

Date Received:

FILE NUMBER

Revised December 2011. Updated December 29, 2011

## **Alberta Financial Hardship Application Form**

This application is used to decide if you can unlock money from your locked in account because of financial hardship under Alberta's pension law.

**The Government of Alberta does not charge a fee for this application. You do not need an independent service provider to complete these forms.**

### **IMPORTANT**

**Please read the whole application and instructions. The instructions are the last six pages.**

You **MUST** choose at least one reason on pages 5-8. If you don't answer all the questions your application may be delayed.

You **MUST** send pages 1-10 even if some of them are blank. This form can be mailed or faxed to our office.

The documents you send will **NOT** be returned to you.

You **MUST** send a statement of your locked in account. It must be the most recent copy available. It must show your name, the type of account, your account number, your balance, and the name of the company that has your locked in account.

A list of Frequently Asked Questions is online at :

[http://www.finance.alberta.ca/publications/pensions/pdf/info\\_fhu\\_faqs.pdf](http://www.finance.alberta.ca/publications/pensions/pdf/info_fhu_faqs.pdf)

### **WHAT IS AN ALBERTA LOCKED IN ACCOUNT?**

**The money in a locked in account is subject to Alberta pension law if:**

- (a) you worked in Alberta on your last day of working for the company that had the pension, AND**
- (b) you were not working for a federal public body (e.g. federal government, First Nations organizations, RCMP, Department of National Defence) or in a federally regulated industry (such as airlines, shipping, telecommunications, banking, and inter-provincial transportation).**

## GENERAL INFORMATION

Name of Applicant: \_\_\_\_\_  
Mr./ Mrs./ Ms.                      Last Name                      First Name                      Middle Name

Mailing Address: \_\_\_\_\_  
Address  
\_\_\_\_\_  
City                                      Province                                      Postal Code

Telephone: (\_\_\_\_) \_\_\_\_\_ E-mail: \_\_\_\_\_

Birth Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ Any previous names: \_\_\_\_\_

## SOURCE OF LOCKED IN MONEY

1. Is the money still in the pension plan? Yes  No

**If you answer “Yes”, you must stop.** The hardship unlocking program only applies to money that has left a pension plan.

If you answered “No”, go to Question #2.

2. Have you applied to this program before? Yes  No

3. How did you get the locked in account? Check **only** one option.

Option A - I left the company that offered the pension plan, OR

Option B - The money was transferred to me as a result of the death of my pension partner, OR

Option C - The money was transferred to me as a result of a divorce.

If you chose **Option A**, complete **Question #4A** and then go to Question #5.

If you chose **Option B or Option C**, complete **Question #4B** and then go to Question #7.

4A. What was the name of the company that you worked for when you earned the pension? \_\_\_\_\_

What province did you work in, on your last day of work with that company? \_\_\_\_\_

4B. What was the name of the company where your former pension partner worked when they earned the pension? \_\_\_\_\_

What province did your former pension partner work in, on their last day of work with that company? \_\_\_\_\_



## LOCKED IN ACCOUNT INFORMATION

11. Have you included a locked in account statement? Yes  No

**NOTE: A recent locked in account statement MUST be included with your completed application form.**

13. What type of account do you have? **Life Income Fund** LIF  (Go to Question 14)

**Locked-In Retirement Account** LIRA  (Go to Question 15)

14. When you started the LIF, did you unlock up to half of the account using the 50% unlocking rule? Yes  No

When did you unlock the money? Date: \_\_\_\_\_

About how much money did unlock at that time? \$ \_\_\_\_\_

15. What is the **net** amount you want to get from your locked in account (not including tax.)?

Option 1 - lump sum of \$ \_\_\_\_\_

Option 2 - lump sum of \$ \_\_\_\_\_ and monthly payments of \$ \_\_\_\_\_ for \_\_\_\_\_ months.

Option 3 - monthly payments of \$ \_\_\_\_\_ for \_\_\_\_\_ months.

**NOTE:**

The amount that the company that has your account unlocks is the dollar value that the Superintendent authorizes. They also unlock any fees, service charges and taxes that may apply.

The **smallest** amount that can be unlocked and paid to you is \$500 and as a monthly payment is \$200.

The **greatest** amount that can be unlocked and paid to you is listed next to each reason on pages 5 - 8.

