



Account Application

- Olympia Trust Company Self-Directed Retirement Savings Plan
- Olympia Trust Company Self-Directed Retirement Income Fund

Language preference: English (Default) French

Account Number _____

1. Annuitant Information

Last Name

S.I.N.

First Name (Please use legal name)

Middle Name

Date of Birth

Month / Day / Year

Address

Residence Telephone Number

City

Province

Postal Code

Business Telephone Number

Email address

Cellular Number

Fax Number

2. Plan Information

A. Plan Type (Check one): RSP Spousal RSP LRSP/LIRA RIF Spousal RIF Prescribed RIF LRIF
 New LIF RLIF RLSP LIF

B. For Locked-In Plans Only – Applicable Pension Legislation (Check one)
 BC AB SK MB ON Quebec NL/LB NB NS Federal

C. For Alberta Legislation Only – I am:
 the original owner a surviving pension partner owner a non-member-pension partner

D. For RIFs and LIFs Only (Check if applicable)
 Deposits are from a RIF established prior to 1993 (separate applications are required to keep pre-1993 and post-1992 deposits separate)

3. Spousal Contributor Information (if applicable)

Last Name

S.I.N.

First Name

Middle Name

Date of Birth

Month / Day / Year

4. RIF/LIF/LRIF Withdrawal (if applicable)

A. Amount: Minimum Maximum (LRIF/LIF/RLIF only) Other (subject to allowable limits) _____

B. Cash or In-Kind (processed only on an annual basis)

C. Frequency: Monthly
 Quarterly (months of _____, _____, _____ & _____)
 Semi-Annually (months of _____ & _____)
 Annually month of _____

D. Payment Date: 1st of the Month 15th of the Month

E. Base the RIF withdrawal on spouse's age:

Spouses Name

S.I.N.

Date of Birth

Month / Day / Year

F. EFT (Electronic Fund Transfer) Please complete the Pre-Authorized Debit/Credit/Refund Agreement Form and attach a Void cheque.

5. Fee Payment Options

Fees can be paid by the following methods: bill payment via online banking, Visa, MasterCard, EFT or cheque. Olympia Trust Company Fee Schedule and PAD form (Pre-Authorized Debits/Contributions/Mortgage Payments) are available at www.olympiatrust.com.

6. Beneficiary Designation (Optional)

I designate the person named below as beneficiary of my Plan if that person is living at the date of my death. I reserve the right to revoke this designation:

Name of Beneficiary: _____

This designation may not be valid in all provinces. If the beneficiary is not living at the date of death, or in the absence of a designated beneficiary on this form or in your will, the proceeds of this Plan will be paid to your estate.

(For RIF, LIF or LRIF only, please check if applicable) I elect that my spouse continue to receive the payments as successor annuitant under the relevant Fund, provided the Fund is still active on my death or until the Fund ceases.

7. Plan Holder Authorization and Acceptance

- (i) I acknowledge that this is a request for Olympia Trust Company to apply for registration of the Olympia Trust Company Self-Directed Retirement Savings Plan, or Olympia Trust Company Self-Directed Retirement Income Fund, under the Income Tax Act (Canada) and if applicable, under the Taxation Act (Quebec) as: (a) a Registered Retirement Savings Plan if I have selected RSP, Spousal RSP, or locked-in RSP/LIRA, as my plan type; or (b) a Registered Retirement Income Fund if I have selected RIF, Spousal RIF, Prescribed RIF, LRIF, RLSP, LIF/RLIF or New LIF as my plan type. I certify that the information contained in this Plan Application is true and correct, and that I have read and am bound by the attached Declaration of Trust that governs my Plan and any applicable Locking-in Supplements. I understand that it is my responsibility to arrange for the transfer of assets to my Plan from any predecessor retirement plan or other permitted source.
- (ii) I acknowledge and agree that I am solely responsible for all investments in my Account and all investment decisions relating thereto. Olympia is not in the business of providing investment advice and does not provide direction or advice with respect to the purchase of any securities or other form of investment. Olympia strongly recommends that you should: (i) conduct extensive due diligence on any investment prior to purchasing and obtain extensive information on the investment, the risk associated with the investment and the ability to recover your investment; (ii) review the investment objectives of any investment you have chosen to ensure that it meets your financial needs; and (iii) if you invest in exempt market securities and/or publicly traded shares or bonds, obtain a prospectus, offering memorandum or other prescribed documentation describing the investment prior to or at the time you make your investment. You understand that if you have any questions or doubts about a particular investment, it is your sole responsibility to obtain independent advice from a qualified professional. Olympia will execute any order it receives from you without making any inquiries in connection with the suitability of the investment.
- (iii) I understand that Olympia Trust Company has the right to reject an order if the proper documentation is not in place or if the investment is not eligible.
- (iv) I understand that Olympia Trust Company is a non-deposit taking Trust Company. Any cash held in Trust is non-interest bearing.
- (v) I understand that I am responsible for all commissions and fees as outlined in the Olympia Trust Company Fee Schedule. In addition, I understand that Olympia Trust Company can sell securities in my account or otherwise deduct from my account any amounts owing to them.
- (vi) I understand that it is my responsibility to notify Olympia Trust Company in writing of any errors or omissions within the time limits specified on the statements or other notices.
- (vii) I acknowledge that I will advise Olympia Trust Company of any changes to my account.
- (viii) I acknowledge that I must advise Olympia Trust Company if I cease to be a resident of Canada.
- (ix) I understand that I may be liable for certain tax consequences arising in connection with a non-compliant qualifying arrangement.
- (x) I understand that a late payment charge of 2% per month will apply to any overdraft amount not paid to Olympia by March 1st of each year.
- (xi) I hereby acknowledge and agree that all telephone calls to and from Olympia Trust Company ("Olympia") may be recorded for training purposes. By recording the telephone calls, Olympia may collect personal information about me. I hereby consent to Olympia recording all telephone calls for training purposes

Annuitant Name

X

Annuitant Signature

Date

Authorized Olympia Trust Company Signing Officer

Date

Privacy Notice

At Olympia Trust Company, we take privacy seriously. In providing services to you, we receive non-public, personal information about you. We receive this information through transactions we perform for you and may also receive information about you by virtue of your transactions with affiliates of Olympia Trust Company or other parties. Olympia Trust Company is committed to respecting and protecting the confidentiality of your personal information and the safeguarding of all personal information entrusted to us. We have prepared a Privacy Policy to tell you more about how we protect your personal information. It is available on our website at www.olympiatrust.com

**Olympia Trust Company Self-Directed Retirement Savings Plan
Declaration of Trust**

Olympia Trust Company ("the Trustee"), a trust company incorporated under the laws of Alberta, hereby declares that it agrees to act as trustee under the **Olympia Trust Company Self-Directed Retirement Savings Plan** ("your Plan") for you, the annuitant named in the Self-Directed Application Form ("your Application") which accompanies this declaration on the following terms and conditions:

1. **Registration:** The Trustee will apply for registration of your Plan under the *Income Tax Act* (Canada) ("the Act"). If you live in Quebec as indicated by your address on your Application, the Trustee will also apply for registration of your Plan under the *Taxation Act* (Quebec).
2. **Compliance:** It is intended that, at all times, your Plan will comply with all relevant provisions of the Act and, if applicable, the Taxation Act (Quebec) with respect to a retirement savings plan ("RSP"). You will be bound by the terms and conditions imposed on your Plan by all applicable legislation.
3. **Spouse:** Means the individual who is considered to be the Annuitant's spouse or common-law partner in accordance with the *Income Tax Act (Canada)*. **Registration:** The Trustee will apply for registration of your Plan under the *Income Tax Act* (Canada) ("the Act"). If you live in Quebec as indicated by your address on your Application, the Trustee will also apply for registration of your Plan under the *Taxation Act* (Quebec).
4. **No Financial Advice:** I acknowledge and agree that I am solely responsible for all investments in my Account and all investment decisions relating thereto. Olympia is not in the business of providing investment advice and does not provide direction or advice with respect to the purchase of any securities or other form of investment. Olympia strongly recommends that you should: (i) conduct extensive due diligence on any investment prior to purchasing and obtain extensive information on the investment, the risks associated with the investment and the ability to recover your investment; (ii) review the investment objectives of any investment you have chosen to ensure that it meets your financial needs; and (iii) if you invest in exempt market securities and/or publicly traded shares or bonds, obtain a prospectus, offering memorandum or other prescribed documentation describing the investment prior to or at the time you make your investment. You understand that if you have any questions or doubts about a particular investment, it is your sole responsibility to obtain independent advice from a qualified professional. Olympia will execute any order it receives from you without making any inquiries in connection with the suitability of the investment.
5. **Contributions to your Plan:** You or, where applicable, your spouse may make cash contributions to your Plan. The Trustee will also accept transfers of cash to your Plan from any source permitted by the Act. In addition to cash, the Trustee may accept securities and other investments acceptable to it, in its sole discretion, if accompanied by properly executed transfer documents. Contributions may not be made after December 31 of the year in which you reach age 71 (or another age specified by the Act). The Trustee will hold contributions and transfers made to your Plan, investments made with those contributions and any income or capital gains realized in respect of those investments in trust for the purpose of providing you with a retirement income in accordance with the Act.
6. **Investments:** Contributions and transfers to your Plan will be invested and reinvested from time to time in accordance with investment instructions unless the proposed investment does not comply with requirements imposed by the Trustee in its sole discretion. Before the Trustee will act on your investment instructions, the instructions must be in a form acceptable to the Trustee and be accompanied by related documentation as required by the Trustee in its sole discretion. The Trustee may accept and act on any investment instructions which it believes in good faith to be given by you. The Trustee will endeavor to execute any purchase or sale of an investment within 5 business days after receipt of cash and your investment instructions at the market or sale price in effect on the day the transaction is executed. Any loss or gain resulting from errors made by the Trustee, its officers, employees or agents in the execution of investment instructions from your Plan will be for the Trustee's account.
7. **Annuitant's Responsibility:** You are responsible for ensuring that: (i) contributions to your Plan do not exceed the maximum limits permitted by the Act; (ii) the investments held in your Plan are qualified investments for your Plan under the Act. You acknowledge and accept responsibility for the above-mentioned matters.
8. **Non-Qualified Investments:** If your Plan becomes liable for tax, interest or penalties under the Act or similar provincial legislation, the Trustee is authorized to realize sufficient investments of your Plan, selected in its sole discretion, to pay the liability and the Trustee will not be liable for any resulting loss.
9. **Withdrawals and Refunds:** Following the receipt of written instructions in a form acceptable to the Trustee, the Trustee will make a payment from your Plan to (i) you or your spouse, as applicable, to reduce taxes otherwise payable under Part X.1 of the Act; or (ii) you. The Trustee may realize investments of your Plan selected by it in its sole discretion for the purposes of making the payment and will not be liable for any resulting loss. Payments will be made net of all proper charges including tax required to be withheld.
10. **Designation of Beneficiary:** If you are domiciled in a jurisdiction which by law permits you to validly designate a beneficiary other than by Will, you may designate a beneficiary to receive the proceeds of your Plan in the event of your death before the maturity of your Plan. You may make, change or revoke your designation by written notice signed by you in a form acceptable to the Trustee. Any designation, amended designation or revoked designation will be valid on the day following its receipt by the Trustee.
11. **Death of Annuitant:** Upon receipt of satisfactory evidence of your death, the Trustee will hold the assets of your Plan for payment in a lump sum to your designated beneficiary if that person was living at the date of your death. If you have not designated a beneficiary or if the designated beneficiary predeceases you, the assets of your Plan will be paid to your legal representatives. The lump sum payment will be paid subject to the deduction of all proper charges, including income tax required to be withheld, after the Trustee receives the releases and other documents that it requires in its sole discretion.
12. **Transfers from your Plan:** Following the receipt of your written instructions in a form acceptable to the Trustee, the Trustee will transfer all or part of the assets of your Plan (net of all proper charges) to the issuer of an RRSP or a registered retirement income fund (the "RRIF"), as instructed by you in the notice. The Trustee will provide the issuer of the recipient plan with all relevant information in its possession. The Trustee will sell or transfer specific investments of your Plan to effect the transfer if instructed by you in writing. In the absence of satisfactory written instructions, the Trustee may sell or transfer any investments of your Plan selected by it in its sole discretion to effect the transfer and will not be liable for any resulting loss. The transfer of assets will be made subject to any restrictions under the Act or the terms and conditions of the investments of your Plan.
13. **Maturity:** On or before December 31 of the year in which you reach age 71 (or another age required or permitted by the Act), the assets

