

Calculation of LIF Plan Maximum Amounts – Calculation Methods Reference Document

This document provides all the information you need to better understand how LIF plan maximum amounts are calculated for each province.

Sections

Maximum Amount LIF Calculation – Important Reminders	2
Legislations with 2 Calculation Methods	2
1. Method 1 – Maximum Factor	2
2. Method 2 – Income.....	2
Quebec Legislation.....	3
Federal Legislation	4
All Other Legislations	4

MAXIMUM AMOUNT LIF CALCULATION – IMPORTANT REMINDERS

- The LIF plan legislation may not necessarily align with that of the client’s province of residence.
- Factors are updated in Univeris at the beginning of each year, if necessary, in accordance with guidelines received from various governments.
- For all provinces, the information below is also available in each of the riders available in Univeris.
- For any inquiries regarding a maximum amount calculation made in Univeris, please send a request to Client Services by email at investia@investia.ca.

LEGISLATIONS WITH 2 CALCULATION METHODS

Alberta – British Columbia – Manitoba – Ontario – Newfoundland and Labrador:

The calculation formulas for these 5 legislations (especially for the “Income” Method 2) are defined according to government rules.

According to the official documents of these legislations, the maximum amount calculation made in Univeris takes both methods into account. The maximum amount indicated in the plan details in Univeris, in the “Current Maximum” field, corresponds to the highest amount resulting from the calculation of both methods. This can explain the difference in amount from one year to another.

1. Method 1 – Maximum Factor

A factor is determined by the government of the province based on the client’s age (in completed years) as of January 1 of the current year. The factor grid is available on the website of the respective province. The factor is multiplied by the market value as of December 31 of the previous year.

Example: Mr. Smith was born on October 15, 1956, and has a LIF under Ontario legislation. On December 31, 2024, he was 68, and the market value of his LIF was \$237,782.24. The factor determined by the government of Ontario, to calculate his maximum amount for 2025, is 0.0783449:

$$\$237,782.24 \times 0.0783449 = \underline{\$18,629.03}$$

2. Method 2 – Income

It is also known as the market value or gain method. The maximum amount is determined based on the income (or gains) earned in the plan during the previous year. The calculation is made automatically in Univeris.

Note: This method **does not apply** if the market value at the end of the previous year was 0. Method 1 is then applied.

Example: Mr. Smith was born on October 15, 1956, and has a LIF under Ontario legislation. On December 31, 2024, he was 68, and the market value of his LIF was \$237,782.24.

For this method, we must also take into consideration the value of his plan on December 31, 2023, which was \$205,123.45 for Mr. Smith, as well as the asset withdrawals (additions) and contributions (subtractions) in 2024.

For Mr. Smith, he had an AWD of \$1,000/month in 2024. Therefore, the maximum amount will be as follows:

- Market value on December 31, 2024: \$237,782.24
- Market value on December 31, 2023: \$205,123.45
- + Withdrawals made in the plan in 2024: \$12,000 (pre-tax AWD amount: \$1,000 x 12)
- = $(237782.24 - 205123.45) + 12,000.00$
- = **\$44,658.79**

Therefore, Univeris will consider the higher amount as the maximum amount, which is \$44,658.79. If the calculation based on the market value is lower, then Univeris will utilize the factor-based calculation (Method 1).

Important note: For LIFs whose maximum amount is calculated during the year following an external transfer-in, a LIRA rollover to LIF, etc., which had no market value on December 31 of the previous year, only Method 1 (Maximum Factor) will be applicable.

For any inquiries regarding these situations, please send a request to Client Services by email at investia@investia.ca

References

Alberta	Government of Alberta – Pensions section
British Columbia	BC Financial Services Authority – Pensions – LIRAs and LIFs Section
Manitoba	Manitoba Pension Commission – LIF Section
Ontario	Financial Services Regulatory Authority of Ontario – LIF and LRIF Maximum Annual Income Payment Table Section
Newfoundland and Labrador	Newfoundland and Labrador Government – Locked-in Retirement Savings Arrangements Section

QUEBEC LEGISLATION

If the client is under 55 years old: a maximum factor is determined by Revenu Québec based on the client's age (in completed years) as of January 1 of the current year. The factor grid is available on the website of [Revenu Québec, LIF Quick Calc Section](#).

This factor is multiplied by the market value as at December 31 of the previous year. The result provides the maximum amount for the year. If the client is 55 years or older: **no maximum** (since January 2025).

FEDERAL LEGISLATION

A maximum factor is determined by the Office of the Superintendent of Financial Institutions (OSFI) based on the client's age (in completed years) as of January 1 of the current year. The factor grid is available on the website of the [OSFI website, LIFs, RLIFs and Variable Benefits Accounts Section](#).

This factor is multiplied by the market value as at December 31 of the previous year. The result provides the maximum amount for the year.

ALL OTHER LEGISLATIONS

A maximum factor is determined by the government of the plan's legislation based on the client's age (in completed years) as of January 1 of the current year. The factor grid is available on each of the government entity's websites (see table below).

This factor is multiplied by the market value as at December 31 of the previous year. The result provides the maximum amount for the year.

Prince Edward Island	No lifetime income scheme offered under this legislation
New Brunswick	Financial and Consumer Services Commission of New Brunswick – Pension Transfers and Withdrawals Section
Nova Scotia	Nova Scotia Finance and Treasury Board – Life Income Funds Section
Nunavut	No lifetime income scheme offered under this legislation
Saskatchewan	LIFs are no longer offered for this province since April 1, 2002 - LIRA plans are converted to prescribed RRIF.
Northwest Territories	No lifetime income scheme offered under this legislation
Yukon	No lifetime income scheme offered under this legislation

Any questions?

Please contact our Client Services Department, by email at investia@investia.ca, by phone at 1-888-684-5548 or use the chatbot feature available on the Advisor Centre.