Guidance

Title	No Age Limit for the Purchase of a LIF or an Immediate Annuity
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Subsection 26(1) of the *Pension Benefits Standards Act, 1985* (PBSA) entitles a member who ceases membership to transfer their pension benefit credit to a number of eligible instruments including a Life Income Fund (LIF) that meets the requirements of the Pension Benefits Standards Regulations, 1985 (Regulations) or to use the pension benefit credit to purchase an immediate annuity. There are no minimum age requirements for any of the transfer options under section 26 of the PBSA. Therefore, a former member of a pension plan could begin receiving a benefit from a LIF at any age or a former member could begin to receive annuity payments at any age.

The PBSA and the Regulations define the vehicles to which a pension benefit credit may be transferred and override any contradictory terms of a pension plan; therefore, a pension plan cannot impose a requirement that a former member wait until reaching a certain age or date before purchasing a LIF or an annuity either directly from the pension fund or with the proceeds of another locked-in registered retirement vehicle.

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