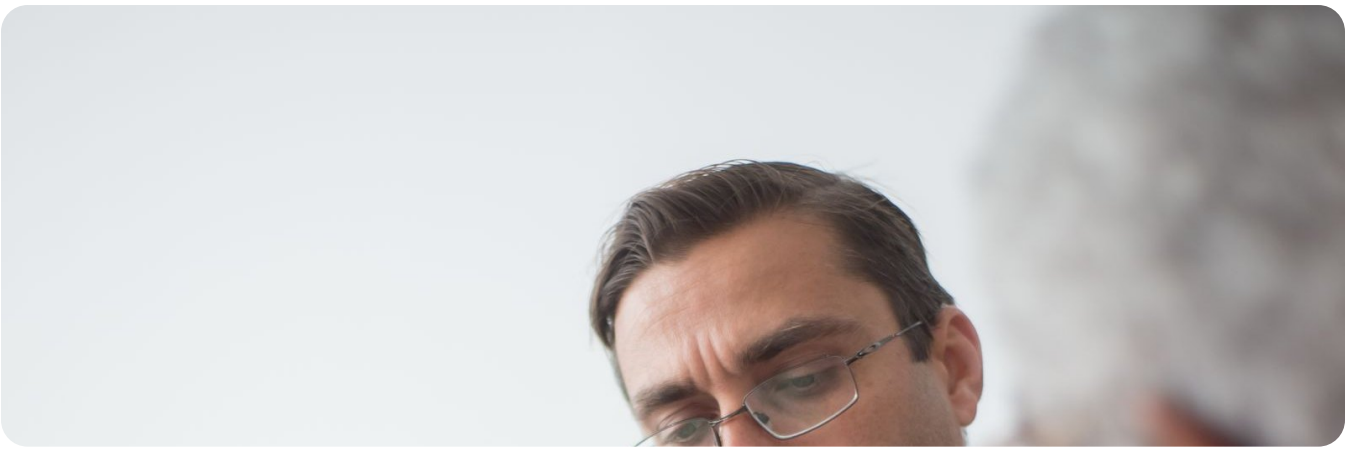


FREE GUIDE · OCTOBER 2026 EDITION

The segregated fund LIRA and LIF

When you leave an employer with a pension plan: keeping, protecting and growing what is yours.

Jean Carrière · Financial Security Advisor



AT A GLANCE

The essentials on one page

Leaving the public service, teaching or a company that offered a defined benefit or defined contribution pension plan? Depending on your age and the plan's rules, you can sometimes transfer the value of your benefits. That money cannot be spent freely: it is locked in. The LIRA and the LIF are the vehicles designed to receive it.

Locked in

The money comes from a pension plan and must be used to provide a retirement income.

LIRA

The locked-in retirement account, for saving until retirement.

LIF

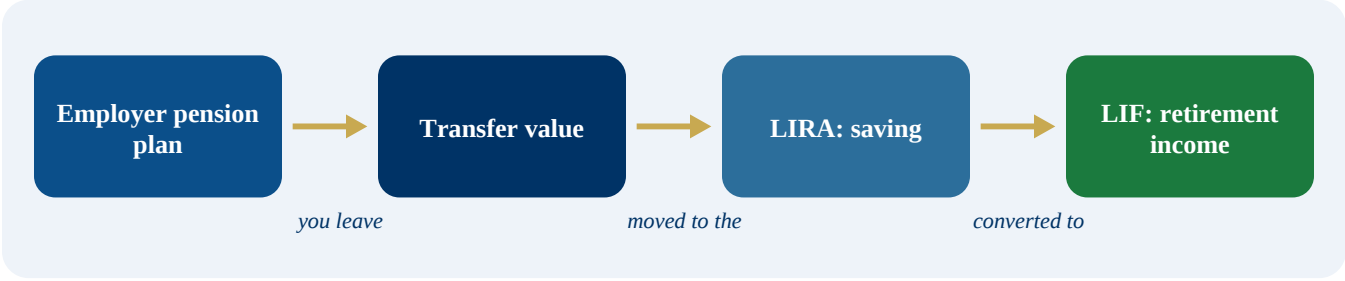
The life income fund, for drawing an income between an annual minimum and maximum.

