



Unclassified

Our File: P1540 (2007)

May 2, 2007

Mr. Alex Grundie



Dear Mr. Grundie:

This letter is in response to your call of April 20, 2007, requesting clarification about the non-resident status and the PBSA. Please accept our apologies for the delay in responding.

In reference to the Pension Benefits Standards Act (1985), and its Regulations, a non-resident is described as one who has ceased to be a resident of Canada for at least two calendar years, and has lived outside the country for at least 184 days for each of these calendar years. I assume that you are making reference to the unlocking rules when inquiring about non-residency status.

There is no reference to the Income Tax Act in the PBSA Regulations. Therefore, as long as a former member of a pension plan meets the above requirements of section 28.4, the funds from a locked-in RRSP or LIF may be unlocked. It is up to the plan administrator of your financial institution to determine whether you meet the requirements of the regulations. I would like to caution you, however, that there may be tax implications involved in unlocking your funds. You may wish to get advice from the Canada Revenue Agency (CRA) and your financial institution on that matter.

I trust that this information will be of assistance.

Sincerely,

Lise Snelson
Correspondence Officer
Communications and Public Affairs

c.c.: Ms. Shelley Johnston, CFP, EPC, Investment Planning Counsel



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