of your Plan must be transferred to a RRIF or liquidated and the proceeds (net of any applicable costs and charges) used to acquire a life annuity that conforms with the Act. If you do not provide satisfactory written instructions to the Trustee by September 30 of that year, you will be deemed to have instructed the Trustee to transfer the assets of your Plan to a Self-Directed Registered Retirement Income Fund or another RRIF selected by the Trustee in its sole discretion. The Trustee will act as your attorney to execute documents and make elections necessary to establish the Self-Directed Retirement Income Fund or other RRIF.

14. **Annuity:** An annuity purchased with the assets of your Plan must conform to the requirements under the Act which, among other things, requires the annuity to provide equal annual or more frequent periodic payments to you, or to you until your death and then to your spouse, until there is a payment in full or partial commutation of the annuity and where the commutation is partial, equal annual or more frequent periodic payments afterwards except for adjustments permitted by the Act. Payments may not exceed a term of years equal to 90 minus either your age or, if your spouse is younger than you, your spouse's age at the time the annuity is purchased. Payments to your spouse in any year after your death may not be greater than payments made in a year before your death. If the annuity becomes payable to a person other than you or your spouse, the value of payments must be commuted.
15. **Date of Birth and Social Insurance Number:** The statement of your birth date and social insurance number in your Application is deemed to be a certification of its truth and your undertaking to provide proof if requested by the Trustee.
16. **Accounting and Reporting:** The Trustee will maintain an account in your name reflecting, with appropriate dates: (i) contributions to your Plan; (ii) the name, number and cost of investments purchased or sold by your Plan; (iii) dividends, interest and other distributions received by your Plan; (iv) cash; (v) withdrawals, transfers and expenses paid from your Plan; and (vi) the balance of your account. The Trustee will send you an annual statement of your account. Before April of each year, the Trustee will provide any applicable tax reporting required to be refiled with your or your spouse's personal income tax return relating to contributions to or withdrawals from your Plan in respect of the previous year.
17. **Not Assignable:** Neither the assets of your Plan or retirement income under your Plan may be assigned in whole or in part.
18. **Amendments:** From time to time, the Trustee may amend this declaration with the approval of Canada Revenue Agency provided that the amendment does not disqualify your Plan as RRSP under the Act or other applicable legislation. Any amendment to ensure that your Plan continues to comply with the Act will be effective without notice. Any other amendments will be effective not less than 30 days' after written notice has been provided to you.
19. **Notice:** Any notice required or permitted to be given to you by the Trustee will be sufficiently given if mailed, postage prepaid, to you at your address as indicated on your Application or any subsequent address that you have provided to the Trustee in writing for that purpose. Notice will be deemed to have been received by you on the date of mailing.
20. **Delegation of Duties:** Without detracting in any way from the responsibility of the Trustee, the Trustee may appoint agents and may delegate to its agents the performance of clerical, administrative and other duties under this declaration. The Trustee may employ or engage accountants, brokers, lawyers or others and may rely on their advice and services. The Trustee will not be liable for the acts or omissions of any of its advisors or agents. The Trustee may pay to any advisor or agent all or part of the fees received by it under the provisions of this declaration. Notwithstanding any other provision in this declaration, the Trustee acknowledges that it is ultimately responsible for the administration of your Plan.
21. **Execution of Trades:** When executing trades for your Plan, the Trustee may in its sole discretion engage the services of: (i) brokers or investment dealers registered under applicable securities laws; (ii) itself to the extent it is by law authorized to engage in all or any part of the trading activity; and (iii) an affiliate (as defined in the *Business Corporations Act (Alberta)*) to the extent that the affiliate is by law authorized to engage in all or part of the trading activity. The Trustee, its affiliates and agents are entitled to receive from your Plan or the issuer of securities held in your Plan, reasonable commissions and any other fees or amounts, charged by them in connection with the executions of trades for your Plan.
22. **Custodian:** The Trustee may engage one or more Canadian chartered banks, Canadian or provincial trust companies, registered brokers or investment dealers as a depository to hold some or all of the investments of your Plan, provided that (i) the depository may not offset any debt or obligation owing to the depository against assets of your Plan, (ii) the assets of your Plan may not be pledged, assigned or otherwise encumbered, and (iii) if the depository is a broker or investment dealer, the terms and conditions of the engagement will comply with the published requirements of applicable regulatory authorities. The Trustee may arrange for the deposit and delivery of any investments of your Plan with The Canadian Depository for Securities Ltd., the Depository Trust Company or any other properly authorized domestic or foreign depository.
23. **Fees and Expenses:** The Trustee may charge you or your Plan fees for its services under this declaration as set out from time to time in the Olympia Trust Company fee schedule. The Trustee will give you at least 30 days' notice of any change in its fees. Unless prohibited from the Act, the Trustee is entitled to reimbursement from your Plan for disbursements and expenses (including taxes, interest and penalties) reasonably incurred by the Trustee in connection with your Plan. The Trustee is entitled to deduct its unpaid fees, disbursements and expenses (unless prohibited by the Act) from the assets of your Plan and for this purpose you authorize the Trustee to realize sufficient assets of your Plan selected in its sole discretion. The Trustee will not be responsible for any resulting loss. You agree to pay Olympia annual fees and transaction fees in exchange for providing services in connection with your self-directed account. The annual fee is charged immediately upon opening an account and is prorated to half price for accounts opened August 1st or later each year. The full annual fee will then be charged on January 1st of each year thereafter. All other fees are charged when the transaction is processed. Please review the Olympia Trust Company Fee Schedule for a full list of fees that may apply to your account.
24. **Interest:** The Trustee is a non-deposit taking Trust Company. Any cash held in Trust is non-interest bearing. If the trustee shall hold any cash in the account, it shall be under no obligation to invest or reinvest the same but shall only be obligated to hold same in a current account, and shall be entitled to retain for its own account any benefit earned by the holding of same prior to receiving investment instructions in accordance with this Agreement.
25. **Liability of the Trustee:** The Trustee and its officers, employees and agents are indemnified by you and your Plan from and against all expenses, liabilities, claims and demands arising out of the holding of the assets of your Plan; the dealing with the assets of your Plan in accordance with investment instructions which the Trustee, its officers, employees or agents believe in good faith to be given by you or your properly authorized agent; and the delivery of release of assets of your Plan in accordance with this declaration, provided that: (i) the Trustee exercises the same degree of care with the assets of your Plan as it would with its own assets; and (ii) the Trustee complies with applicable laws, regulations and orders now or later in force that purport to impose a duty on the holder of assets of your Plan to

take or refrain from taking any action in connection with any asset of your Plan. Notwithstanding any other provision of this declaration, the Trustee will not be liable for any loss or penalty suffered as a result of any act done by it in reasonable reliance of your authority or the authority of your properly authorized agent or legal representatives.