The amount that you ask for must be proven by either the Statement of Expected Income on page 7 of this application, or in the documents that you send.

The company that has your account will send the taxes to the Canada Revenue Agency for you. If you need information on taxes, please talk to the Canada Revenue Agency or the company that has your account.

16. Is the value of your **entire** locked in account less than \$10,020? Yes  No

17. Are you 65 or older **and** does your account have less than \$20,040? Yes  No

18. Does the Canada Revenue Agency consider you a non-resident for income tax purposes? Yes  No

19. Do you have a letter from your doctor saying you will die soon? Yes  No

Note: If you answer yes to any of questions 16 to 19 , you may be able to unlock your money and will not have to apply to this program. Contact the company that has your account to unlock your money, or this office, for more information. See page 1 for phone and fax numbers and address.

## LOCKED IN ACCOUNT ACCESS RULES

You can apply using all reasons that relate to your situation. You must include all the documents for each reason. Next to each reason there is a list of what is needed.

**THERE ARE NO EXCEPTIONS TO THIS.**

REASON FOR APPLYING	REQUIRED DOCUMENTS
<p><b>1. <u>EVICTION</u></b></p> <p><b>You or your pension partner face eviction from your main home due to unpaid rent.</b></p> <p>What is the address of your main home?</p> <p>_____</p> <p>_____</p> <p><b>I am applying for this reason and I am sending all the documents.</b> <input type="checkbox"/></p>	<ul style="list-style-type: none"><li>○ A copy of the Eviction Notice <b>OR</b></li><li>○ A copy of the distress for rent court order.</li></ul> <p>The document must show four things.</p> <ul style="list-style-type: none"><li>● That legal action has been started against you,</li><li>● The date of eviction or legal action,</li><li>● The amount of rent you owe, AND</li><li>● Your normal monthly rent amount.</li></ul> <p><b>The most money you can get with an Eviction Notice is the overdue amount plus 12 months of regular monthly rent payments.</b></p> <p><b>The most money you can get with a Distress for Rent is the overdue amount plus 1 month of rent.</b></p>
<p><b>2. <u>FORECLOSURE</u></b></p> <p><b>You or your pension partner risk foreclosure of a mortgage on your main home.</b></p> <p>What is the address of your main home?</p> <p>_____</p> <p>_____</p> <p><b>I am applying for this reason and I am sending all the documents.</b> <input type="checkbox"/></p>	<ul style="list-style-type: none"><li>○ A copy of the foreclosure notice, <b>OR</b></li><li>○ A letter from your mortgagor that says the date that they will start foreclosure or legal action against you, <b>AND</b></li><li>○ Documents that show the amount of outstanding mortgage payments, <b>AND</b></li><li>○ The amount of the regular monthly mortgage payments.</li></ul> <p><b>The most money you can get from this reason is the overdue amount plus 12 months of regular mortgage payments.</b></p>
<p><b>3. <u>FIRST AND LAST MONTH'S RENT</u></b></p> <p><b>You or your pension partner need first and last month's rent (or first month's rent and security deposit) for your main home.</b></p> <p>What is the address of this new home?</p> <p>_____</p> <p>_____</p> <p><b>I am applying for this reason and I am sending all the documents.</b> <input type="checkbox"/></p>	<ul style="list-style-type: none"><li>○ A copy of the lease or rental agreement that shows the rent for the home and security deposit.</li></ul> <p><b>The most money you can get from this reason is the first month's rent AND either:</b></p> <ul style="list-style-type: none"><li>● the last month's rent <b>OR</b></li><li>● the security deposit.</li></ul>

## LOCKED IN ACCOUNT ACCESS RULES

You may apply using all reasons that relate to your situation. You must include all the documents for each reason. Next to each reason there is a list of what is needed.

