From:	Bob Tangney
To:	capsa-acor
Subject:	Consultation on guideline number 8
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With respect to de-cumulation options, a couple of comments as follows;

Sometimes many view CAPSA as having a focus in the DC Pension Plan world and the legislation impacting DC pension plans, I think it should be made more clear it is with regard to all CAPs.

1. There are individuals who have moved from DC plans and have locked in RRSP, later falling into locked in LIF's. The requirements for these plans should follow rules for DC plans. there is much confusion within these programs and this should be clarified in some manner.

2. For example, there is no clear requirement a provide an individual after age 55 that s/he could take a distribution of some type, nor does one necessarily arise at age 65, in most cases, the communication arises at age 71 when distributions must be made.

3. The area regarding unlocking of money which varies between provinces is also not clearly understood. In some cases, providers of these vehicles have outlined you could do it only once in your lifetime, versus each time you moved money from a LIRA to a RLIF. In addition there are few who understand that the amount from a RLIF between the minimum and the maximum could be unlocked and transferred to your RRSP without taxation.

I do not think that this was intended by pension legislation but it has become an item especially in provinces where one cannot unlock more than 50%.

4. In disclosing assumptions, it is important that the sites identify that the money is in a locked in RRSP or in an unlocked RRSP. This is especially important when considering an annuity purchase. On several sites, the quotations provided only info on unlocked accounts but it did not mention this. IN one case I entered the basic calculation which was for a $100,000 asset and the basic form was an annuity guaranteed for 10 years. For the male at age 65 the pension produced was about $6100 and for the female same age, the annuity was $5500.

While after a suggestion to the site, a choice was made but no difference in the calc. was made, there was only a suggestion that to choose this option one would have to get the spouse to sign off. Again yes a sign off would be required but that does not change the mortality tbale to be used.

5. Why this may be of importance, fi both myself and my spouse had locked in money and unlocked money and we wanted some annuities, it might be better for the male to buy with locked in money and the female to buy with unlocked money.

In discussions on the phone with 3 insurance companies, the individuals providing the calculations did not even understand there was a difference in the calcs.

6. When most legislation was created, the norm was more of a one income unit, we have evolved from that and in the past, I could contribute to my spouse's RRSP instead of my own which now is of less interest due to pension splitting rules.

7. The other area of lacking in clarity is when there is a pension splitting due to family separation, again the female going for annuity is given annuity rates based on non RRSP rates versus locked in rates.

The Plan administrator who runs a DC pension plan often does not have any background in these rules expecting the provider to deliver the correct info