

New rules for your clients holding a Quebec LIF

Effective January 1, 2025, [new rules apply for the Quebec Life Income Fund \(LIF\)](#).

Action required: Contact your affected clients now!

Since there will no longer be a maximum withdrawal amount for your **Quebec LIF clients aged 55 and over**, they will be able to request total or partial withdrawal of the sums accumulated in their contract, in one or more instalments, at any time.

Don't wait until January 2025: contact your affected clients now and send us their new payment instructions using form [F51-153A-4](#). This will help prevent any processing delays. Here are the situations to consider:

Current withdrawal option	Option desired after January 1, 2025	Action required
Minimum withdrawal	Minimum withdrawal	No action required
Fixed amount	Unchanged fixed amount	No action required
Maximum withdrawal (age 55+)	The maximum withdrawal option will be changed by default to the minimum withdrawal option .	Yes, send us the new withdrawal instructions using form F51-153-4 if your clients want more than the minimum withdrawal.

Your affected clients will be informed in the coming weeks and you will receive a notification in Business Tracker.

Main changes for your Quebec LIF clients

Age of person requesting temporary or life income	It is now the person's actual age at the time of applying for the income that is taken into account (and no longer the age on December 31 of the year preceding the application).
No maximum withdrawal for those aged 55 and over	<p>The LIF is no longer subject to a maximum annual withdrawal amount. However, a minimum annual withdrawal is still required.</p> <p>People aged 55 and over may request total or partial withdrawal of the sums accumulated in their contract, in one or more instalments, at any time. Note that a total withdrawal could have significant tax consequences.*</p>
New maximum withdrawal calculation for those under age 55	Changes have been made to the maximum withdrawal calculation for those under age 55.
Transfers to RRSPs or RRIFs no longer allowed	All clients are now prohibited from making direct transfers from a LIF to an RRSP or RRIF.

More information on the new calculation rules can be found on the [Retraite Québec website](#).

* Tax impact

Withdrawing larger amounts from LIFs can have a significant impact on your clients' subsequent tax returns, since any withdrawal is added to annual income and subject to the corresponding tax brackets.

This is an excellent opportunity to start a discussion with your clients to explore the options available and choose the strategy best suited to their financial and tax situation.

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- A rider will be attached for all Quebec LIF clients.
- Explanatory notes as well as the estimated life income amount and calculation method used will be provided to clients aged 55 and over.

Learn more about the [Life Income Fund \(LIF\)](#)

As a reminder, LIFs are used to convert savings accumulated in a locked-in retirement account (LIRA), locked-in RRSP or pension plan (RPP, SPP, PRPP, VRSP) into retirement income. They allow clients to make periodic withdrawals to meet their financial needs in retirement.

The documents and webpages related to the LIF available in your Advisor Centre or on ia.ca will be progressively updated to reflect the changes made.