Guarantees

With segregated funds, your locked-in investments benefit from maturity and death benefit guarantees.

HOW IT WORKS

The segregated fund LIRA and LIF



The LIRA receives the transfer value from your plan. The money grows tax-sheltered, but withdrawals are not allowed, except for exceptions set out in the law.

When it is time to draw an income, the LIRA is converted into a LIF. Each year, you must withdraw at least a minimum, as with a RRIF, without exceeding a maximum set by regulation. The exact rules depend on the law governing your plan, in Québec the Supplemental Pension Plans Act, administered by Retraite Québec.

Key terms

Transfer value	The sum representing your benefits in the plan, calculated by the plan administrator.
Locking in	The ban on withdrawing the money before retirement, except for exceptions provided by law.
LIF annual maximum	The ceiling on withdrawals allowed each year, calculated under the regulations.
Unlocking	Exceptional withdrawals possible in certain situations provided by law.
Spouse	A spouse's rights are protected by law; their waiver is sometimes required for certain choices.

UNDERSTANDING THE CONTRACT

The segregated fund contract, in plain terms

A segregated fund is an investment offered by a life insurer, inside an insurance contract called an individual variable insurance contract. Your money is invested in funds similar to mutual funds, run by professional managers, but held separately from the insurer's other assets: that is where the word "segregated" comes from.

What makes the difference is that the contract adds protections you won't find in an ordinary investment account.



Maturity guarantee
On the maturity date, often 10 or 15 years after the deposit, you receive at least 75% or 100% of your deposits, depending on the series, reduced proportionally by withdrawals.

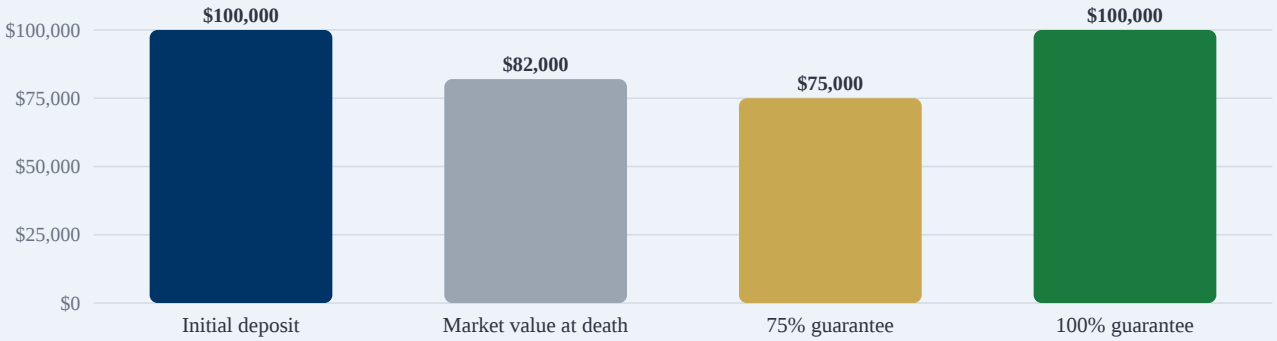


Death benefit guarantee
If you die, your beneficiaries receive at least the guaranteed amount, even if markets have fallen. It is paid directly, without waiting for the estate to be settled.



Assuris
If a member insurer were to fail, Assuris protects your guarantees up to $100,000 or 90% of the guaranteed amount, whichever is higher.

Example: $100,000 deposit, markets down at the time of death



What the beneficiaries receive, depending on the guarantee chosen

The price of protection
Guarantees have a cost, included in each fund's management expense ratio (MER). The higher the guarantee, the higher the MER. The right choice depends on your time horizon and how much the legacy matters to you.



THE BENEFITS

Why it helps

01
You take control
You choose your investments and the timing of your income, within the limits of the law.

02
Tax-sheltered growth continues
As in an RRSP.

03
Guarantees on your retirement money
The segregated fund contract protects the capital at death and at maturity.

04
A structured transfer at death
The spouse and beneficiaries are protected.

WHO IT IS FOR

Is it right for you?