26. **Successor Trustee:** The Trustee may resign and be discharged from all duties and liabilities under this declaration by giving 30 days' written notice. Olympia Trust Company is nominated to appoint a successor trustee. Upon acceptance of the office of trustee of your Plan, the successor trustee will be trustee of your Plan as if it had been the original declarant of your Plan.
27. **Locked-in Plans:** If "locked-in" assets are transferred to your Plan in accordance with applicable pension legislation, the additional provisions contained in the LIRA/LRSP supplement (the "Supplement") to this declaration will form part of this declaration and will govern the assets of your Plan. In the event of any inconsistency between the terms of the Supplement and the terms of this declaration, the terms of the Supplement will apply.
28. **Language:** You have requested that your Application, this declaration and all ancillary documents be provided to you in English. Vous avez exigé que votre demande, la présente déclaration et tous les documents accessoires vous soient fournis en anglais.
29. **Governing Laws:** This declaration will be governed, construed and enforced in accordance with the laws of Alberta and Canada except that the word "spouse" and "common law partner" as used in this declaration will have the same meaning as for the purposes of the Act.
30. **Arms' Length Mortgages:** I hereby acknowledge and agree that where arms' length mortgages are held under this plan, whether syndicated or otherwise, they must be registered in the name of Olympia Trust Company, as Trustee. The ranking of said mortgages may be either first, second or third.
31. **Specimen Plan:** RSP 542-001

LIRA/LRSP Supplement to the Olympia Trust Company Self-Directed Retirement Savings Plan

1. Definition: In this Supplement:

- (a) Act: means the *Income Tax Act (Canada)*, and includes the Regulations under that Act, as amended from time to time;
- (b) Applicable pension legislation: means the *Employment Pension Plans Act (EPPA)* (Alberta), the *Employment Pension Plans Regulation (EPPR)* (Alberta), the *Pension Benefits Standards Act* (British Columbia), the *Pension Benefits Standards Act, 1985* (Canada), the *Pension Benefits Act* (Manitoba), the *Pension Benefits Act* (Ontario), the *Supplemental Pension Plans Act* (Quebec), the *Pension Benefits Act, 1992* (Saskatchewan) or the *Pension Benefits Act* (New Brunswick), whichever governs locked-in monies transferred or to be transferred to your Plan directly or indirectly from an RPP;
- (c) Declaration: means the declaration of trust creating your plan;
- (d) LIF: means an "LIF" or "life income fund" as defined in applicable pension legislation;
- (e) life annuity: means "life annuity", "life annuity contract", "life pension" and "immediate life annuity", "deferred life annuity" as defined in applicable pension legislation that conforms with the Act;
- (f) LIRA/LRSP: means "LIRA" or "locked-in retirement account" as defined in applicable pension legislation and where those terms are not defined, means a registered retirement savings plan that satisfies the conditions under applicable pension legislation for receiving funds that originate from an RPP;
- (g) RLIF: means a "RLIF" or "restricted life income fund" as defined in applicable pension legislation;
- (h) RLSP: means a "RLSP" or "restricted locked-in savings plan" as defined in applicable pension legislation;
- (i) LRIF: means an "LRIF" or "locked-in retirement income fund" as defined in applicable pension legislation;
- (j) Plan: means the Self-Directed Retirement Savings Plan to which locked-in monies have been or will be transferred for you, the annuitant named in the Self-Directed Application Form that accompanies this Supplement;
- (k) RPP: means a registered pension plan or a registered supplemental pension plan governed by applicable pension legislation or established by other legislative authority;
- (l) Spouse: means, in relation to another person, includes another individual of the opposite sex who is a party to a void or voidable marriage with the particular individual;
- (m) Common-Law Partner: means a person who cohabits at that time in a conjugal relationship with another person and:
 - (1) has so cohabited with the taxpayer for a continuous period of at least one year, or
 - (2) would be the parent of a child of whom the taxpayer is a parent, if this Act were read without reference to paragraphs 252(1)(c) and (e) and subparagraph 252(2)(a)(iii),
 - (3) and, for the purposes of this definition, where at any time the taxpayer and the person cohabit in a conjugal relationship, they are, at any particular time after that time, deemed to be cohabiting in a conjugal relationship unless there were not cohabiting at the particular time for a period of at least 90 days that includes the particular time because of a breakdown of their conjugal relationship
- (n) Trustee: means the Olympia Trust Company;
- (o) Fiscal Year: means a fiscal year of the contract;
- (p) Acknowledge: means, in relation to a financial institution, currently acknowledged in relation to contracts;
- (q) Addendum: means the portion of a contract, known as an addendum or endorsement;
- (r) Contract: means an agreement that, with the addendum forming part of it, is a LIRA;
- (s) Financial Institution: means the underwriter or depository of a LIRA, LIF or LRIF, as the case may be;
- (t) List: means the list of financial institutions established and maintained;
- (u) Non-spouse Owner: means an owner who is a member or former member referred to in clause(s);
- (v) Owner: means a member or former member of a pension plan who has made a transfer to a contract and, except where otherwise stated, includes a surviving spouse who owns a contract;
- (w) Surviving spouse Owner: means
 - (i) the surviving spouse, who has made a transfer of a member or former member, or
 - (ii) the surviving spouse of a non-spouse owner

- (x) RRSP: means a retirement savings within the meaning of the Act that is registered under the applicable pension legislation;
 - (y) Pension: means a benefit in the form of a series of payments that continues for the life of a former member, whether or not it is thereafter continued to any other person, and includes future entitlements to any such payments, but does not include ancillary benefits unless they become part of a pension;
 - (z) Superintendent: means the Superintendent of Pensions;
 - (aa) Year's Maximum Pensionable Earnings has the same meaning as in the Canada Pension Plan (Canada); and
 - (bb) Member Spouse: means, in relation to the pension plan in question, the spouse who is or was the member in question; Non-Member-Spouse; means the other spouse.
2. **Compliance:** If locked-in monies are transferred or will be transferred to your Plan directly or indirectly from an RPP; the additional provisions of this Supplement form part of the Declaration. In case of any inconsistency between this Supplement and the Declaration, this Supplement will apply. Where required by applicable pension legislation, the Trustee has filed the Declaration (including this Supplement) with and caused it to be accepted by the appropriate pension authorities in Canada. The Trustee will comply with all relevant provisions of applicable pension legislation.
 3. **Transfers to your Plan:** The Trustee may only accept transfers to your Plan made pursuant to a direction or authorization in a form acceptable to the Trustee and representing locked-in monies originating directly or indirectly from an RPP, an LIRA/LRSP; a life annuity the capital of which originated from an RPP; or another source permitted by the Act and applicable pension legislation from time to time. The Trustee will not accept any transfers to your Plan from a source or in circumstances not permitted by applicable pension legislation. All locked-in funds transferred to the contract and any investment earnings will be used to provide lifetime retirement income in a form that meets the requirements of the Act and applicable pension legislation. Any money transferred that is not locked-in must be held in a separate account. Where Quebec pension legislation governs your Plan, the only sums that may be transferred into the locked-in retirement account are the sums originating, directly or initially, from the fund of a pension plan governed by the Act or referred to in paragraph 1, 2, 3.1 or 5 of section 28 of the Supplemental Pension Plans Act, or from another locked-in retirement account.
 4. **Investments:** The investments held in your Plan must comply with the investment rules imposed by the Act for a registered retirement savings plan. Where British Columbia or Manitoba pension legislation governs your Plan, your Plan may not directly or indirectly hold any mortgage, if you or your spouse is the mortgagor or if the mortgagor is your parent, siblings or child or the spouse of any of those people.
 5. **Withdrawals:** You may only withdraw, transfer or surrender the assets of your Plan in the manner contemplated by this Supplement and where:
 - (a) you are subject to a terminal illness or disability that considerably reduces your life expectancy;
 - (b) a payment is made to effect a division of assets upon marriage breakdown or in satisfaction of an order for support or maintenance;
 - (c) a payment is made after your death;
 - (d) the assets of your Plan are transferred to an RPP, LIRA/LRSP, or where permitted by applicable pension legislation, a LIF or LRIF;
 - (e) the assets of your Plan are converted into a life annuity contract;
 - (f) Saskatchewan and Manitoba pension legislation governs your Plan, if the assets of your Plan are transferred to a PRRIF; or
 - (g) New Brunswick pension legislation governs your plan, you may withdraw an amount from the fund if the amount is withdrawn to reduce the amount of tax that would otherwise be payable under Part XI of the Tax Act by the taxpayer; and notwithstanding Section 20 of the Regulations, the financial institution establishes a sub account of the LIRA, that is not a registered retirement savings plan/registered retirement income fund, and the annuitant deposits the amount withdrawn, net of applicable taxes under the Tax Act, into the sub account.
 - (h) Where Quebec pension legislation governs your Plan, with the exception of the cases referred to in paragraph 3 and 8 to 9.1 of section 29 of the Act, the balance of the account may only be converted into a life pension guaranteed by an insurer and established for the duration of the life of the purchaser alone or for the duration of the life of the purchaser and the life of his spouse; the periodic amounts paid under that pension must be equal, unless each amount to be paid is uniformly increased by reason of an index or a rate provided for in the contract or uniformly adjusted by reason of a seizure effected on the benefits of the purchaser, a redetermination of the purchaser's pension, partition of the purchaser's benefits with his spouse, the payment of a temporary pension under the conditions provided for in section 91.1 of the Act or the election provided for under paragraph 3 of the first paragraph of section 93 of the Act. Any transaction that is contrary to this paragraph 5 is void.
 6. **Disability Payments:** The Trustee will make a lump sum or series of payments to you from your Plan after receiving: (a) a written request in a form satisfactory to the Trustee; (b) a medical certificate signed by a physician certifying that you are subject to a terminal illness or disability that considerably reduces your life expectancy; (both conditions must be met where Quebec pension legislation governs your Plan), (c) where Saskatchewan, New Brunswick and Ontario pension legislation governs your Plan, a waiver from your spouse in the form and manner required by the legislation; (d) where Manitoba pension legislation governs your plan, the spousal waiver must be signed by both the annuitant and the spouse.
 7. **Payments after Marriage Breakdown:** The assets of your Plan may be subject to division under family law and applicable pension law. The Trustee will make a payment or payments out of your Plan to the extent and in the manner permitted or required by applicable law: (a) to effect a division of assets provided the payment is made pursuant to a court order, marriage contract or separation agreement under applicable marital property legislation; or (b) pursuant to an execution, seizure, attachment or other process of law in satisfaction of an order for support or maintenance. Where Quebec pension legislation governs your Plan, the spouse of the purchaser ceases to be entitled to the benefit provided for in paragraph 3 of section 29 or, as the case may be, in paragraph 5 of section 29 upon separation from bed and board, divorce, nullity of marriage, dissolution or nullity of civil union or, in the case of a spouse who is not married or civil union spouse, upon cessation of conjugal relationship, unless the purchaser has transmitted to the financial institution the notice provided for in paragraph 7 of the second paragraph section 89 of the Act.
 8. **Spousal Entitlement after Marriage Breakdown:** Your spouse's entitlement under your Plan will end upon separation, divorce or annulment unless: (a) you name your spouse as a beneficiary of your Plan; (b) Manitoba pension legislation governs your Plan and your spouse has not received his or her entitlement from your Plan and has not opted out in the manner required by that legislation; or (c) Federal or Saskatchewan pension legislation governs your Plan, spousal entitlement may not cease upon separation. Where Quebec pension legislation governs your Plan, the seizable portion of the balance of the fund may be paid in a lump sum in execution of a

judgment rendered in favour of the purchaser's spouse that gives entitlement to a seizure for unpaid alimony.