**THERE ARE NO EXCEPTIONS TO THIS.**

REASON FOR APPLYING	REQUIRED DOCUMENTS
<p><b>4. <u>MEDICAL COSTS</u></b></p> <p><b>You have medical costs not covered by insurance, a benefit plan, or a government program.</b></p> <p><b>The costs are to treat an illness or disability for you, your pension partner, or your dependant.</b></p> <p>What is the name of the person with the medical costs? If it is not for you please write the relationship to you.</p> <p>_____</p> <p>_____</p> <p><b>I am applying for this reason. I am sending all the documents.</b> <input type="checkbox"/></p>	<ul style="list-style-type: none"><li>○ A copy of an invoice or estimate. It must show the cost of treatment, medical aid or prescription AND</li><li>○ Written opinion of a physician or dentist. It must say that the treatment is needed. (You do not need a letter for prescriptions), AND</li><li>○ Travel expenses for medical treatment more than an hour's drive from home. Include a list showing these trips to your doctor's office. Send receipts for hotels or other travel costs.</li></ul> <p><b>The most money you can get for medical treatment is the total bill.</b></p> <p><b>The most money you can get for prescriptions is the total bill plus 12 months of prescriptions for ongoing treatment.</b></p>
<p><b>5. <u>RENOVATIONS DUE TO DISABILITY</u></b></p> <p><b>You need to renovate your main home. This is because of a disability. This is for you, your pension partner, or your dependant.</b></p> <p>What is the name of the person that needs the renovation? If it is not for you please write the relationship to you.</p> <p>_____</p> <p>What is the address of your main home?</p> <p>_____</p> <p>_____</p> <p><b>I am applying for this reason. I am sending all the documents.</b> <input type="checkbox"/></p>	<ul style="list-style-type: none"><li>○ A copy of the contractor's invoice or estimate to change your main home.</li><li>○ A letter from your doctor saying that the illness or disability will last at least one year.</li></ul> <p><b>The most money you can get under this reason is the amount for the renovation estimate, OR the actual cost of the work that has been already completed.</b></p>

**NOTE: For the purposes of this program, a dependant is any person who is dependant on you or your Pension Partner at some time during this or last calendar year.**

## LOCKED IN ACCOUNT ACCESS RULES

You may apply using all reasons that relate to your situation. You must include all the documents for each reason. Next to each reason there is a list of what is needed.

**THERE ARE NO EXCEPTIONS TO THIS.**

REASON FOR APPLYING	REQUIRED DOCUMENTS
<p><b>6. <u>LOW INCOME</u></b></p> <p>You will earn no more than \$33,400 before taxes in the next twelve months.</p> <p>I am applying for this reason. I have completed the formula on this page. <input type="checkbox"/></p> <p>This is <b>your</b> expected income only, and not the income of family members.</p> <p>If you have no income and have no guarantee of income in the next twelve months then write \$0 in Step One.</p> <p>If you are get Employment Insurance and are have no guarantee to go back to work, write the amount of Employment Insurance.</p>	<p>You must complete this formula.</p> <p><b>Step One:</b></p> <p>Write the income you expect to earn, before taxes, over the next 12 months.      \$ _____ (A)</p> <p><b>Step Two:</b></p> <p>Multiply (A) by 0.75      = \$ _____ (B)</p> <p><b>Step Three:</b></p> <p>\$25,050 minus (B)      = \$ _____ (C)</p> <p><b>The value of (C) is the most that can be released due to low income in a 12 month period.</b></p>
<p><b>7. <u>PERSONAL INCOME TAX ARREARS</u></b></p> <p>The Canada Revenue Agency has started legal action against you for income tax.</p> <p>I am applying for this reason. I am sending all the documents. <input type="checkbox"/></p>	<ul style="list-style-type: none"> <li><input type="radio"/> A copy of a Writ of Seizure, OR</li> <li><input type="radio"/> A copy of a Requirement to Pay (RTP) from the tax department.</li> </ul> <p><b>The most money you can get under this reason is the amount of the RTP or Writ of Seizure.</b></p>
<p><b>NOTE:</b> You may only apply for your own, personal income tax arrears. <b>Business taxes do not qualify.</b> A Writ of Seizure and an RTP are specific legal documents. You cannot use your notice of assessment.</p>	
<p><b>8a. <u>ALBERTA MAINTENANCE ENFORCEMENT ARREARS</u></b></p> <p>You are registered with the Maintenance Enforcement Program (MEP) of Alberta. You owe child maintenance payments.</p> <p>I am applying for this reason. I am sending all the documents. <input type="checkbox"/></p>	<ul style="list-style-type: none"> <li>• A copy of the recent Maintenance Enforcement Order or statement of account. The amount owed must be shown on the document.</li> </ul> <p><b>The most money you can get under this reason is the amount owing on the MEP statement.</b></p>

**NOTE:** You may only apply for your own Alberta MEP arrears. To apply for your pension partner's MEP or for another province use reason 8B on the next page.

