



Province of Saskatchewan

Order in Council 565/2021

Approved and Ordered: 17 November 2021



Lieutenant Governor

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, makes *The Pension Benefits (Financial Hardship Unlocking) Amendment Regulations, 2021* in accordance with the attached Schedule.



President of the Executive Council

(For administrative purposes only)

Recommended by: Minister of Justice and Attorney General

Authority: *The Pension Benefits Act, 1992 - section 69*

SCHEDULE to OC 565/2021

Title

1 These regulations may be cited as *The Pension Benefits (Financial Hardship Unlocking) Amendment Regulations, 2021*.

RRS c P-6.001 Reg 1 amended

2 *The Pension Benefits Regulations, 1993* are amended in the manner set forth in these regulations.

Section 29 amended

3(1) **Subsection 29(1) is amended:**

(a) **in the portion preceding clause (a) by adding “and in sections 29.01 to 29.06” after “In this section”; and**

(b) **by adding the following clause after clause (d):**

“(d.1) ‘**principal residence**’ means, with respect to an individual, a premises, including a non-seasonal mobile home, that is occupied by the individual as the individual’s primary place of residence”.

(2) **The following subsection is added after subsection 29(8.3):**

“(8.4) Notwithstanding subsection (4), the contract must provide that the owner of the contract may, on application, withdraw all or part of the locked-in money in a contract:

(a) subject to and in accordance with section 29.01, if the owner’s expected total income from all sources, before taxes, for the 12 months after the date on which the application for withdrawal is signed by the owner of the contract is 66 ⅔% or less of the Year’s Maximum Pensionable Earnings for the year in which the application is signed;

(b) subject to and in accordance with section 29.02, if the owner, the owner’s spouse or a dependant of either has incurred or will incur medical expenses and those medical expenses are not paid by, and are not subject to reimbursement from, any other source;

(c) subject to and in accordance with section 29.03, if the owner or the owner’s spouse has received a written demand with respect to arrears in the payment of rent for the owner’s or the spouse’s principal residence, and the owner or spouse could face eviction if the arrears remain unpaid;

(d) subject to and in accordance with section 29.04, if the owner or the owner’s spouse has received a written demand with respect to a default on a debt that is secured against the owner’s or the spouse’s principal residence, and the owner or spouse could face eviction or legal action if the amount in default remains unpaid;

APPROVED
LEGISLATIVE DRAFTING SECTION

October 22, 2021 - 4:26 p.m.

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(e) subject to and in accordance with section 29.05, if the owner requires the money to pay the first month's rent, security deposit or pet damage deposit required to be paid to obtain a principal residence for the owner or the owner's spouse".

(3) Subsection 29(10) is repealed and the following substituted:

"(10) If a contract does not contain a provision required by subsection (4), (8.3) or (8.4) or sections 29.01 to 29.05, the contract shall be deemed to contain whatever provision would be necessary to make it comply with subsection (4), (8.3) or (8.4) or sections 29.01 to 29.05, as the case may be".

New sections 29.01 to 29.06

4 The following sections are added after section 29:

"Low expected income

29.01(1) An owner of a contract seeking to make a withdrawal on the basis of a circumstance of financial hardship mentioned in clause 29(8.4)(a) must apply for that withdrawal to the issuer of the contract in accordance with this section.

(2) Only one application may be made pursuant to this section during any calendar year with respect to each contract.

(3) An application pursuant to this section must:

(a) be made in the form and manner required by the superintendent;

(b) subject to subsection (4), specify the amount of locked-in money to be withdrawn from the contract;

(c) contain a statement signed by the owner indicating that the owner understands that any money withdrawn pursuant to this section will not be exempt from execution, seizure or attachment pursuant to section 63 of the Act;

(d) specify the amount of the owner's expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed by the owner of the contract; and

(e) be signed by the owner of the contract not more than 90 days before the date on which the application is received by the issuer of the contract.

(4) The maximum amount that may be withdrawn from a contract is the sum of:

(a) the amount calculated using the following formula:

$$X - L$$

where:

X is 50% of the Year's Maximum Pensionable Earnings for the year in which the application is signed by the owner of the contract; and

L is 75% of the owner's expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed by the owner of the contract; and

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(b) the total amount of taxes, if any, that must be deducted or withheld as a result of a withdrawal.