9. **Beneficiary Designation:** The designation of a person other than your spouse as the beneficiary of your Plan will not be valid if you have a spouse who is entitled to survivor benefits under your Plan because of applicable pension legislation.
10. **Death of Annuitant:** Following your death, the assets of your Plan will be paid to your spouse unless your spouse is not entitled to survivor benefits under applicable pension legislation. If applicable pension legislation permit or requires your spouse to receive a life annuity rather than a lump sum payment, your spouse may instruct the Trustee to transfer the assets of your Plan to an LIRA/LRSP or life annuity as permitted by applicable pension legislation and the Act subparagraph (60)(l)(ii) . If your spouse does not give the Trustee satisfactory instructions within 90 days after the Trustee has been notified of your death, the Trustee will, in its sole discretion, transfer the assets of your Plan as permitted or required by applicable pension legislation and the Trustee will not be liable for any resulting loss.
11. **Transfers from your Plan:** Subject to any restrictions imposed by the Act, the assets of your Plan may be transferred to the issuer of an RPP, LIRA/LRSP, life annuity and where available under applicable pension legislation, an LIF or LRIF. Before transferring assets of your Plan, the Trustee will: (a) confirm that the transfer is permitted under applicable pension legislation and the Act; (b) write to the issuer of the recipient plan to notify it of the locked-in status of the assets being transferred and the pension legislation that governs the assets; and (c) not permit the transfer unless the issuer of the recipient plan agrees to administer the transferred assets according to applicable pension legislation. Where British Columbia, Quebec, New Brunswick or Manitoba pension legislation governs your Plan, the Trustee will also confirm that: (a) the issuer of the recipient plan is on the list of financial institutions maintained by the Superintendent of Pensions of that province; and (b) the recipient plan is on the list of LIRA/LRSPs, LIFs, or where applicable, LRIFs maintained by the Superintendent of Pensions of that province. Where British Columbia, New Brunswick or Manitoba pension legislation governs your Plan and assets are being transferred to a LIF or LRIF, your spouse must provide a consent or waiver in the form and manner required by that legislation. Where Saskatchewan pension legislation governs your plan, the assets of your Plan may be transferred to the issuer of an PRRIF. Before transferring assets of your Plan, the Trustee will: (a) confirm that you are 55 years of age or older; and (b) receive a consent and/or waiver form signed by your spouse.
12. **Maturity:** On or before December 31 of the year in which you reach age 71 (or another age specified by the Act), the assets of your Plan must be used to purchase a LIF, LRIF, RLIF, PRIF or life annuity that conforms with the Act and applicable pension legislation. If you do not provide satisfactory written instructions to the Trustee by September 30 of that year, you will be deemed to have instructed the Trustee to transfer the assets of your Plan to a Self-Directed Registered Retirement Income Fund (with an LIF supplement) or another LIF, LRIF, RLIF or life annuity selected by the Trustee in its sole discretion and the Trustee will not be liable for any resulting loss.
13. **Life Annuity:** In addition to the rules imposed by the Act, a life annuity purchased with the assets of your Plan must comply with applicable pension legislation. A life annuity purchased with the assets of your Plan must be established for your life. If your spouse is entitled to payments under the life annuity after your death, those payments must be at least 60 percent (or where Manitoba pension legislation governs your Plan, 66 2/3 percent) of the amount to which you were entitled before your death. The life annuity may not differentiate based on your gender except to the extent permitted by applicable pension legislation.
14. **Payments or Transfers Contrary to Pension Legislation:** Where British Columbia, Manitoba, Quebec, New Brunswick or Saskatchewan pension legislation governs your Plan, if assets are transferred or paid out of your Plan contrary to applicable pension legislation, the Trustee will ensure that you receive a pension in an amount and if required by applicable pension legislation, in a manner that would have been provided if the assets had not been transferred or paid out of your Plan.
15. **Spouse Waiver:** Unless Federal, New Brunswick or Quebec pension legislation governs your Plan, your spouse may waive the right to a life annuity as your surviving spouse and may revoke the waiver. Your spouse must give the waiver before payments under the life annuity begin in the form and manner stipulated by applicable pension legislation.
16. **Prohibition:** The assets of your Plan may not be assigned, charged, alienated, anticipated or given as security or subjected to execution, seizure or attachment, except as permitted by applicable pension law. A transaction that is contrary to this paragraph 17 is void.
17. **Maximum Commutable Amounts:** Where BC and Saskatchewan pension legislation governs your Plan, a lump sum payment equal to the value of the entire Contract may be made on application by the owner to the Financial Institution for the payment, at any time:
 - (a) if the value of this contract does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) for the calendar year in which the application is named.

Where BC, Quebec, Manitoba and Ontario pension legislation governs your Plan, a lump sum payment equal to the value of the entire Contract may be made on application by the owner to the Financial Institution for the payment, at any time:

- (a) if
 - (i) the owner has attained the age of 65 years (BC and Quebec) or age of 55 years (Ontario) at the end of the preceding fiscal year,
 - (ii) the application is accompanied by a completed declaration, and
 - (iii) the value of this Contract and of other plans and contracts belonging to the owner does not exceed 40% of the YMPE for the year in which the application is made.
- (b) if the contract is not eligible for the payment option referred to above, it may not be severed so as to transform it into two or more contracts that are so eligible.

Where New Brunswick pension legislation governs your Plan, an owner may withdraw the balance of a locked-in retirement account if the total investment value of all locked-in plans is less than 40% of the YMPE divided by 1.06 for each year the age of the terminating or retiring owner precedes age 65. If the owner has a spouse, the spousal waiver form must be obtained.

18. **Non-Residency Status:** Where BC, Federal, New Brunswick and Ontario pension legislation governs your Plan, a lump sum withdrawal may be made if the owner applies to the Financial Institution with written evidence that the Canada Revenue Agency has confirmed that he has become a non-resident for the purposes of the Act (Canada) and, where that owner is a living non-spousal owner with a spouse, if that spouse has waived all entitlements under the Contract. Where Quebec pension legislation governs your Plan, the purchaser may, unless the agreed to term of the investments has not expired, require that the total balance of the fund be paid to him in a lump sum if he has not resided in Canada since at least 2 years.

19. **Financial Hardship:** Where Ontario pension legislation governs your Plan, a lump sum payment, or series of payments, must be made to the owner of this Contract where the owner applies to the Superintendent for a release of all or part of the funds in this Contract due to financial hardship and the Superintendent consents to the release of the funds. Where Federal legislation governs your plan, an amount up to 50% of the YMPE may be withdrawn from any combination of federally regulated LIFs, locked-in RRSPs, RLIFs or RLSPs, within a calendar year, as long as all withdrawals are done within 30 days. One of two conditions must be met to qualify, and attestations must be signed by both the owner and spouse.
20. **Shortened Life Expectancy:** Where BC, Ontario, Manitoba, New Brunswick and Saskatchewan pension legislation governs your Plan, a lump sum payment, or series of payments, must be made to the owner of this Contract where a physician certifies that the owner has a terminal illness or that due to a disability the owner's life is likely to be considerably shortened. The payment(s) may only be made, in the case of a living non-pension partner owner with a pension partner, where that pension partner has waived all entitlements under the Contract. Where Quebec pension legislation governs your Plan, the purchaser may withdraw all or a part of the balance of the account and receive a payment or a series of payments where a physician certifies that his physical or mental disability reduces his life expectancy.
21. **Amendments:** From time to time the Trustee may amend the Declaration (including this Supplement). You will be given 90 days' written notice (including notice of your entitlement to transfer the assets out of your Plan) of any amendment that reduces a benefit under your Plan.

**Olympia Trust Company Self-Directed Retirement Income Fund
Declaration of Trust**

Olympia Trust Company ("the Trustee"), a trust company incorporated under the laws of Alberta, hereby declares that it agrees to act as trustee under the **Olympia Trust Company Self-Directed Retirement Income Fund** ("your Plan") for you, the annuitant named in the Self-Directed Application Form (your "Application") which accompanies this declaration on the following terms and conditions.