## LOCKED IN ACCOUNT ACCESS RULES

You may apply using all reasons that relate to your situation. You must include all the documents for each reason. Next to each reason there is a list of what is needed.

**THERE ARE NO EXCEPTIONS TO THIS.**

REASON FOR APPLYING	REQUIRED DOCUMENTS
<p><b>8b. <u>OTHER SITUATION OF FINANCIAL HARDSHIP</u></b></p> <p><b>You need money for a different reason than reasons 1 - 8a. This is for you, your pension partner, or your dependant.</b></p> <p>What is the name of the person this is for? If it is not for you, please write the relationship of the person to you.</p> <p>_____</p> <p>_____</p> <p>If you have more than one home, please write the address of your main home.</p> <p>_____</p> <p>_____</p> <p><b>I am applying for this reason. I am sending all the documents.</b> <input type="checkbox"/></p>	<ul style="list-style-type: none"><li>○ <b>A written explanation of your state.</b> Include details of any <b>big events</b> that caused the money problem. This should explain <b>how long</b> you have had the money problem.</li></ul> <p>The Committee looks at the state you are in. They also look at <b>how and why</b> you came to be in that state. Please be as clear and detailed as possible.</p> <ul style="list-style-type: none"><li>○ <b>Documents that show the amounts you owe.</b> This is to prove your money problems. You must send <b>copies of bills or estimates</b>. A written list of your debt is not enough.</li></ul> <p>Documents can include rent, mortgage, utilities, credit cards, loans, or lines of credit. <b>Please send statements that show the ongoing monthly payment, the amount that is currently overdue, and the total amount you owe to the creditor.</b></p> <p><b>There is no maximum amount that can be released for this reason. The amount you owe in the documents included with the application MUST be the same as (or more than) the amount you want.</b></p>

**NOTE:** Reason 8b applications are looked at by an advisory committee. They meet only once per month. The committee may look at any information on file. The committee makes a recommendation to the Superintendent and then a decision is made by the Superintendent and sent to you.

We try to look at reasons 1 - 8a within ten business days. Sometimes these applications are sent to the committee, which meets only once a month.

**If you are approved we will send a letter of consent. This will be mailed to your address that you provided. You take this letter to the company that has your locked in money and they will unlock the money for you.**

## **Pension Partner Agreement**

**For the Applicant:** If you answered yes to Questions #5 or #6 on page 3 that person is your pension partner. That person must complete this section of the application.

**For the Pension Partner:** You do not have to sign this agreement. If you sign this agreement the applicant may take money out of their locked in account. The applicant must not be present when you sign.

### **AGREEMENT**

I am the pension partner of the Applicant and I understand that:

- (a) the Applicant seeks to withdraw money from a locked in account and that the Applicant cannot withdraw the money from the locked in account without my permission;
- (b) as long as this money is kept in a locked in account, I may have a right to a share of this money if there is a breakdown in our relationship or if the Applicant dies; and
- (c) if any money is withdrawn from the locked in account, I may lose any right that I have to a share of the money that is withdrawn.

I agree to the withdrawal of money as indicated on Page 4 of this Application from the locked in account and I give my agreement by signing and dating this Agreement in the presence of a witness.

\_\_\_\_\_  
Signature of the **witness**

\_\_\_\_\_  
Signature of the **pension partner**

\_\_\_\_\_  
Name of **witness** (Print)

Last Name    First Name    Middle Name

\_\_\_\_\_  
Name of **pension partner** (Print)

Last Name    First Name    Middle Name

\_\_\_\_\_  
Date signed (day/month/year)

**The pension partner must sign this in front of a witness aged 18 or older. The witness to this section of the form cannot be the applicant**

**This application is not valid if it is signed more than 60 days before the Superintendent receives it.**

The personal information that you provide on this form and any attachments will be used for the purpose of administering the financial hardship provisions of the *Employment Pension Plans Act* (RSA 2000). It is collected under the authority of section 33(c) of the *Freedom of Information and Protection of Privacy Act* (RSA 2000). It is protected by the privacy provisions of the *Freedom of Information and Protection of Privacy Act*. If you have any questions about the collection of this information, you can contact the Alberta Superintendent of Pensions using the information on the front of this form.