(5) For the purposes of this section, an owner's expected total income from all sources, before taxes, does not include a withdrawal pursuant to this section.

(6) If the owner of a contract has a spouse, that owner shall not make a withdrawal pursuant to this section unless the issuer of the contract has received a spouse's consent to withdrawal and waiver of entitlements in Form 6 of the Appendix signed by the owner's spouse in the presence of a witness and outside the presence of the owner not more than 90 days before the date of the withdrawal.

"Medical expenses

29.02(1) In this section:

(a) **'dentist'** means a dentist who is licensed to practise dentistry in any jurisdiction in Canada;

(b) **'dependant'** means a person who was dependent on the owner or the owner's spouse for support at some time during either:

(i) the calendar year in which the application is signed by the owner of the contract; or

(ii) the calendar year that immediately preceded the year mentioned in subclause (i);

(c) **'medical expenses'** include:

(i) expenses for goods and services that are medical or dental in nature; and

(ii) expenses incurred or that will be incurred for renovations or alterations to the principal residence of an owner, an owner's spouse or a dependant and any additional expenses incurred in the construction of a principal residence made necessary by the illness or disability of the owner, the owner's spouse or a dependant;

(d) **'physician'** means a physician who is licensed to practise medicine in any jurisdiction in Canada.

(2) An owner of a contract seeking to make a withdrawal on the basis of a circumstance of financial hardship mentioned in clause 29(8.4)(b) must apply for that withdrawal to the issuer of the contract in accordance with this section.

(3) Only one application may be made pursuant to this section during any calendar year with respect to each contract for medical expenses incurred by a particular person.

(4) An application pursuant to this section must:

(a) be made in the form and manner required by the superintendent;

(b) subject to subsection (5), specify the amount of locked-in money to be withdrawn from the contract;



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- (c) contain a statement signed by the owner indicating that the owner understands that any money withdrawn pursuant to this section will not be exempt from execution, seizure or attachment pursuant to section 63 of the Act;
 - (d) include a statement signed by a physician or dentist, as the case may be, indicating that, in the physician or dentist's opinion, the expenses claimed are or were necessary for the person's treatment;
 - (e) include a copy of the receipts or the estimate to account for the total of the medical expenses being claimed; and
 - (f) be signed by the owner of the contract not more than 90 days before the date on which the application is received by the issuer of the contract.
- (5) The maximum amount that may be withdrawn from a contract is the sum of:
- (a) the amount required to pay any medical expenses incurred within the one-year period immediately preceding the date on which the application is signed by the owner of the contract;
 - (b) the amount required to pay any medical expenses expected to be incurred within the one-year period immediately after the date on which the application is signed by the owner of the contract; and
 - (c) the total amount of taxes, if any, that must be deducted or withheld as a result of a withdrawal.
- (6) A record submitted for the purposes of clauses (4)(d) and (e) must be signed or dated, as the case may be, not more than 12 months before the date the application mentioned in subsection (2) is received by the issuer of the contract.
- (7) If the owner of a contract has a spouse, that owner shall not make a withdrawal pursuant to this section unless the issuer of the contract has received the spouse's consent to withdrawal and waiver of entitlements in Form 6 of the Appendix signed by the owner's spouse in the presence of a witness and outside the presence of the owner not more than 90 days before the date of the withdrawal.

"Rent arrears

29.03(1) An owner of a contract seeking to make a withdrawal on the basis of a circumstance of financial hardship mentioned in clause 29(8.4)(c) must apply for that withdrawal to the issuer of the contract in accordance with this section.

- (2) Only one application may be made pursuant to this section during any calendar year with respect to each contract.
- (3) An application pursuant to this section must:
 - (a) be made in the form and manner required by the superintendent;
 - (b) subject to subsection (4), specify the amount of locked-in money to be withdrawn from the contract;
 - (c) contain a statement signed by the owner, indicating that the owner understands that any money withdrawn pursuant to this section will not be exempt from execution, seizure or attachment pursuant to section 63 of the Act;

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(d) include a copy of the written demand with respect to the arrears in the payment of rent for the owner's or spouse's principal residence that sets out the amount required to pay the rental arrears and all directly related enforcement costs and reinstate the tenancy dated not more than 12 months before the date on which the application is received by the issuer of the contract; and

(e) be signed by the owner of the contract not more than 90 days before the date on which the application is received by the issuer of the contract.