1. **Registration:** The Trustee will apply for registration of your Plan under the *Income Tax Act* (Canada) (the "Act"). If you live in Quebec as indicated by your address on your Application, the Trustee will also apply for registration of your Plan under the *Taxation Act* (Quebec).
2. **Compliance:** It is intended that, at all times, your Plan will comply with all relevant provisions of the Act and, if applicable, the *Taxation Act* (Quebec) with respect to a retirement income fund ("RIF"). You will be bound by the terms and conditions imposed on your Plan by all applicable legislation.
3. **Spouse:** Means the individual who is considered to be the Annuitant's spouse or common-law partner in accordance with the *Income Tax Act* (Canada).
4. **No Financial Advice:** I acknowledge and agree that I am solely responsible for all investments in my Account and all investment decisions relating thereto. Olympia is not in the business of providing investment advice and does not provide direction or advice with respect to the purchase of any securities or other form of investment. Olympia strongly recommends that you should: (i) conduct extensive due diligence on any investment prior to purchasing and obtain extensive information on the investment, the risks associated with the investment and the ability to recover your investment; (ii) review the investment objectives of any investment you have chosen to ensure that it meets your financial needs; and (iii) if you invest in exempt market securities and/or publicly traded shares or bonds, obtain a prospectus, offering memorandum or other prescribed documentation describing the investment prior to or at the time you make your investment. You understand that if you have any questions or doubts about a particular investment, it is your sole responsibility to obtain independent advice from a qualified professional. Olympia will execute any order it receives from you without making any inquiries in connection with the suitability of the investment.
5. **Transfer to your Plan:** The Trustee will accept transfer of cash to your Plan from: (i) your registered retirement savings plan ("RRSP") or RRIF; (ii) you, if the amount transferred is described in subparagraph 60(l)(v) of the Act; (iii) your spouse's or former spouse's RRSP or RRIF in circumstances described in subparagraph 146.3(2)(f)(iv) of the Act; or (iv) any other source permitted by the Act from time to time. In addition to cash, the Trustee may accept securities and other investments acceptable to it in its sole discretion if accompanied by properly executed transfer documents. The Trustee will hold amounts transferred to your Plan, investments made with those amounts and any income or capital gains realized in respect of those investments in trust in accordance with the provisions of this declaration.
6. **Investments:** Transfers to your Plan will be invested and reinvested from time to time in accordance with your investment instructions unless the proposed investment does not comply with the Trustee's requirements which may be modified by the Trustee from time to time. The Trustee will not be limited to investments authorized by legislation governing the investment of property held in trust. Before the Trustee will act on your investment instructions, the instruments must be in a form acceptable to the Trustee and be accompanied by related documentation as required by the Trustee in its sole discretion. The Trustee may accept and act on any investment instructions which it believes in good faith to be given by you. The Trustee will endeavor to execute any purchase or sale of an investment within 5 business days after receipt of cash and investment instructions at the market or sale price in effect on the day the transaction is executed. Any loss or gain resulting from errors made by the Trustee, its officers, employees or agents in the execution of investment instructions for your Plan will be for the Trustee's account.
7. **Annuitant's Responsibility:** You are responsible for ensuring that the investments held in your Plan are qualified investments for your Plan under the Act. You acknowledge and accept responsibility for the above-mentioned matters.
8. **Non-Qualified Investments:** If your Plan becomes liable for tax, interest or penalties under the Act or similar provincial legislation, the Trustee is authorized to realize sufficient investments of your Plan, selected in its sole discretion, to pay the liability and the Trustee will not be liable for any resulting loss.
9. **Payments to Annuitant:** The assets of your Plan will be used to provide you with an income that will begin on or before December 31 of the second calendar year of your Plan. In each calendar year, the total amount of payments to you from your Plan will not be less than the minimum amount (the "Minimum Amount") required to be paid under the Act. The amount of any payment from your Plan will not exceed the value of the property of your Plan immediately before the time of the payment. You may specify in writing in a form satisfactory to the Trustee, the amount and frequency of the payments to be made during any year. You may change the amount and

frequency of the payments or request additional payments by instructing the Trustee in writing in a form satisfactory to the Trustee. If you do not specify the amount and frequency of payments to be made in a year or the amount that you specify is less than the Minimum Amount for a year, the Trustee will make a payment or payments as it deems necessary, in its sole discretion, to ensure that the Minimum Amount for that year is paid to you. In the absence of satisfactory instructions, the Trustee may sell investments of your Plan selected by it, in its sole discretion, for the purpose of making payments to you and will not be liable for any resulting loss. Payments from your Plan will be paid to you net of all proper charges including tax required to be withheld. The Trustee may impose any other reasonable requirements and conditions in respect of the foregoing. A payment to you will be deemed to have been made when: (i) a cheque payable to you is mailed in a postage pre-paid envelope addressed to you at the address indicated on your Application or subsequently provided by you to the Trustee in writing; or (ii) an amount is electronically transferred to the credit of a bank account designated by you.

10. **Calculation of the Minimum Amount:** The Minimum Amount will be zero in the first calendar year of your Plan and for each subsequent year will be calculated in accordance with the provisions of the Act. You may elect to base the Minimum Amount on your age or your spouse's age. This election is binding and cannot be changed, revoked or amended under any circumstances.
11. **Designation of Beneficiary:** If you are domiciled in a jurisdiction which by law permits you to validly designate a beneficiary other than by Will, you may designate (i) your spouse as successor annuitant of your Plan; or (ii) a beneficiary to receive the proceeds of your Plan in the event of your death. You may make, change or revoke any designation by written notice in a form acceptable to the Trustee. Any designation, amended designation or revoked designation will be valid on the day following its receipt by the Trustee.
12. **Death of Annuitant:** Upon receipt of satisfactory evidence of your death, the Trustee will continue payments to your spouse provided he or she is the successor annuitant of your Plan. If your spouse becomes the successor annuitant of your Plan, he or she will be deemed to be the annuitant of your Plan with the same rights as if he or she had been the original annuitant. If your spouse is not the successor annuitant, the Trustee will hold the assets of your Plan for payment in a lump sum to your designated beneficiary if that person was living at the date of your death. If you have not designated a beneficiary or if the designated beneficiary predeceases you, the assets of your Plan will be paid to your legal representatives. The lump sum payment will be paid subject to the deduction of all proper charges, including income tax required to be withheld, after the Trustee receives the releases and other documents that it requires in its sole discretion.
13. **Transfers from your Plan:** Following the receipt of your written instructions in a form acceptable to the Trustee, the Trustee will transfer all or part of the assets of your Plan (net of all proper charges and any amount which the Trustee is required by the Act to retain to ensure the payment of the Minimum Amount) to the issue of RRSP, RRIF or life annuity that conforms with the Act, as instructed by you in the notice. The Trustee will not transfer the assets of your Plan to an RRSP after December 31 of the year you reach age 71 (or another age specified by the Act). The Trustee will provide the issue with all relevant information in the Trustee's possession. The Trustee will sell or transfer specific investments of your Plan to effect the transfer if instructed by you in writing. In the absence of satisfactory written instructions, the Trustee may sell or transfer any investments of your Plan selected by it in its sole discretion to effect the transfer and will not be liable for any resulting loss. The transfer of assets will be made subject to any restrictions under the Act or the terms and conditions of the investments of your Plan.
14. **Date and Birth and Social Insurance Number:** The statement of your and if applicable, your spouse's birth date and social insurance number in your Application is deemed to be a certification of its truth and your undertaking to provide evidence or proof if requested by the Trustee.
15. **Accounting and Reporting:** The Trustee will maintain an account in your name reflecting, with appropriate dates: (i) transfers to your Plan; (ii) the name, number and cost of investments purchased or sold by your Plan; (iii) dividends, interest and other distributions received by your Plan; (iv) cash; (v) withdrawals, transfers and expenses paid from your Plan; (vi) the balance of your account; and (vii) the minimum and maximum amount that may be paid out of your Plan. The Trustee will send you annual statements of your account. Before April of each year, the Trustee will provide you with any applicable tax reporting required to be filed with your personal income tax return for the previous year.
16. **Not Assignable:** Neither the assets of your Plan or retirement income under your Plan may be assigned in whole or in part.
17. **Amendments:** From time to time, the Trustee may amend this declaration with the approval of Canada Revenue Agency provided that the amendment does not disqualify your Plan as an RRIF under the Act. Any amendment to ensure that your Plan continues to comply with the Act will be effective without notice. Any other amendment will be effective not less than 30 days' after written notice has been provided to you.
18. **Notice:** Any notice required or permitted to be given to you by the Trustee will be sufficiently given if mailed, postage prepaid, to you at your address as indicated on your Application or any subsequent address that you have provided to the Trustee in writing for that purpose. Notice will be deemed to have been received by you on the day of mailing.
19. **Delegation of Duties:** Without detracting in any way from the responsibility of the Trustee, the Trustee may appoint agents and may delegate to its agent the performance of clerical, administrative and other duties under this declaration. The Trustee may employ or engage accountants, brokers, lawyers or others and may rely on their advice and services. The Trustees will not be liable for the acts or omissions of any of its advisors or agents. The Trustee may pay to any advisor or agent all or part of the fees received by it under the provisions of this declaration. Notwithstanding any other provision in this declaration the Trustee acknowledges that it is ultimately responsible for the administration of your Plan.
20. **Execution of Trades:** When executing trades for your Plan, the Trustee may in its sole discretion engage the services of: (i) brokers or investment dealers registered under applicable securities law; (ii) itself to the extent it is by law authorized to engage in all or any part of the trading activity; and (iii) an affiliate (as defined in the Business Corporations Act (Alberta) to the extent that the affiliate is by law authorized to engage in all or part of the trading activity. The Trustee, its affiliates and agents are entitled to receive from your Plan or the issuer of securities held in your Plan, reasonable commissions and any other fees or amounts charged by them in connection with the execution of trades for your Plan.
21. **Custodian:** The Trustee may engage one or more Canadian chartered banks, Canadian or provincial trust companies, registered brokers or investment dealers as a depository to hold some or all of the investments of your Plan, provided that (i) the depository may not offset any debt or obligation owing to the depository against assets of your Plan, (ii) the assets of your Plan may not be pledged, assigned or otherwise encumbered, and (iii) if the depository is a broker or investment dealer, the terms and conditions of the

engagement will comply with the published requirements of applicable regulatory authorities. The Trustee may arrange for the deposit and delivery of any investments of your Plan with The Canadian Depository for Securities Ltd., the Depository Trust Company or any other properly organized domestic or foreign depository.