## Certification of the Applicant

**For the applicant:** You must read and sign this application.  
**Make sure that you understand all of this application before you sign this.**

### Certification

I am the Applicant identified on Page 2 of the Application. I hereby apply to the Superintendent for consent to withdraw from the locked in account the amounts identified on Page 4 of this Application, plus any withholding tax payable, plus any contractual payments that may be payable to the financial institution holding the locked in funds.

I declare that on the date I sign this certification:

- (a) all the information contained in this Application and the documents that accompany this Application are accurate and complete;
- (b) the money I am applying to withdraw from the locked in account is governed by the Alberta *Employment Pension Plans Act*;

Further, I understand that:

- (c) any money withdrawn from the locked in account will no longer be exempt under section 85.1 of the *Employment Pension Plans Act* from execution, seizure, or attachment by persons such as creditors;
- (d) it is an offence under the *Employment Pension Plans Act* to provide information in this Application which is not true, accurate, and complete, punishable on conviction by a maximum fine of \$100,000;
- (e) it is an offence under the federal *Criminal Code* to knowingly make or use a false document with the intent that it be acted on as genuine. Such actions are punishable on conviction by a maximum term of 10 years imprisonment;
- (f) the information in this application form will be reviewed by the office of the Superintendent and that this information may be forwarded to a Locked-in Account Advisory Committee for further consideration and recommendation to the Superintendent in making the final decision regarding the Application;
- (g) relevant information from this application will be disclosed to the Director of the Maintenance Enforcement Program when necessary; and
- (h) a letter from the Superintendent that consents to the withdrawal of an amount from the locked in account shall be mailed to the address identified on page 2 of this application. At the discretion of the Superintendent, a copy may be faxed directly to my financial institution that administers the account provided that the name and contact information for the account manager is provided to the Superintendent.

\_\_\_\_\_  
Signature of the witness

\_\_\_\_\_  
Signature of the **Applicant**

\_\_\_\_\_  
Name of witness (Print)

Last Name      First Name      Middle Name

\_\_\_\_\_  
Date signed (day/month/year)

**The applicant must sign this in front of a witness aged 18 or older. This application is not valid if it is signed more than 60 days before the Superintendent receives it.**

The personal information that you provide on this form and any attachments will be used for the purpose of administering the financial hardship provisions of the *Employment Pension Plans Act* (RSA 2000). It is collected under the authority of section 33(c) of the *Freedom of Information and Protection of Privacy Act* (RSA 2000). It is protected by the privacy provisions of the *Freedom of Information and Protection of Privacy Act*. If you have any questions about the collection of this information, you can contact the Alberta Superintendent of Financial Institutions at the telephone number and address listed at the beginning of this form.

# ALBERTA FINANCIAL HARDSHIP APPLICATION FORM INSTRUCTIONS

## **Definitions Used in the Financial Hardship Unlocking Form**

Act – means the *Employment Pension Plans Act*, Revised Statutes of Alberta 2000, Chapter E-8.

Applicant – means the locked in contract owner. The definition of Applicant also applies to the words “I”, “you”, “your”, and “yours” wherever they may appear in this Application, except for the Agreement, where they apply to the pension partner of the Applicant.

Application – means this application form, namely the Alberta Financial Hardship Application Form.

Agreement – means the agreement of the Applicant’s pension partner to the withdrawal of funds in a locked in account for situations of financial hardship.

Contractual Payment – means the amount, if any, that is payable to the financial institution on a withdrawal from the Locked In Account. Contractual payments may include, but are not limited to, fees, service charges, and penalties.

Dependant – means any person who is dependant on the Applicant or the Applicant’s pension partner at some time during the calendar year in which the Application was signed or during the previous calendar year.

Disability – means an illness, disability, or incapacity that may reasonably be expected to last for a continuous period of at least one year.

Financial Institution – means the company that holds the locked in account. The company that holds the locked in account means the bank, insurance company, trust company, credit union, fraternal benefit society, or ATB Financial (formerly the Alberta Treasury Branch).

Locked In Account – means a Locked in RRSP (established before 1987), a Locked In Retirement Account (LIRA) or a Life Income Fund (LIF), that is governed by the Act and Regulation.

Your funds held in a locked in account are subject to the Act and Regulation if you were employed in Alberta while you were earning the pension and you were not working for a federal public body or in a federally regulated industry (such as airlines, shipping, telecommunications, banking, and inter-provincial transportation).