- **Former public sector employees**
  Who are considering, or have made, a transfer of their pension, after analysis.
- **Workers changing careers**
  Who leave an employer plan before retirement.
- **People aged 50 to 65**
  Who want to organize their retirement income.
- **Those who want to leave an estate**
  A transfer can allow the capital to be passed on at death, unlike some pensions.

A REAL-LIFE EXAMPLE

Sylvie, 54, leaves teaching for a new career. After a detailed analysis of her promised pension and the transfer value, she chooses to transfer her benefits into a segregated fund LIRA.

At 60, she converts her LIRA into a LIF and draws an income between the allowed minimum and maximum. Her death benefit guarantee protects the capital her spouse would receive if she died early.

OPTIONS AND PITFALLS

Choosing well, without surprises

Common options

Segregated fund LIRA	To save until retirement, with guarantees.
Segregated fund LIF	For a regulated income, with guarantees.
Life annuity	Locked-in funds can also be used to buy an annuity.
Pension vs. transfer analysis	The decision is important and often irreversible: it deserves an analysis with real numbers.

WHAT TO CHECK BEFORE YOU SIGN

- A guaranteed, indexed lifetime pension is very valuable: compare it seriously before transferring.
- The locking-in and unlocking rules depend on the law that applies to your plan.
- The spouse's rights and any waivers required.
- Part of the transfer value may exceed the allowed limit and be paid in cash, which is taxable.

NEXT STEPS

The right questions to ask

Before you decide, ask yourself:

- Is it better to keep my pension or transfer it?
- Which rules apply to my locked-in funds?
- When should I convert my LIRA into a LIF?
- How do I protect my spouse?

I compare products from several insurers and lay the numbers out side by side. A 30-minute meeting, in person in Montréal, by Google Meet or by phone, is usually enough to see clearly.

BOOK A MEETING

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Run the numbers

Scan the code with your phone's camera: the free Maprime.ca calculator gives you a first estimate in two minutes, with no sign-up.

Open the calculator →

Request a quote

Or scan this one to request a personalized quote, free and without obligation.

Request my quote →

Jean Carrière, independent representative through Groupe Cloutier, general agent. Financial security advisor, group insurance and group annuity plans representative and scholarship plan representative, registered with the Autorité des marchés financiers (certificate 259457). Verify my registration: lautorite.qc.ca.

IMPORTANT NOTICES AND SOURCES

Please read

- This guide provides general information. It is not personalized tax, legal or financial advice, nor a product recommendation. A needs analysis is required before any recommendation.
- Any amount allocated to a segregated fund is invested at the risk of the contract holder and may increase or decrease in value. The guarantees and fees are those of the information folder, the contract and the Fund Facts, which alone are authoritative.
- The coverage, exclusions, fees and conditions that apply are those of the contract issued by the insurer, which alone is authoritative. Examples are illustrative and are not a quote.
- I am an independent representative: I am not bound to any insurer by an exclusivity agreement and I compare products from several insurers. I am paid by commission from the insurer; I will disclose it on request.
- Figures and rules in effect in October 2026; they may change. Images: Pexels photographs (Pexels licence) and illustrations generated by artificial intelligence; the people shown are models or fictional characters.

Sources consulted

- Supplemental Pension Plans Act (Québec) and Retraite Québec, general information on the LIRA and the LIF
- Assuris, segregated fund guarantees

AT A GLANCE

The LIRA and LIF at a glance

The essential features of this solution, on a single page.



General features for information only. Guarantees, options, limits and tax rules vary by insurer, contract and your situation.

