Locked-in Plans
Understanding the Saskatchewan Pension Legislation

If you have funds in a “Locked-in” Plan governed by the Saskatchewan pension legislation, the following will provide an overview of certain requirements and procedures for you to access your funds. It is important to note that the pension jurisdiction is determined by the pension administrator, and is not dictated by your province of employment or residence. Therefore you may hold locked-in funds from the same or different employers that are subject to different pension legislations.

It should be noted that these rules are subject to change at any time and the Saskatchewan pension legislation should be reviewed prior to initiating an un-locking request. Where there is a discrepancy between the information contained in this article and the information provided by the applicable pension legislation, the latter takes precedence.


Year’s Maximum Pensionable Earnings (YMPE): Unlocking provisions are often based on the YMPE which for 2020 is $58,700.

Locked-in Retirement Account (LIRA): A LIRA is similar to a Registered Retirement Savings Plan (RRSP), however a plan holder cannot contribute additional funds to the account and will be restricted in how funds can be withdrawn. Funds are fully taxable when withdrawn and the plan holder must convert to a Prescribed Registered Retirement Income Fund (pRRIF) or purchase an annuity no later than December 31st of the year in which they turn 71.

Prescribed Registered Retirement Income Fund (pRRIF): A pRRIF operates similarly to a Registered Retirement Income Fund (RRIF), were there is minimum prescribed amount that must be withdrawn as income each year and there is no maximum prescribed amount that can be withdrawn.

Minimum Retirement Age: Generally age 55, but may be earlier depending on the age at which the plan member may receive their pension benefits under the terms of their specific pension plan.

One-time unlocking:

- The plan holder must be at least 55 years of age to open a pRRIF. In some instances unlocking can be done earlier (generally, up to ten years earlier from the normal retirement date) depending on the terms outlined in the client’s pension documents.
- Up to 100% of the total market value of the assets can be transferred to a pRRIF from a LIRA.
- Unlocked funds that are withdrawn will be subject to the applicable federal and provincial withholding taxes.
The spouse or common-law partner would need to sign Form 1: Spouses Consent To Transfer To A Registered Retirement Income Fund Contract, and they must be designated as the beneficiary of the pRRIF.

The spouse or common-law partner may waive their rights as a designated beneficiary by signing a Form 2: Spouse’s Waiver of Designated Beneficiary Status.

Small balance:

- At any age, provided that the total value of all locked-in accounts (including all LIRAs and deferred pension entitlements) is less than 20% of the YMPE ($11,740 for 2020).
- The entire amount can be withdrawn as a lump sum.

Financial hardship:

- This provision is not available under Saskatchewan Legislation.

Non-resident withdrawal:

- The plan holder must be a non-resident for Canadian income tax purposes for at least two years and obtain a written confirmation from the Canada Revenue Agency (CRA).
- The plan holder must complete a Form 4: Certificate of Non-Residency.
- The plan holder will be allowed to unlock the full value of their LIRA at any age.

The spouse or common-law partner would need to sign Form 5: Spouse’s Consent To Withdrawal and Waiver of Entitlements Under a Pension Plan or a LIRA Contract for Non-Residency Status.

Withdrawals are subject to applicable non-resident withholding taxes.

Reduced life expectancy:

- The application must include a certification signed by a licensed physician stating that a mental or physical disability has considerably shortened the life expectancy of the plan holder.
- The plan holder can withdraw the full value of their LIRA in a lump sum, or in a series of payments. Withdrawals are subject to applicable federal, provincial, or non-resident withholding taxes.

At death:

- If the annuitant of a LIRA passes away:
  - The surviving spouse or common-law partner can:
    - keep the amount in a LIRA,
    - receive a cash lump sum payment,
    - purchase an immediate or deferred life annuity, or
    - transfer the amount to a pRRIF, a pension plan or another LIRA (if permissible by the pension contract).
  - If the spouse or common-law partner has waived their rights, or there is no surviving spouse or common-law partner, the funds will be unlocked and paid to the estate or named beneficiary.
Considerations

Review the unlocking rules with your TD advisor and consider how unlocking may fit within your overall wealth plan and assist you in meeting your retirement goals. Ensure you also speak with a tax advisor about the implications of a withdrawal.