Medical Expenses – means, in relation to an individual, expenses for goods and services for treatment of a condition pertaining to that individual that the Superintendent considers to be medical or dental in nature.

Pension Partner – means, in relation to another person,

- (a) a person who, at the relevant time, was married to that other person and had not been living separate and apart from that other person for 3 or more consecutive years, or
- (b) if there is no person to whom sub-clause (a) applies, a person who, immediately preceding the relevant time, had lived with that other person in a conjugal relationship for a continuous period for at least 3 years, or of some permanence, if there is a child of the relationship by birth or adoption

Regulation – means the *Employment Pension Plans Regulation*, Alberta Regulation 35/2000.

Superintendent – means the Superintendent of Pensions, Alberta.

Year’s Maximum Pensionable Earnings (YMPE) – means the figure set by the Government of Canada each year in determining the maximum earnings on which Canada Pension Plan contributions must be paid.

In 2012, the YMPE is \$50,100.

## GENERAL INSTRUCTIONS

These access provisions apply **only** to money held in a Locked in RRSP/Locked In Retirement Account (LIRA) or Life Income Fund (LIF) that is subject to the provisions of the *Employment Pension Plans Act* of Alberta, and the regulation under that Act. The access provisions do not apply to funds held in the Registered Pension Plan (RPP) sponsored by your employer or union.

Your funds held in a locked in account are subject to the Act and Regulation if you were employed in Alberta on your last day of working for the company that provided you with the pension and you were not working for a federal public body (e.g. federal government, First Nations organizations, RCMP, Department of National Defence) or in a federally regulated industry (such as airlines, shipping, telecommunications, banking, and inter-provincial transportation).

The gross amount taken out of the account (including contractual payments to the financial institution) is taxable income and taxes will be deducted. When this income is added to all other income for the year, additional tax may be payable. The company that holds your locked in account may also deduct contractual payments (fees, service charges, etc.) from the money taken.

Any funds taken from a locked in account may affect your ability to qualify for other income support programs (for example, Guaranteed Income Supplement and Alberta Seniors Benefit).

Taking money from a locked in account may affect your future retirement income. Money taken from a locked in account will no longer be protected from creditors.

Completion of this application form does not immediately qualify you to release your requested amount from your locked in account.

You cannot be required to take locked in funds under the Financial Hardship Unlocking Program in order to qualify for Alberta government sponsored programs such as AISH, Income and Employment Support, Alberta Seniors Benefit or Student Financial Assistance.

If you received your locked in account from your former employment with a company that had a pension plan, and if you have a pension partner, then your pension partner is entitled to a share of the money in your locked in account if your marriage ends or if you die. Therefore, you cannot take locked in money unless your pension partner agrees by reading and signing page nine of the application form.

You can only apply to the Financial Hardship Unlocking program twice in any twelve month period.

The office of the Superintendent of Pensions will review all application forms. The office may send applications to a Committee for review, comment, and recommendation to the Superintendent. The Superintendent will make the final decision.

## MAXIMUM WITHDRAWAL AMOUNTS

Taking money out of a locked in account is subject to the following maximums **in a twelve month period:**

Reason 1, Eviction – If you have been served with an eviction notice, the money needed to pay the back rent and fees plus enough money to cover the rent payments for one year; OR, if you have been served with a “Distress for Rent”, the money needed to pay the back rent plus one month’s rent.

**If you apply due to eviction more than once in 12 months, the amount that you were able to release on your first application will affect the amount you can receive on your second application.**

Reason 2, Foreclosure – The money needed to pay the back mortgage, fees, plus enough money to cover the mortgage payments for one year.

**If you apply due to foreclosure more than once in 12 months, the money that you were able to take on your first application will affect the money you can take on your second application.**

Reason 3, Rent – The money needed to pay 2 months’ rent OR one month’s rent plus the security deposit.

Reason 4, Medical Expenses – The money needed to pay the medical costs paid plus enough money to cover ongoing medical costs for one year.

Reason 5, Renovations due to Disability – The money needed to pay the cost of the labour and materials for the renovation.

Reason 6, Low Income – The amount by which “E” exceeds “F” where:

- o E = 50% of the Year’s Maximum Pensionable Earnings for the year in which the application was made, and
- o F = 75% of the owner’s expected total income from all sources before taxes following the date of signing the Application.