Let's talk about your situation

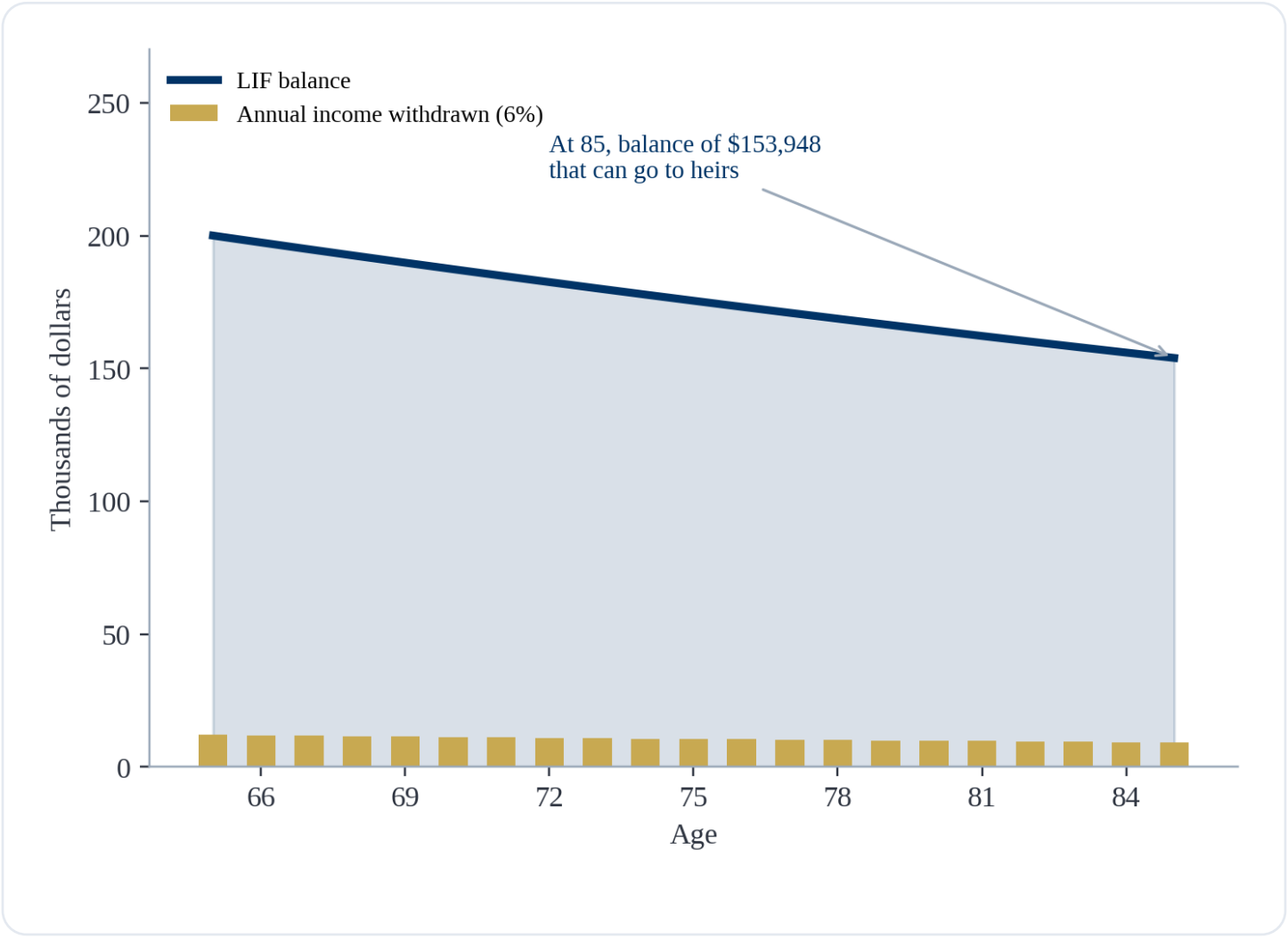
A free 30-minute meeting: 438 889-6474 · maprime.ca/rendez-vous-en · info@maprime.ca

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THE ADVANTAGES IN A CHART

Income, and capital that remains

Unlike an annuity that stops at death (unless guaranteed), a LIF pays income while keeping a balance that can pass to your heirs.



Assumptions and sources

Assumptions: $200,000 at age 65, 6% withdrawal a year, 5% return. Withdrawals must respect the prescribed minimum and maximum.

Your numbers, not assumptions

I'll redo this calculation with your real situation: 438 889-6474 · maprime.ca/rendez-vous-en

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Independent representative registered with the AMF (certificate 259457): I compare products from several insurers. General information, not personalized advice.

Let's talk about your situation

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