(4) The maximum amount that may be withdrawn from a contract is the sum of:

(a) the amount required to pay the rental arrears and all directly related enforcement costs to reinstate the tenancy; and

(b) the total amount of taxes, if any, that must be deducted or withheld as a result of a withdrawal.

(5) If the owner of a contract has a spouse, that owner shall not make a withdrawal pursuant to this section unless the issuer of the contract has received a spouse's consent to withdrawal and waiver of entitlements in Form 6 of the Appendix signed by the owner's spouse in the presence of a witness and outside the presence of the owner not more than 90 days before the date of the withdrawal.

"Mortgage default

29.04(1) An owner of a contract seeking to make a withdrawal on the basis of a circumstance of financial hardship mentioned in clause 29(8.4)(d) must apply for that withdrawal to the issuer of the contract in accordance with this section.

(2) Only one application may be made pursuant to this section during any calendar year with respect to each contract.

(3) An application pursuant to this section must:

(a) be made in the form and manner required by the superintendent;

(b) subject to subsection (4), specify the amount of locked-in money to be withdrawn from the contract;

(c) contain a statement signed by the owner indicating that the owner understands that any money released pursuant to this section will not be exempt from execution, seizure or attachment pursuant to section 63 of the Act;

(d) include a copy of the written demand with respect to the default on the mortgage debt secured against the owner's or spouse's principal residence, that sets out the following:

(i) the amounts requiring payment to bring the mortgage into good standing, including:

(A) the amount required to pay the mortgage debt in default; and

(B) all directly related enforcement costs;

(ii) the civic address of the owner's or the owner's spouse's principal residence that is subject to the enforcement proceedings;

(iii) a statement of the amount of the regular periodic payments required to be made in relation to the mortgage debt; and

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(e) be signed by the owner of the contract not more than 90 days before the date on which the application is received by the issuer of the contract.

(4) The maximum amount that may be withdrawn from the contract is the sum of:

(a) the amount required to pay the mortgage debt in default and all directly related enforcement costs to bring the mortgage into good standing; and

(b) the total amount of taxes, if any, that must be deducted or withheld as a result of a withdrawal.

(5) A record submitted for the purposes of clause (3)(d) must be signed and dated not more than 12 months before the date the application mentioned in subsection (1) is received by the issuer of the contract.

(6) If the owner of a contract has a spouse, that owner shall not make a withdrawal pursuant to this section unless the issuer of the contract has received a spouse's consent to withdrawal and waiver of entitlements in Form 6 of the Appendix signed by the owner's spouse in the presence of a witness and outside the presence of the owner not more than 90 days before the date of the withdrawal.

“First month's rent, security deposit and pet damage deposit to secure principal residence

29.05(1) An owner of a contract seeking to make a withdrawal on the basis of a circumstance of financial hardship mentioned in clause 29(8.4)(e) must apply for that withdrawal to the issuer of the contract in accordance with this section.

(2) Only one application may be made pursuant to this section during any calendar year with respect to each contract.

(3) An application pursuant to this section must:

(a) be made in the form and manner required by the superintendent;

(b) subject to subsection (4), specify the amount of locked-in money to be withdrawn from the contract;

(c) contain a statement signed by the owner indicating that the owner understands that any money released pursuant to this section will not be exempt from execution, seizure or attachment pursuant to section 63 of the Act;

(d) include a copy of the rental agreement, if applicable; and

(e) be signed by the owner of the contract not more than 90 days before the date on which the application is received by the issuer of the contract.

(4) The maximum amount that may be withdrawn from the contract is the sum of:

(a) the amount required to pay the first month's rent, the security deposit and the pet damage deposit, if applicable; and

(b) the total amount of taxes, if any, that must be deducted or withheld as a result of a withdrawal.

(5) A record submitted for the purposes of clause (3)(d) must be dated not more than 12 months before the date the application mentioned in subsection (1) is received by the issuer of the contract.