**Performing the calculation in the Low Income section (page seven of the application) will provide you with the money you can take based on your expected income.**

**If you apply due to low income twice in a 12 month period, the money you took with your first application will affect the money that you can take on your second application.**

Reason 7, Personal Income Tax Arrears– The money needed to pay the amount of income tax debt that is claimed by legal proceedings.

Reason 8a, Maintenance Enforcement Arrears – The money needed to pay the enforceable arrears under the Maintenance Enforcement Program.

Reason 8b – The amount the Superintendent deems is needed given the circumstances of the case of financial hardship, based on recommendations made by the Locked in Account Advisory Committee.

## REQUIRED DOCUMENTS AND ADDITIONAL INFORMATION

### Reason #1

You must send an eviction notice or a Distress for Rent court order that includes the dollar amount past due and the regular monthly rent amount. You can only apply using if you have not yet been evicted

### Reason #2

You must send documents that show foreclosure or threat of legal action against you. Documents must show the past due amount owing as well as your monthly mortgage payment amount.

### Reason #3

You must send a lease or rental agreement. You can only apply if you have not yet moved in to the rental property or if you have moved in, you must provide a letter from your landlord that the rent or security deposit has not yet been paid. You cannot unlock money if you borrowed money to pay this.

### Reason #4

The illness or disability must be expected to last for a continuous period of at least one year. If the illness or disability would considerably shorten the affected person's life expectancy, the whole of the locked in account may be unlocked.

### Reason #5

Examples of a renovation to a home would include a wheelchair ramp, bathtub grab bars, and any other specific alteration to a home to help a person with an illness or disability.

### Reason #6

Your expected annual income must be less than  $\frac{2}{3}$ <sup>rd</sup> of the YMPE. This threshold level will increase from year-to-year as the YMPE is adjusted by the Government of Canada. The income test applies to your income as the Applicant. In 2012, the YMPE is \$50,100. Two-thirds of the 2012 YMPE ( $66\frac{2}{3}$ <sup>rd</sup> %) is \$33,400; one-half (50%) is \$25,050.

**Therefore, the maximum income that you may earn before you do not qualify under the low income reason is \$33,400. Based on an expected income of zero, the maximum amount that you can take out of the locked in account due to low income is \$25,050.**

If you do not have any income, and are not guaranteed income in the next 12 months, then you may write that your expected income is "zero". If you get benefits like Employment Insurance, and are not guaranteed re-employment in the next 12 months, then you may base your expected income on your current benefit income.

Income from all sources does not include the amount released from the locked in account, a refund or repayment of taxes paid to a Canadian jurisdiction or interest, a refundable tax credit, a payment received by a foster parent under the *Child Welfare Act*, or child support payments received under a court order or an agreement.

## REQUIRED DOCUMENTS AND ADDITIONAL INFORMATION

### Reason #7

You may only apply for your own, personal income tax arrears. This reason does not apply to business tax arrears, GST arrears or arrears under any other government program. You may not apply using this reason unless Canada Revenue Agency has already commenced legal action against you and issued you a Requirement to Pay, Writ of Seizure, or is garnishing your wages.

You may contact CRA to start the legal proceedings and ask them to issue an RTP against your locked in account. This is like having a lien placed against the account, so you must provide them with your LIRA or LIF account number and the branch location of the company that holds your locked in account. If you have CRA do this, please send us a copy of the RTP. To our knowledge, there are no legal costs associated with this action and CRA does not report the action to any credit agencies.

### Reason #8a

Please refer to the application form for instructions. You may only apply due to your own, registered arrears under the Alberta Maintenance Enforcement Program. If you are applying for your pension partner's arrears or for arrears in another province, you must apply using Reason 8b.

### Reason #8b

You **MUST** send a **detailed** explanation of the financial hardship situation you have encountered, outlining **how and why** the situation of hardship exists. When the Committee looks at applications made due to reason #8b, they look for evidence of a life altering event that caused or contributed to your money problems. You must provide documents that shows the extent of your financial obligations. The documents can include, but are not limited to, mortgage or rent statement/receipts, utility invoices, and credit card, loan or line of credit statements. A written summary of your debts is not enough. The Superintendent reserves the right to ask for additional information for applications made under Reason #8b.

