



# UBC FACULTY PENSION PLAN RETIREMENT LIF-TYPE PAYMENTS

*This fact sheet is an overview of the LIF-Type benefit. For further information, visit [faculty.pensions.ubc.ca](https://faculty.pensions.ubc.ca) and select **Life Events > Retiring**.*

A Life Income Fund (LIF) provides you with a regular retirement income. The UBC Faculty Pension Plan is permitted to provide a retirement income in the form of LIF-Type payments directly from the Plan. These payments are similar to payments from an external LIF and they eliminate the need to move your retirement assets out of the Plan. You must withdraw a minimum amount each year starting with the calendar year following the year you elect LIF-Type payments and there is a maximum amount you can withdraw each year, as noted in the table on page 2. The income you receive is taxable but the amount remaining in the Plan, including investment earnings, remains tax sheltered. If you have a spouse, their consent is required for you to elect LIF-Type payments.

## DEATH BENEFITS

On your death, the remaining balance in your account is payable to your beneficiary. If, at the time of your death, you have a spouse according to the definition of spouse in the applicable pension legislation, and that spouse has not waived his or her right to the benefit, the benefit will be paid to that spouse.

## INSTRUCTIONS

1. Determine how much of your account balance you want to use to fund your LIF-Type payments. You may use all or a portion of your locked-in funds; however you may not split your locked-in funds in a way that will result in your balance qualifying for the small benefit rule. You may also transfer locked-in funds from other registered plans to the UBC Faculty Pension Plan for this purpose.
2. Determine how much you want to withdraw, keeping in mind the minimums and maximums as per the table below. Each calendar year, subject to the minimum and maximum parameters, you are allowed to withdraw any amount in the form of regular payments and/or lump sum withdrawals. You may use your spouse's lower age, if applicable, to determine your minimum payment requirement and reduce your tax obligation.
3. Choose the fund(s) in which you wish to invest your locked-in assets. All of the UBC Faculty Pension Plan investment options will remain available to you.

## THINGS TO THINK ABOUT

- No need to search for an external financial institution as assets remain under the UBC Faculty Pension Plan.
- Potentially lower investment management fees compared to retail funds and no charges (loads) to reallocate funds.
- Payments may be made monthly, quarterly, semi-annually or annually.
- Receive payments by direct deposit to your Canadian bank account, or by cheque or wire for non-residents without a Canadian bank account.
- There is a maximum withdrawal limit, which changes each year based on rates for long-term Government of Canada bonds or the previous year's investment returns from your LIF-Type payment account.
- The investment option(s) you choose will determine how your account balance reacts to market fluctuations.
- Withholding tax is required on all LIF-Type payments from the FPP, compared to financial institutions who are not required to withhold tax on LIF payments up to the minimum.

## MINIMUM/MAXIMUM ANNUAL PAYMENT SCHEDULE

Age (Jan. 1 <sup>st</sup> )	Min.	Max.	Age (Jan. 1 <sup>st</sup> )	Min.	Max.	Age (Jan. 1 <sup>st</sup> )	Min.	Max.
54	2.78%	6.45%	68	4.55%	7.83%	82	7.38%	15.19%
55	2.86%	6.51%	69	4.76%	8.02%	83	7.71%	16.90%
56	2.94%	6.57%	70	5.00%	8.22%	84	8.08%	19.19%
57	3.03%	6.63%	71	5.28%	8.45%	85	8.51%	22.40%
58	3.13%	6.70%	72	5.40%	8.71%	86	8.99%	27.23%
59	3.23%	6.77%	73	5.53%	9.00%	87	9.55%	35.29%
60	3.33%	6.85%	74	5.67%	9.34%	88	10.21%	51.46%
61	3.45%	6.94%	75	5.82%	9.71%	89	10.99%	100.00%
62	3.57%	7.04%	76	5.98%	10.15%	90	11.92%	100.00%
63	3.70%	7.14%	77	6.17%	10.66%	91	13.06%	100.00%
64	3.85%	7.26%	78	6.36%	11.25%	92	14.49%	100.00%
65	4.00%	7.38%	79	6.58%	11.96%	93	16.34%	100.00%
66	4.17%	7.52%	80	6.82%	12.82%	94	18.79%	100.00%
67	4.35%	7.67%	81	7.08%	13.87%	95+	20.00%	100.00%

Note: The maximum withdrawal amount may be higher than the maximum quoted in the above table. It can equal the investment return from your LIF-Type account for the previous calendar year.