32. **Fees and Expenses:** The Trustee may charge you or your Plan fees for its services under this declaration as set out from time to time in the current Olympia Trust Company fee schedule. The Trustee will give you at least 30 days' notice of any change in its fees. Unless prohibited by the Act, the Trustee is entitled to reimbursement from your Plan for disbursements and expenses (including taxes, interest and penalties) reasonably incurred by the Trustee in connection with your Plan. The Trustee is entitled to deduct its unpaid fees, disbursements and expenses (unless prohibited by the Act) from the assets of your Plan and for this purpose you authorize the Trustee to realize sufficient assets of your Plan selected in its sole discretion. The Trustee will not be responsible for any resulting loss. You agree to pay Olympia annual fees and transaction fees in exchange for providing services in connection with your self-directed account. The annual fee is charged immediately upon opening an account and is prorated to half price for accounts opened August 1st or later each year. The full annual fee will then be charged on January 1st of each year thereafter. All other fees are charged when the transaction is processed. Please review the Olympia Trust Company Fee Schedule for a full list of fees that may apply to your account.
22. **Interest:** The Trustee is a non-deposit taking Trust Company. Any cash held in Trust is non-interest bearing. If the trustee shall hold any cash in the account, it shall be under no obligation to invest or reinvest the same but shall only be obligated to hold same in a current account, and shall be entitled to retain for its own account any benefit earned by the holding of same prior to receiving investment instructions in accordance with this Agreement.
23. **Liability of the Trustee:** The Trustee and its officers, employees and agents are indemnified by you and your Plan from and against all expenses, liabilities, claims and demands arising out of the holding of the assets of your Plan; the dealing with the assets of your Plan in accordance with investment instructions which the Trustee, its officers, employees or agents believe in good faith to be given by you or your properly authorized agent; and the delivery or release of assets of your Plan in accordance with this declaration, provided that: (i) the Trustee exercises the same degree of care with the assets of your Plan as it would with its own assets; and (ii) the Trustee complies with applicable laws, regulations and orders now or later in force that purport to impose a duty on the holder of assets of your Plan to take or refrain from taking any action in connection with any asset of your Plan. Notwithstanding any other provision of this declaration, the Trustee will not be liable for any loss or penalty suffered as a result of any act done by it in reasonable reliance of your authority or the authority of your properly authorized agent or legal representatives.
24. **Successor Trustee:** The Trustee may resign and be discharged from all duties and liabilities under this declaration by giving you 30 days' written notice. Olympia Trust Company is nominated to appoint a successor trustee. Upon acceptance of the office of trustee of your Plan, the successor trustee will be trustee of your Plan as if it had been the original declarant of your Plan.
25. **Locked-in Plans:** If "locked-in" assets are transferred to your Plan in accordance with applicable pension legislation, the additional provisions contained in one of the supplements to this declaration will form part of this declaration and will govern the assets of your Plan.
26. **Language:** You have requested that your Application, this declaration and all ancillary documents be provided to you in English. Vous avez exigé que votre demande, la présente déclaration et tous les documents accessoires vous soient fournis en anglais.
27. **Governing Laws:** This declaration will be governed, construed and enforced in accordance with the laws of Alberta and Canada except that the word "spouse" and "common law partner" as used in this declaration will have the same meaning as for the purposes of the Act.
28. **Arms' Length Mortgages:** I hereby acknowledge and agree that where arm's length mortgages are held under this plan, whether syndicated or otherwise, they must be registered in the name of Olympia Trust Company, as Trustee. The ranking of said mortgages may be either first, second or third.
29. **Specimen Plan:** RIF-936.

LIF Supplement to the Olympia Trust Company Self-Directed Retirement Income Fund

1. **Definitions:** In this LIF Supplement:
 - (a) Act: means the Income Tax Act (Canada), and includes the Regulations under that Act, as amended from time to time;
 - (b) Applicable pension legislation: means the *Pension Benefits Standards Act* (British Columbia), the *Pension Benefits Standards Act, 1985* (Canada), the *Pension Benefits Act* (Manitoba), the *Supplement Pension Plans Act* (Quebec), the *Pension Benefits Act* (Ontario) or the *Pension Benefits Act* (New Brunswick) whichever governs locked-in monies transferred or to be transferred to your Plan directly or indirectly from an RPP;
 - (c) Declaration: means the declaration of trust creating your plan;
 - (d) LIF: means an "LIF" or "life income fund" as defined in applicable pension legislation;
 - (e) life annuity: means "life annuity", "life annuity contract", "life pension" and "immediate life annuity", "deferred life annuity" as defined in applicable pension legislation that conforms with the Act;
 - (f) LIRA/LRSP: means "LIRA" or "locked-in retirement account" as defined in applicable pension legislation and where those terms are not defined, means a registered retirement savings plan that satisfies the conditions under applicable pension legislation for receiving funds that originate from an RPP;
 - (g) LRIF: means an "LRIF" or "locked-in retirement income fund" as defined in applicable pension legislation;
 - (h) RLIF: means a "RLIF" or "restricted life income fund" as defined in applicable pension legislation;
 - (i) RLSP: means a "RLSP" or "restricted locked-in savings plan" as defined in applicable pension legislation;
 - (j) Plan: means the Self-Directed Retirement Savings Plan to which locked-in monies have been or will be transferred for you, the annuitant named in the Self-Directed Application Form that accompanies this Supplement;
 - (k) RPP: means a registered pension plan or a registered supplemental pension plan governed by applicable pension legislation or established by other legislative authority;
 - (l) Spouse: means, in relation to another person, includes another individual of the opposite sex who is a party to a void or voidable marriage with the particular individual;
 - (m) Common-Law Partner: means a person who cohabits at that time in a conjugal relationship with another person and:
 - a. has so cohabited with the taxpayer for a continuous period of at least one year, or

- b. would be the parent of a child of whom the taxpayer is a parent, if this Act were read without reference to paragraphs 252(1)(c) and (e) and subparagraph 252(2)(a)(iii),
 - c. and, for the purposes of this definition, where at any time the taxpayer and the person cohabit in a conjugal relationship, they are, at any particular time after that time, deemed to be cohabiting in a conjugal relationship unless there were not cohabiting at the particular time for a period of at least 90 days that includes the particular time because of a breakdown of their conjugal relationship
- (n) Trustee: means the Olympia Trust Company;
 - (o) Fiscal Year: means a fiscal year of the contract;
 - (p) Acknowledge: means, in relation to a financial institution, currently acknowledged;
 - (q) Addendum: means the portion of a contract, known as an addendum or endorsement;
 - (r) Contract: means an agreement that, with the addendum forming part of it, is a LIRA, LIF or LRIF;
 - (s) Financial Institution: means the underwriter or depository of a LIRA, LIF or LRIF, as the case may be;
 - (t) List: means the list of financial institutions established and maintained;
 - (u) Non-spouse Owner: means an owner who is a member or former member referred to in clause(s);
 - (v) Owner: means a member or former member of a pension plan who has made a transfer to a contract and, except where otherwise stated, includes a surviving spouse who owns a contract as a result;
 - (w) Surviving spouse Owner: means
 - (i) the surviving spouse, who has made a transfer of a member or former member, or
 - (ii) the surviving spouse of a non-spouse owner
 - (x) RRSP: means a retirement savings within the meaning of the Act that is registered under the applicable pension legislation;
 - (y) Approved: means approved in writing by the superintendent under subsection (7);
 - (z) Fund: means a LIF, LIRA and an LRIF;
 - (aa) Transfer: means a transfer of pension benefit credits to a pension plan, a fund or a life annuity contract;
 - (bb) Reference Rate: for a year means the greater of 6% and the percentage determined for the year by:
 - (i) adding 0.5% to the average yield as at November 30 of the immediately preceding year, as published by the Bank of Canada in the Bank of Canada Review and expressed as a percentage, for Government of Canada long-term bonds identified as CANSIM series no. B14013; and
 - (ii) converting the rate determined under clause (a), based on semi-annual compounding of interest, to an effective annual rate of interest, and rounding it to the nearest multiple of 0.5%
 - (cc) Pension: means a benefit in the form of a series of payments that continues for the life of a former member, whether or not it is thereafter continued to any other person, and includes future entitlements to any such payments, but does not include ancillary benefits unless they become part of a pension;
 - (dd) Pension benefit credit: means the value at a particular time of the pension benefits and any other benefits provided under the pension plan to which the employee has become entitled as of that time;
 - (ee) Temporary Income: means the periodic income paid under a pension plan, a life annuity contract or a fund after retirement for the purpose of supplementing retirement income until the person is eligible to receive benefits under the Old Age Security Act (Canada) or retirement benefits under the Canada Pension Plan or the Quebec Pension Plan;
 - (ff) Pension Plan or "plan": means a plan, scheme or arrangement organized and administered to provide pensions for employees and former employees and under which, except in the case of a supplemental pension plan, the employer is or, in the case of a terminated plan, was required to make contributions to the plan on behalf of the members, and includes the pension fund of a plan but does not include a prescribed plan, scheme or arrangement;
 - (gg) Superintendent: means the Superintendent of Pensions;
 - (hh) Year's Maximum Pensionable Earnings has the same meaning as in the Canada Pension Plan (Canada); and
 - (ii) Member Spouse: means, in relation to the pension plan in question, the spouse who is or was the member in question; Non-Member-Spouse; means the other spouse, and,
 - (jj) RRIF: means a "RRIF" or "retirement income fund" as defined in applicable pension legislation.
2. **Compliance:** If locked-in monies are transferred or will be transferred to your Plan directly or indirectly from an RPP, the additional provisions of this LIF Supplement form part of the Declaration unless the LRIF supplement forms part of the Declaration. In case of any inconsistency between this LIF Supplement and the Declaration, this LIF Supplement will apply. Where required by applicable pension legislation, the Trustee has filed the Declaration (including this LIF Supplement) with and caused it to be accepted by the appropriate pension authorities in Canada. The Trustee will comply with all relevant provisions of applicable pension legislation.
 3. **Transfers to your Plan:** The Trustee may only accept transfers to your Plan made pursuant to a direction or authorization in a form acceptable to the Trustee and representing locked-in monies originating directly or indirectly from an RPP; and LIRA/LRSP; an LRIF; and another LIF or another source permitted by the Act and applicable pension legislation from time to time. The Trustee will not accept any transfers to your Plan: (a) from a source or in circumstances not permitted by the Act and applicable pension legislation; or (b) in circumstances that would require the Trustee to begin making payments from your Plan contrary to applicable pension legislation. All locked-in funds transferred to the contract and any investment earnings will be used to provide lifetime retirement income in a form that meets the requirements of the Act. Where Quebec pension legislation governs your Plan, the only amounts that may be transferred to a life income fund are amounts coming directly or initially from the fund of a pension plan subject to the Act and referred to in subparagraphs 1, 2, 4 or 5 of section 28, or another life income fund.
 4. **Investments:** The investments held in your Plan must comply with the investment rules imposed by the Act for a registered retirement income fund. Where British Columbia or Manitoba pension legislation governs your Plan, your Plan may not directly or indirectly hold any mortgage if you, your spouse or common-law partner is the mortgagor or if the mortgagor is your parent, siblings or child or the spouse or common-law partner of any of those people.
 5. **Payments to Annuitant:** In each calendar year, the total amount of payments to you from your Plan may not be greater than the

