefits, unless I waive or give up that right by signing Form 4 [*Spouse's Waiver of Beneficiary Right to Benefits in a Pension Plan, Locked-In Retirement Account, Life Income Fund or Annuity Before Pension or Annuity Payments Start*];
 - (b) ***if the member/former member dies after starting pension or annuity payments*** – After the member's/former member's death, I have the following rights:
 - (i) in the case of a pension from a defined benefit or target benefit component of a pension plan or payments from an annuity purchased using the member's/former member's benefits in a pension plan, locked-in retirement account or life income fund,
 - (A) I have the right to receive lifetime payments that are at least 60% of the payments that were paid to the member/former member, unless I waive or give up that right by signing Waiver A of Form 2 [*Spouse's Waiver of 60% Lifetime Survivor's Benefit and/or Beneficiary Rights From a Pension Plan or Annuity After Payments Start*], and
 - (B) even if I waive or give up the right to receive those lifetime payments, I still have the right as beneficiary to receive any remaining benefits in the pension or annuity, unless I waive or give up that right by signing Waiver B of Form 2;
 - (ii) in the case of life income type benefits from a defined contribution component of a pension plan, I have the right as beneficiary to receive any remaining life income type benefits, unless I waive or give up that right by signing Waiver C of Form 2.
3. I understand that signing this form does not affect
 - (a) the rights I have under the *Pension Benefits Standards Act* set out in section 2 of this form, with respect to any amount that is not withdrawn, unless I waive or give up those rights, or
 - (b) any rights I may have as a result of a breakdown of the relationship between me and the member/former member.
4. I understand that
 - (a) my survivor's benefits may have substantial value and may be important to provide me with income in my old age,
 - (b) the member/former member cannot withdraw the member's/former member's benefits from a pension plan, locked-in retirement account or life income fund unless I waive or

give up the right, by signing this form, to all survivor's benefits from the amount to be withdrawn,

- (c) the amount that is withdrawn will not be available to me, either indirectly, from pension or annuity payments paid to the member/former member, or directly, from survivor's benefits payable after the member's/former member's death, and
 - (d) if the member/former member withdraws *all* of his or her benefits, I will receive *no* survivor's benefits.
- 5. I have read this form and understand it.
 - 6. I have reviewed current statements of the member's/former member's benefit entitlement provided by the plan administrator, locked-in retirement account issuer or life income fund issuer.
 - 7. Neither the member/former member nor anyone else has put any pressure on me to sign this form.
 - 8. The member/former member is not present while I am signing this form.
 - 9. The information I have given in this form is true, to the best of my knowledge, when I sign this form.
 - 10. I am aware that I am entitled to a copy of this form.
 - 11. I understand that
 - (a) this form gives only a general description of my legal rights under the *Pension Benefits Standards Act* and the regulations under that Act, and
 - (b) if I wish to understand exactly what my legal rights are, I must read the *Pension Benefits Standards Act* and the regulations under that Act and/or seek legal advice.

WAIVER

I am signing this waiver to waive or give up both of the following in relation to the amount that the member/former member withdraws from the pension plan, locked-in retirement account or life income fund identified in this form:

- 1. my right, after the member's/former member's death, to receive lifetime payments of at least 60% of any payments from a defined benefit or target benefit component of a pension plan or from an annuity that were paid to the member/former member;
- 2. my right as the member's/former member's beneficiary to receive, after his or her death, any remaining benefits in the pension plan, locked-in retirement account or life income fund identified in this form.

Date [mm/dd/yyyy]

Signed [spouse]

I witnessed this spouse sign this form in the absence of his or her spouse.

Signed [witness to signature of spouse]

Name of witness _____

Address of witness _____

COMMENTS AND INSTRUCTIONS

Survivor's benefits are important and can be valuable. The Pension Benefits Standards Act requires a specific form for waiving survivor's benefits to ensure that serious consideration is given to this decision.

When dealing with valuable assets, obtaining legal advice is usually considered prudent. This form is not a substitute for legal advice.

This form must be signed and witnessed, in the absence of the member/former member, not more than 90 days before the date of the member's/former member's application to make the withdrawal and must be provided

- if the benefits are in a pension plan, to the plan administrator, or
- if the benefits are in a locked-in retirement account or life income fund, to the issuer.

For further information, please contact the plan administrator, locked-in retirement account issuer or life income fund issuer.