

## Office of the Superintendent - Pension Commission

### Update #10-03 Changes to One-time Transfer effective May 31, 2010

Issue Date: May 27, 2010

Last Updated: November 22, 2012

**Reference:** Regulation 39/2010 – Sections 10.56 and 10.57 of Division 4 of Part 10

Effective May 25, 2005, the Pension Benefits Amendment Act (Act) was proclaimed into law and the Pension Benefits Regulation 76/2005 was amended effective the same date. This legislation permitted one-time transfers of funds in a Life Income Fund (LIF).

Effective May 31, 2010, in addition to permitting one-time transfers of funds in a LIF, the Pension Benefits Regulation 39/2010 (regulation) will also permit a one-time transfer of funds from pension plans. The process for applying for a one-time transfer will also change.

A one-time transfer is a **once in a lifetime withdrawal** by an individual age 55 or older of up to 50% of the balance in his or her Life Income Funds (LIFs) and, if permitted, his or her pension plan (plans) to a prescribed Registered Retirement Income Fund which is not locked-in.

#### **I. SUMMARY OF NEW APPLICATION PROCESS**

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##### **Step One – Applicant’s request to administrator for a one-time transfer**

A person who wishes to make a one-time transfer must submit a written transfer request to the administrator from which the transfer is to be made, as outlined in the regulation. If the applicant wishes to make a one-time transfer of funds from two or more plans which may not be administered by the same administrator, a separate written request must be made to each administrator.

##### **Step Two – Administrator must be satisfied and provide application**

On receipt of the transfer request, and upon being satisfied that conditions outlined in the regulation have been met, the administrator must provide the applicant with an application form that meets the requirements of the regulation.

A sample application form is available on the website of the Office of the Superintendent – Pension Commission (OSPC):

*[Application for One-time Transfer Form](#)*

##### **Step Three – Applicant must provide completed application**

Within 30 days after receiving the application form, the applicant must provide the administrator with the completed application, and transfer consent if required. The transfer consent form is available on the website of the OSPC:

*[Form 4 – Consent to One-time Transfer of Manitoba Locked-In Money](#)*

**Note: The application and transfer consent are not to be filed with the OSPC**

It is the administrator’s responsibility to ensure the applications and transfer consents, if required, are properly completed. If an application is not properly completed, the administrator

must return it to the applicant. *The OSPC may conduct periodic desk reviews and/or on-site examinations to monitor the administrator's compliance with the new process set out in the regulation.*

If the applicant is making a one-time transfer of funds from two or more plans, the applicant must authorize one of the administrators (financial institution or pension plan administrator) to act as the authorized administrator on the application form he or she provides to that administrator. Each administrator who is not authorized must promptly provide to the authorized administrator the information required by section 10.56(7) of the Regulation.

The authorized administrator will make the request under Step Four to the superintendent to verify that the superintendent has no record of a previous one-time transfer by the applicant on behalf of all administrators.

#### **Step Four – Administrator's request to Superintendent**

The authorized administrator must promptly request the superintendent to verify that the superintendent has no record of a previous one-time transfer by the applicant.

#### **Step Five – Superintendent to provide written notice**

The superintendent must respond to the authorized administrator with a written notice as soon as practicable after receiving the request stating whether or not, according to the superintendent's records, the applicant has previously made a one-time transfer

#### **Step Six –Time for completing transfer**

The administrator must complete the transfer within 90 days after providing the information required by the regulation, unless the investment term has not expired.

Detailed information on the legislative requirements and application process can be found on the OSPC's website:

*Policy Bulletin # 3 – One-time Transfer*

## **II. REQUEST TO SUPERINTENDENT – ONLINE REQUEST FORM**

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### **Submitting a Request to the Superintendent of Pensions**

The request to the superintendent can be submitted to the superintendent in one of two ways:

- i) by completing the '*Request to Superintendent of Pensions for Written Notice*' form in writing, and submitting only this form to the OSPC, or
- ii) by accessing the OSPC's website and completing the new '*Online Request to Superintendent of Pensions for Written Notice*' form.

## **Written Request**

The administrator may submit the written request to the superintendent by mail or by facsimile. If the applicant is wishing to make a transfer of funds from two or more plans, not all of which are administered by the same administrator, the authorized administrator must submit the writing request on behalf of all administrators as mentioned in Step Three.

## **Online Request**

The online request form has been designed to streamline the request process and improve reliability of information provided to the superintendent. The online form has several built-in edit checks to ensure requests are complete and as accurate as possible. In order to complete the online form the authorized administrator will need the following information:

- The name, address, date of birth and social insurance number of the applicant
- The amount to be transferred, or, if the amounts are to be transferred from two or more plans, the total of the amounts to be transferred; and
- The name and address of the administrator of each plan from which the proposed transfer is to be made

Once a request has been successfully submitted online, the authorized administrator will be provided with a confirmation number for the request. This confirmation number should be referenced in all future correspondence with the OSPC.

The OSPC should be informed immediately if any requests are submitted in error or if any changes are required to a previously submitted request.

If the applicant is wishing to make a transfer of funds from two or more plans, not all of which are administered by the same administrator, the authorized administrator must submit the online request on behalf of all administrators as mentioned in Step Three.

## **Superintendent's Review of the Request**

The information provided on the request form will be used to determine whether or not the applicant has previously made a one-time transfer.

If the request is missing information, verification will be delayed as the OSPC will have to contact the authorized administrator to provide the missing information.

**Once the request has been reviewed, a response will be provided directly to the authorized administrator, as indicated on the request.**

If the applicant is transferring funds from two or more plans, not all of which are administered by the same administrator, the authorized administrator must provide a copy of the superintendent's response to each of the administrators.

The administrator may rely on the Superintendent's notice only for the proposed transfer in respect of which the notice was given.

If you have any questions regarding this update you may contact us at:

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*This update has no legal authority. The Pension Benefits Act of Manitoba and the Pension Benefits Regulation should be used to determine specific requirements.*