



## PENSION BULLETIN 2018-05

### Re: The New Brunswick *Pension Benefits Act* and Prince Edward Island

It has come to our attention that a number of pension plans on Prince Edward Island use provisions of the New Brunswick *Pension Benefits Act* to administer their pension plans in the absence of legislation being in force on Prince Edward Island. There are also pension plans registered in New Brunswick with both NB and PEI members. Some of these plans will state that locked-in transfers respecting all members of the pension plan are subject to the New Brunswick *Pension Benefits Act*.

Please be advised that New Brunswick does not have jurisdiction for approving the transfer of locked-in funds from a Life Income Fund (LIF) to a Registered Retirement Income Fund (RRIF) for persons employed on Prince Edward Island. The Superintendent can only provide approval in respect of funds earned by individuals while employed in New Brunswick.

This leads to potentially unfortunate situations where the pension funds are locked-in by the pension plan using New Brunswick legislation but they then cannot be unlocked by the owner using New Brunswick legislation. In order to avoid this outcome, it is suggested that the pension plans using our legislation ensure that they have provisions in the pension plan text clearly stating the member's rights of transfer and how the funds are to be transferred without the use of New Brunswick legislation.

If you are a resident of Prince Edward Island but the pension funds were earned while you were employed in New Brunswick (in other words the situation described above does not apply to you), a letter must accompany your application for transfer from LIF to RRIF stating your employer in New Brunswick and the location (city or town/province) of your last place of employment in New Brunswick in order to process your application in a timely fashion.

If you have any questions, please email [info@fcnb.ca](mailto:info@fcnb.ca) and provide your name, phone number and your question.

This Bulletin has no legal authority and should not be construed as legal advice. The *Pension Benefits Act* and its regulations should be used to determine specific requirements.