Maximum Amount. Each year after receiving the statement referenced in paragraph 20(a) of this LIF Supplement, you must indicate on the form provided to you by the Trustee, the amount and frequency of payments to be made during that year. The owner will be paid an income the amount of which may vary annually and that payment of income will commence not later than the last day of the second fiscal year of the contract. You may change the amount and frequency of your payments or request additional payments by instructing the Trustee in writing in a form satisfactory to the Trustee. If you do not specify the amount and frequency of payments to be made in a year or the specified payments are less than the Minimum Amount, the Trustee will make a payment or payments as it deems necessary, in its sole discretion, to ensure that the Minimum Amount is paid to you. Where Quebec pension legislation governs your Plan, the insurer guarantees payment of that pension in periodic, equal amounts that may not vary unless each of them is uniformly increased in accordance with an index or rate provided for in the annuity contract or uniformly adjusted by reason of a seizure effected on the purchaser's benefits, a redetermination of the purchaser's pension, a partition of the purchaser's benefits in favor of his spouse, the payment of a temporary pension in accordance with the conditions provided for in section 91.1 of the Act or the option provided for in subparagraph 3 of the first paragraph of section 93 of the Act.

6. **Calculation of Maximum Amount:** The Maximum Amount for a fiscal year will be calculated by dividing the value of the assets of your Plan on the first day of that year by the value of a pension that makes a \$1.00 annual payment at the beginning of each fiscal year up to and including the year in which you reach age 90. Where Federal or Ontario pension legislation governs your Plan, the value of the \$1.00 annual payment will be established at the beginning of the fiscal year of your Plan. The value of the \$1.00 annual payment will be established using an interest rate of not more than 6% or, an interest rate greater than 6% may be used for the first fifteen years after the valuation date if that rate does not exceed the rate obtained on long-term bonds issued by the Government of Canada for the November before the year of valuation or the month before the valuation date, whichever month is specified by applicable pension legislation, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series B-14013, and using a rate not exceeding 6% for subsequent years. Where Manitoba, New Brunswick and BC pension legislation governs your plan, the maximum amount will be calculated as follows: $M = F \times B$. In this formula, F = the factor (from the table in the Schedule) that corresponds to the reference rate for the year and the owner's age at the end of the immediately preceding year, and B = the balance of the fund on January 1 of the year plus, in the case of a transfer that has never been in a LIF before the amount on the date of transfer. In the first fiscal year of your Plan, the minimum amount to be paid is set at zero and the Maximum Amount will be pro-rated over the number of months remaining in the year, with a part month counting as a full month, except in Manitoba and BC. In Manitoba and BC, if the money in the fund is transferred to it directly or indirectly from another LIF or an LRIF of the owner, then, during the year in which the transfer is made, the maximum amount from above will be equal to zero, except to the extent that the Act requires the payment of a higher amount. If the assets of your Plan are derived from assets transferred directly or indirectly during the first fiscal year of your Plan from another LIF of yours, the Maximum Amount will be zero except to the extent that the Act requires the payment of a higher amount. Where British Columbia or Manitoban pension legislation governs your Plan, the Maximum Amount for a year may be increased if you transfer assets that have never before been held in a LIF or an LRIF to your Plan during that year provided the increase is not greater than the Maximum Amount that would have applied if the assets had been transferred to a newly established LIF (Section 40(3)(m)(n)(o)(p) of the EPPR). In BC, the maximum annual withdrawal will be the greater of the result derived from application of the relevant prescribed factor, and the previous year's investment returns under that LIF contract. In order to qualify, the previous year's investment returns must have been under the same LIF contract.

Where Quebec pension legislation governs your plan, the maximum amount of the LIF income for a fiscal year of the life income fund is equal to the amount "E" in the following formula:

$$F \times C - \frac{A}{D} = E$$

"F" represents the factor provided for in schedule 0.6 with respect to the reference rate for the year covered by the fiscal year and the purchaser's age at the end of the preceding year;

"C" represents the balance of the fund at the beginning of the fiscal year, increased by any sums transferred to the fund after that date and reduced by any sums originating directly or not during the same year from a life income fund of the purchaser;

"A" represents the maximum temporary income for the fiscal year determined in accordance with section 20.4 and 20.5 or, if no amount was determined, the figure is zero;

"D" represents the factor provided in schedule 0.7 with respect to the purchaser's age at the end of the year preceding the one covered by the fiscal year.

The amount of the income paid during a fiscal year of the LIF may not exceed the amount of "M" in the following formula:

$$A + E = M$$

"A" represents the maximum temporary income for the fiscal year determined in accordance with section 20.4 or 20.5 or, if no amount was determined, the figure zero;

"E" represents the maximum life income determined in accordance with section 20.

7. **Disability Payments:** Trustee will make a lump sum or series of payments to you from your Plan after receiving: (a) a written request in a form satisfactory to the Trustee; (b) a medical certificate signed by a physician certifying that you are subject to terminal illness or disability that considerably reduces your life expectancy; (c) where British Columbia, New Brunswick and Ontario pension legislation governs your Plan, a waiver from your spouse in the form and manner required by that legislation; (d) where Manitoba pension legislation governs your plan, a spousal waiver form must be signed by both the annuitant and the spouse or common-law partner; and (e) where British Columbia pension legislation governs your plan, locking-in may be removed only where the owner has a physical disability. Where Quebec pension legislation governs your plan, disability payments are not permitted.
8. **Payments after Marriage Breakdown:** The assets of your Plan and any life annuity purchased with the assets of your Plan may be subject to division under family law and applicable pension law. The Trustee will make a payment or payments out of your Plan to the extent and in the manner permitted or required by applicable law: (a) to effect a division of assets provided the payment is made pursuant to a court order, marriage contract or separation agreement under applicable marital property legislation; or (b) pursuant to an execution, seizure, attachment or other process of law in satisfaction of an order for support or maintenance. Where

Quebec pension legislation governs your Plan, the spouse of the purchaser who is a former member or a member ceases to be entitled to the pension benefit provided for in paragraph 2 of the second paragraph of section 23 upon separation from bed and board, divorce, nullity of marriage, nullity or dissolution of a civil union or, in the case of a spouse who is not married or civil union spouse, upon cessation of the conjugal relationship, unless the purchaser has transmitted to the financial institution the notice provided for in section 89 of the Act.

