

Types of Annuities

Life Only

The pension is paid for the lifetime of the member only. Payments cease with the payment immediately preceding death.

Life – Guaranteed Five, Ten or Fifteen Years

The pension is paid for the lifetime of the member with the provision that a minimum number of monthly payments (60, 120 or 180) will be paid. Should the member die before the minimum number of payments has been made, the remaining payments will be paid to a named beneficiary or, if there is no named beneficiary, the remaining payments will be commuted and paid as a death benefit to the estate.

Joint and Last (J&L) Survivor

The pension is paid for the lifetime of the member and on the member's death is paid to the spouse for as long as the spouse lives.

J&L Survivor – 60%

The pension is paid for the lifetime of the member. On the death of the member, sixty percent (60%) of the amount paid to the member will continue to be paid to the spouse for as long as the spouse lives.

J&L Survivor – Guaranteed Five, Ten or Fifteen Years

The joint pension is paid as set out above with the provision that a minimum number of monthly payments (60, 120 or 180) will be paid. Should the member and the spouse both die before the minimum number of payments have been made, the remaining payments will be commuted and paid as a death benefit to the estate.

Integrated Option

This pension is increased before age 60 and decreased after age 60 so that, when government benefits (Canada/Quebec Pension Plan) are included, the total payment remains approximately constant.

Life Income Fund (LIF)

This is a special type of retirement income account that allows an individual some of the flexibility of a Locked-in Retirement Income Fund up to age 80, and then requires that the individual purchase a life annuity. There are minimum and maximum amounts that may be withdrawn up to age 80. These amounts are designed to make sure that (i) the individual draws income from the fund from the date the LIF is purchased to age 80, (ii) a reasonable level income is provided annually throughout the individual's entire retirement, and (iii) there is enough money at age 80 to continue monthly payments of the same amount as the individual received before age 80, through the purchase of a life annuity. Purchase of an annuity at age 80 is not required in New Brunswick or Nova Scotia.

Locked-in Retirement Income Fund (LRIF) (Alberta, Manitoba and Ontario only)

This is a special kind of Registered Retirement Income Fund (RRIF) that is set up to hold locked-in pension funds. Both a minimum and maximum withdrawal amount are set each year to make sure that (i) the fund is used for retirement income, and (ii) provides a retirement income for the individual's lifetime.

Prescribed Retirement Income Fund (PRIF) (Saskatchewan only)

This is a special kind of Registered Retirement Income Fund (RRIF) that is set up to hold locked-in pension funds. The annuitant determines the amount to be withdrawn each year subject to the minimum withdrawal rules under the Income Tax Act. There is no limit on the amount of money that may be withdrawn from a prescribed RIF.