FINANCE



Locked up

Secured doesn't mean out of options

A whitetail hunter encounters things they'll never forget, and it may not be a giant buck standing broadside just out of range. Sometimes it's hearing the unmistakable crack of antlers colliding as two mature bucks drive into one another during the peak of the rut. Eventually, one will twist free while the other retreats. Occasionally, however, hunters discover a sobering scene: two mature bucks that became hopelessly entangled, unable to separate. What began as a contest for dominance, ended with both animals dead.

For many Canadians, however, "locked up" has a different meaning. Hundreds of billions of dollars are sitting in locked-in retirement accounts created from employer-sponsored pension plans. For many Canadians, terms like locked-in retirement account (LIRA) or locked-in retirement savings plan (LRSP) bring the same reaction: "That money is locked away, and I can't use it when I need it." While there is some truth to that belief, it's only part of the story.

Many people assume locked-in means inaccessible, but pension legislation across Canada includes provisions that may allow some, or all of those funds to be unlocked. Eligibility depends on several factors, including the province or federal jurisdiction governing the pension, your age, and your personal circumstances. The key is understanding which rules apply to you.

Knowledge creates opportunity

Experienced deer hunters know predictable success doesn't come from simply walking through the bush. They study wind direction, food sources, terrain, weather patterns, and deer behaviour. Knowledge, not luck, puts more mature bucks within range. Retirement planning deserves the same approach.

Too often, people make financial decisions based on outdated information or assumptions they've carried for years. Others never bother to ask questions because they've convinced themselves there are no options. In both cases, opportunities are often overlooked.

Whether you're approaching retirement or already drawing income, understanding your locked-in options can have a meaningful impact on your financial plan. Unlocking eligible funds may provide greater flexibility to manage taxes, create more efficient retirement income, meet unexpected expenses, or leave a larger legacy for the next generation.

That doesn't mean unlocking is always the right decision. Like choosing the wrong stand location on opening morning, a poorly timed financial move can have lasting consequences. Every situation is different, and every decision should be evaluated within the context of your overall retirement strategy.

Prepare before opportunity knocks

Understanding how your LIRA or LRSP fits into your broader financial picture can help you make informed decisions rather than reacting when circumstances force your hand.

If you're into solving problems while on stand this deer season, ask yourself whether part of your retirement savings feels locked up. If it does, don't assume you're out of options. Speak with an accredited financial planner who understands retirement income planning and the rules governing locked-in pension assets. The right advice can help you determine what choices are available, when they become available, and whether they support your long-term goals.

In hunting, preparation creates opportunity. The same is true for retirement. ●



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