

FINANCIAL SERVICES TRIBUNAL

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c.P.8, as amended (the “Act”);

AND IN THE MATTER OF a Notice of Proposal to Refuse to Consent by the Superintendent of Financial Services (the “Superintendent”), dated January 21, 2003, with respect to an application for withdrawal of money from a life income fund, locked-in retirement account, or a locked-in retirement income fund (a “locked-in account”) based on financial hardship;

AND IN THE MATTER OF a Hearing under subsection 89(8) of the Act;

REASONS

1. The applicant in this matter requested a hearing in respect of the Superintendent’s Notice of Proposal to Refuse to Consent dated January 21, 2003, denying the Applicant access to funds associated with a locked-in account. The applicant had applied to withdraw these funds, pursuant to subsection 67(5) of the Act, which reads as follows:

67.(5) Despite subsections 1 and 2 , upon application, the Superintendent may consent to the commutation or surrender, in whole or in part, of a prescribed retirement savings arrangement of a type that is prescribed for the purposes of this subsection if the Superintendent is satisfied as to the existence of such circumstances of financial hardship as may be prescribed.

1. The Superintendent's ground for denial was that the application (the "Current Application") made on the basis of low income, is contrary to the conditions imposed by subsections 89(4) and 89(5) of Ontario Regulation 909 as amended (the "Regulation"), as follows:
 - 89.(4)** Only one application may be made during each 12 month period.
 - (5)** An unsuccessful application is not counted for the purposes of subsection (4).
2. The issue to be determined by the Tribunal, based on written submissions from the Applicant and the Superintendent, is whether or not the Superintendent should have consented to the Current Application (dated December 5, 2002).
3. The Superintendent submits that the Applicant signed a Previous Application on May 29, 2002 resulting in the Superintendent's consent to the withdrawal of funds from the Applicant's locked-in account, on the basis of the Applicant's low income. Therefore, the Previous Application was successful.
4. On December 5, 2002, the Applicant signed the Current Application, requesting consent to withdraw funds from his locked-in account on the basis of low income. As this application was made within 12 months after the successful Previous Application, (which was also made on the basis of low income), the Current Application does not meet the conditions set out in subsections 89(4) and 89(5) of the Regulation.
5. This Tribunal does not have the authority to direct the Superintendent to allow an application for a withdrawal from a locked-in account that does not meet the requirements of the Regulation. Although the evidence of financial hardship on

the part of the Applicant may be compelling, the December 2002 application cannot be granted because it fails to meet the time requirement in the regulations.

6. In the circumstances the Tribunal must affirm the Superintendent's Notice dated January 21, 2003.

ORDER

The Superintendent is hereby directed to carry out the proposal contained in the Notice of Proposal to Refuse to Consent, dated January 21, 2003, directed to the Applicant.

Dated at Toronto, this 24th day of March, 2003.

"Heather Gavin"
Ms. Heather Gavin
Member, Financial Services Tribunal