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(6) If the owner of a contract has a spouse, that owner shall not make a withdrawal pursuant to this section unless the issuer of the contract has received a spouse's consent to withdrawal and waiver of entitlements in Form 6 of the Appendix signed by the owner's spouse in the presence of a witness and outside the presence of the owner not more than 90 days before the date of the withdrawal.

"Authorization to make the payment

29.06(1) An issuer of a contract is entitled to rely on the information provided by the owner of the contract in an application to withdraw the locked-in money from the contract pursuant to section 29.01, 29.02, 29.03, 29.04 or 29.05, as the case may be.

(2) An application that meets the requirements of the applicable section constitutes authorization to the issuer of the contract to make the payment from the account in accordance with that section.

(3) Payment of an amount mentioned in subsection (2) may be made in any of the following forms:

- (a) lump sum payment;
- (b) transfer to an RRSP designated by the owner of the contract".

Part I of Appendix amended

5 The following form is added after Form 5 in Part I of the Appendix:

"Form 6

[Subsections 29.01(6), 29.02(7), 29.03(5), 29.04(6) and 29.05(6)]

**SPOUSE'S CONSENT TO WITHDRAWAL AND
WAIVER OF ENTITLEMENTS PURSUANT TO A LIRA
CONTRACT FOR FINANCIAL HARDSHIP**

I, _____
(print or type full name of spouse)

certify that I am the spouse (within the meaning of clause 2(1)(ff) of *The Pension Benefits Act, 1992*) of _____,
(print or type full name of owner of a LIRA contract)

(hereinafter called the "owner") who is the owner of a locked-in retirement account contract (hereinafter called the "contract") that is subject to *The Pension Benefits Regulations, 1993*.

1. I understand that the owner wants to withdraw funds from the owner's contract and that my written consent is required to enable the owner to make the withdrawal.
2. I understand that, in the absence of this consent and waiver, on the death of the owner, I am entitled to the following survivor's benefits:
 - (a) if the owner dies before pension commencement, I am entitled to the locked-in money in the contract, to the extent permitted by the *Income Tax Act (Canada)*, in accordance with subclause 29(4)(i)(i) of *The Pension Benefits Regulations, 1993*;
 - (b) if the owner dies after pension commencement, I am entitled to receive a pension of at least 60% of the original amount of the pension to be provided to the owner in accordance with clause 29(4)(h) of *The Pension Benefits Regulations, 1993*.



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3. I also understand and declare that, by signing this consent and waiver:
- (a) I consent to the owner's application to withdraw funds from the owner's contract;
 - (b) I am giving up my status and rights as a surviving spouse, on the death of the owner, with respect to the funds that are withdrawn, and I am giving up any other entitlement that I may have to the funds that are withdrawn; and
 - (c) I am permitting the owner to receive a pension that does not comply with section 34 of *The Pension Benefits Act, 1992*.
4. I understand that as long as the funds are kept in the contract, I may have a right to a share of the funds if there is a breakdown of the spousal relationship between me and the owner, and if the funds are withdrawn from the contract, I may lose any right that I have to a share of those funds.
5. I understand that signing this consent and waiver does not affect the rights I have pursuant to *The Pension Benefit Regulations, 1993* with respect to any amount that is not withdrawn.
6. I certify that this consent and waiver is being signed freely and voluntarily without any compulsion on the part of the owner and not in the presence of the owner.
7. I understand that this consent and waiver is not valid if it is signed more than 90 days before the withdrawal of the locked in money pursuant to subsection 29(8.4) or sections 29.01 to 29.05 of *The Pension Benefits Regulations, 1993*.

Signed at _____ this _____ day of _____, 20 _____

in the presence of _____
(print or type name of witness)

of _____
(address of witness)

(Signature of witness)

(Spouse's signature)

Part II of Appendix amended

6 Table 1 in Part II of the Appendix is amended:

(a) by repealing item number 5 - Retirement Plan for Employees of City of Weyburn; and

(b) by repealing item number 13 - Pension Plan for Employees of the Saskatchewan Workers' Compensation Board.

Coming into force

7 These regulations come into force 4 months after the day on which they are filed with the Registrar of Regulations.