The Financial Hardship Unlocking program is not meant to be a debt settlement program. It is meant to address emergency money needs on a one time basis. When the Committee looks at applications, they do not generally recommend releasing money to pay off all of an individual's debt. Instead, they usually recommend the release of money to cover any past due payments, or one time expenses that resulted from the events that led to your money problems, and sometimes a number of months of minimum payments on the invoices that you submit. Therefore, in most cases, it is best to send documents that show your monthly household expenses and any other bills that you may be paying on an ongoing basis.

### Agreement

The pension partner agreement must be signed in the presence of a witness who is not the applicant and who is 18 or older. The applicant **must not** be present when the agreement is signed. The pension partner of the applicant cannot be forced or bullied to sign the agreement.

### Certification

The certification of the applicant must be signed in the presence of a witness. By signing this certification, you state that all information and documents are true. If you unlock money the people you owe money to can take it. If you lie or hide information you can be fined up to \$100,000.00 and/or go to jail for up to 10 years. Your application will be read by the office of the Superintendent and may go to a committee. Information may be sent to the Maintenance Enforcement Program.

## OTHER UNLOCKING PROVISIONS OF THE *EMPLOYMENT PENSION PLANS ACT*

There are four times where the money in your locked in account can be unlocked **without using this form**. It can be transferred to a non locked in RRSP/RRIF (on a tax-deferred basis) OR taken as cash OR deposited into a bank account (minus the income tax).

### 1. **Small Amounts** – Act section 46; Regulation section 45

- (a) For **2012**, if the dollar value of any single locked in account is less than \$10,020, the account can be unlocked. This rule applies to anyone at any age on any *single* locked in account. No forms are required to be completed under the legislation.
- (b) If you are **age 65 or older on the date you request your funds to be released**, AND if the value of your locked in account is less than **\$20,040 at any time during 2012**, then the account can be unlocked. Please note that you cannot split your account to make it qualify under (a) or (b).

### 2. **Considerably Shortened Life Expectancy** – Act section 46; Regulation section 39, 40, 21

If a doctor says in writing that you have a terminal illness or a disability that considerably shortens your life expectancy, your locked in funds may be unlocked. To unlock the funds, you **must** provide the company that holds your locked in account with (1) the letter from your doctor, and (2) a “Pension Partner Waiver to Permit Commutation due to Shortened Life or taking Non-residency Status” (Form 05). A copy of Waiver [Form 05](#) is available from the company that holds your locked in account or on our website at [www.finance.alberta.ca](http://www.finance.alberta.ca).

### 3. **Non-Residency Status for Tax Purposes** – Regulation section 39, 40, 41

Your locked in account can be unlocked if Canada Revenue Agency (CRA) determines that you are not a resident of Canada for income tax purposes. You can apply to obtain non-residency status by completing form [NR73](#) (Call the Forms and Publications Order Service at 1-800-959-2221).

If you qualify, CRA will send you a letter confirming that you are a non-resident of Canada for purposes of the *Income Tax Act*. In order to unlock your funds, you **must** provide the company that holds your locked in account with (1) the letter from CRA, and (2) a “Pension Partner's Waiver to Permit Commutation due to Shortened Life or taking Non-residency Status” (Form 05). Copies of Waiver [Form 05](#) are available from the company that holds your locked in account or on our website at [www.finance.alberta.ca](http://www.finance.alberta.ca).

### 4. **50% Unlocking** - Regulation Schedule 1.1

Effective November 1, 2006, the *Employment Pension Plans Regulation* (the Regulation) was amended to permit unlocking of up to 50% of the value of a LIRA. You must be 50 years of age or more and hold an Alberta LIRA. When you unlock the money, the rest of your account must be transferred into a Life Income Fund (LIF), or annuity, which means that you must start taking income from the part of the account that remains locked in.

The 50% unlocking is completed through the company that holds your locked in account. You do not apply through our office. If you have a pension partner, you will need a completed copy of [Form 6](#) – Pension Partner Waiver on Transfer to a LIF, DC RIA, or Annuity. This waiver, as well as further information in [Policy Bulletin #34 - 50% Unlocking](#), are available on our website at [www.finance.alberta.ca](http://www.finance.alberta.ca), or you may contact the company that holds your locked in account directly for assistance.