9. **Spousal Entitlement after Marriage Breakdown:** Your spouse's entitlement under your Plan will end upon separation, divorce or annulment unless: (a) you name your spouse as a beneficiary of your Plan; (b) Manitoba pension legislation governs your Plan and your spouse or common-law partner has not received his or her entitlement from your Plan and has not opted out in the manner required by that legislation; (c) Federal pension legislation governs your Plan, spousal entitlement does not cease by virtue of separation; (d) Quebec pension legislation governs your plan, the seizable portion of the balance of the fund may be paid in a lump sum in execution of a judgment rendered in favor of the purchaser's spouse that gives entitlement to a seizure for unpaid alimony.
10. **Beneficiary Designation:** The designation of a person other than your spouse as the beneficiary of your Plan will not be valid if you have a spouse who is entitled to survivor benefits under your Plan because of applicable pension legislation.
11. **Death of Annuitant:** Following your death, the assets of your Plan will be paid to your spouse unless your spouse is not entitled to survivor benefits under applicable pension legislation. If applicable pension legislation permits or requires your spouse to receive a life annuity rather than a lump sum payment, your spouse may instruct the Trustee to: (a) continue the payments referred to in paragraph 5 of this LIF Supplement to your spouse, in which case your spouse will be deemed to be the annuitant of your Plan with the same rights as if she or he had been the original annuitant; or (b) transfer the assets of your Plan to an LIRA/LRSP, LIF or life annuity as permitted by applicable pension legislation and the Act. If your spouse does not give the Trustee satisfactory instructions within 90 days after the Trustee has been notified of your death, the Trustee will, in its sole discretion, transfer the assets of your Plan as permitted or required by applicable pension legislation and the Trustee will not be liable for any resulting loss. Where Manitoba and New Brunswick pension legislation governs your Plan, if there is no spouse or common-law partner, the benefit will be paid to the designated beneficiary, or to the owners' estate.
12. **Transfers from your Plan:** Subject to any restrictions imposed by the Act, the assets of your Plan may be transferred to the issuer of an LIRA/LRSP, LIF, LRIF, RLIF (Federal) or life annuity. Before transferring assets of your Plan, the Trustee will: (a) confirm that the transfer is permitted under applicable pension legislation and the Act; (b) write to the issuer of the recipient plan to notify it of the locked-in status of the assets being transferred and the pension legislation that governs the assets; and (c) not permit the transfer unless the issuer of the recipient plan agrees to administer the transferred assets according to applicable pension legislation. Where British Columbia, Quebec, New Brunswick or Manitoba pension legislation governs your Plan, the Trustee will also confirm that: (a) the issuer of the recipient plan is on the list of financial institutions maintained by the Superintendent of Pensions of that province; and (b) the recipient plan is on the list of LIRA/LRSPs or LIFs maintained by the Superintendent of Pensions of that province. Where Manitoba or Ontario pension legislation governs your Plan, subject to any restrictions under the terms and conditions of investments held in your Plan, the assets of your Plan will be transferred within 30 days after the Trustee has received your written instructions. Where Manitoba pension legislation governs your Plan, if the Plan holds identifiable and transferable securities, the transfer may, unless otherwise stipulated, at the option of the Trustee and with the consent of the owner, be affected by remittance of the investment securities of the Plan. Where Manitoba pension legislation governs your Plan, if the Financial Institution does not ensure that the transferee financial institution is appropriately acknowledged and the transferee financial institution fails to pay the money transferred in the form of a pension or in the manner required or permitted by Section 39 of the EPPR, the Financial Institution will provide or secure the provision to the owner of the pension in a manner and in the amount that would have been provided had the money not been paid out. Where Quebec pension legislation governs your plan, the purchaser may transfer, in whole or in part, the balance of the fund to a pension plan governed by the Act or referred to in paragraph 1, 2, 3.1, 4 or 5 of section 28, unless the agreed to term of the investments has not expired.
13. **Life Annuity:** In addition to the rules imposed by the Act, a life annuity purchased with the assets of your Plan must comply with applicable pension legislation. A life annuity purchased with the assets of your Plan must be established for your life. The life annuity must be established for the life of the survivor of you and your spouse unless your spouse has provided a waiver in the form and manner required by applicable pension legislation. Payments under the life annuity must be guaranteed by an insurer but not for a period longer than 90 years minus the age of you or your spouse at the time the life annuity was acquired. Unless Federal pension legislation governs your Plan, if your spouse or common-law partner is entitled to payments under the life annuity after your death, those payments must be at least 60 percent of the amount to which you were entitled before death. The life annuity may not differentiate based on your gender except to the extent permitted by applicable pension legislation.
14. **Payments or Transfers made Contrary to Pension Law:** Where British Columbia, Quebec or Manitoba pension legislation governs your Plan, if assets are transferred or paid out of your Plan contrary to applicable pension legislation, the Trustee will ensure that you receive a pension in an amount and if required by applicable pension legislation, in a manner that would have been provided if the assets had not been transferred or paid out of your Plan.
15. **Spousal Waiver:** Your spouse or common-law partner may waive the right to a life annuity as your surviving spouse and where Ontario or Quebec pension legislation governs your Plan, may revoke the waiver. Your spouse must give the waiver before payments under the life annuity begin in the form and manner stipulated by applicable pension legislation.
16. **Fiscal Year:** The fiscal year of your Plan will end on December 31 of each year and may not exceed 12 months.
17. **Valuation:** For the purpose of: a transfer of assets, the purchase of a life annuity contract, a payment or transfer on the death of the owner, and the determination of the maximum benefits payable, the value of your Plan will be determined based on the fair market value of the assets owned by your Plan at the close of business on that day net of any fees or expenses properly chargeable to your Plan.
18. **Statements:** You will be given a statement of your account: (a) following the end of each fiscal year of your Plan; (b) as of the date of a transfer of assets out of your Plan; and (c) upon reasonable request. Your spouse, common-law partner, designated beneficiary or legal representatives, as applicable, will be given a statement of your account as of the date of your death.
19. **Prohibition:** The assets of your Plan may not be withdrawn, commuted or surrendered except as permitted by applicable pension

legislation. The assets of your Plan and payments from your Plan may not be pledged, assigned, charged, alienated, anticipated, given as security, or subjected to execution, seizure or attachment except as permitted by the Act and applicable pension legislation. A transaction that is contrary to this paragraph 21 is void.

20. **Maximum Commutable Amounts:** Where BC pension legislation governs your Plan, a lump sum payment equal to the value of the entire Contract may be made on application by the owner to the Financial Institution for the payment, at any time:

- (a) if the value of this contract does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) for the calendar year in which the application is named.

Where BC, Quebec, Federal, Manitoba and Ontario pension legislation governs your Plan, a lump sum payment equal to the value of the entire Contract may be made on application by the owner to the Financial Institution for the payment, at any time:

- (a) if
- (i) the owner has attained the age of 65 years (BC, Manitoba and Quebec) or age of 55 years (Ontario & Federal) at the end of the preceding fiscal year,
 - (ii) the application is accompanied by a completed declaration, and
 - (iii) the value of this Contract and of other plans and contracts belonging to the owner does not exceed 40% (50% Federal) of the YMPE for the year in which the application is made.

If the Contract is not eligible for the above payment option, it may not be severed so as to transform it into two or more contracts that are so eligible.

21. **Non-Residency Status:** Where BC, Federal, Manitoba, New Brunswick and Ontario pension legislation governs your Plan, a lump sum withdrawal may be made if the owner applies to the Financial Institution with written evidence that the Canada Revenue Agency has confirmed that he has become a non-resident for the purposes of the Act (Canada) and, where that owner is a living non-spousal owner with a spouse, if that spouse has waived all entitlements under the Contract in the form and manner required under that pension legislation. Where Quebec pension legislation governs your Plan, the purchaser may, unless the agreed to term of the investments has not expired, require that the total balance of the fund be paid to him in a lump sum if he has not resided in Canada since at least 2 years. Where Manitoba and New Brunswick pension legislation governs your Plan, signed spousal consent is required.

22. **Financial Hardship:** Where Ontario pension legislation governs your Plan, a lump sum payment, or series of payments, must be made to the owner of this Contract where the owner applies to the Superintendent for a release of all or part of the funds in this Contract due to financial hardship and the Superintendent consents to the release of the funds. Where Federal legislation governs your plan, an amount up to 50% of the YMPE may be withdrawn from any combination of federally regulated LIFs, locked-in RRSPs, RLIFs or RLSFs, within a calendar year, as long as all withdrawals are done within 30 days. One of two conditions must be met to qualify, and attestations must be signed by both the owner and spouse.

23. **Shortened Life Expectancy:** Where BC, Manitoba, New Brunswick and Ontario pension legislation governs your Plan, a lump sum payment, or series of payments, must be made to the owner of this Contract where a physician certifies that the owner has a terminal illness or that due to a disability the owner's life is likely to be considerably shortened. The payment(s) may only be made, in the case of a living non-pension partner owner with a pension partner, where that pension partner has waived all entitlements under the Contract. Where Manitoba and New Brunswick pension legislation governs your Plan, signed spousal consent is required.

24. **50 % Unlocking:** Where Manitoba pension legislation governs your Plan, a LIF owner who is at least age 55 may apply for a one-time transfer of an amount up to 50% of the balance in one or more of his LIFs to a Prescribed RRIF. The owner must receive approval from the institution and receive written consent from the applicants' spouse or common-law partner.

25. **Once-In-A-Lifetime Withdrawal:** Where New Brunswick pension legislation governs your Plan, a LIF owner can transfer a lump sum equal to 3 times the maximum annual withdrawal allowable from a LIF, to a maximum of 25%, over to a Registered Retirement Income Fund (RRIF). This transfer is over and above the normal maximum annual withdrawal from a LIF and is restricted to one such transfer during the lifetime of the individual. If the owner has a spouse, then the spouse must complete a signed spousal consent form.

26. **Temporary Income:** Where Quebec pension legislation governs your Plan, a LIF owner may apply for temporary income in certain situations:

(kk) Section 19.2: If you were under age 54 on December 31 of the previous year, you can request a temporary income from your LIF every year. The temporary income to which you are entitled depends on your other income. You must meet the following two conditions:

- (i) You must have only one LIF.
- (ii) The other income (gross) that you expect to receive over the 12 months following your application for a temporary income must not exceed 40% of the MPE for the year in which you make the application. Note that when calculating your other income, the temporary income is not included in the calculation.

(ll) Section 20.3: If you are at least 54 years of age but less than 65 years of age at the end of the year preceding the once covered by a fiscal year of the fund, the financial institution that manages the fund shall establish a reference temporary income the amount of which shall be equal to the lesser of the following amounts:

(1) 40% of the Maximum Pensionable Earnings, determined for the year covered by the fiscal year, pursuant to the Act respecting the Quebec Pension Plan;

(2) the amount of "R" in the following formula: $F \times C \times D = R$

"F" represents the factor provided for in schedule 0.6 with respect to the reference rate for the year covered by the fiscal year and the purchaser's age at the end of the preceding year;

"C" represents the balance of the fund at the beginning of the fiscal year, increased by the sums transferred to the fund after that date and reduced by the sums originating directly or not during the same year from a life income fund of the purchaser;

"D" represents the factor provided for in schedule 0.7 with respect to the purchaser's age at the end of the year preceding the one covered by the fiscal year.

(c) **Section 20.4:** A purchaser who is entitled to payment of the temporary income referred to in section 19.1 may determine, for each fiscal year of the LIF, a maximum temporary income that may not exceed the lesser of the following amounts:

(1) the reference temporary income determined in accordance with section 20.3;

(2) the amount "X" in the following formula: $G - T = X$

"G" is equal to 40% of the Maximum Pensionable Earnings determined, for the year covered by the fiscal year, pursuant to the Act respecting the Quebec Pension Plan;

"T" represents the sum of the following amounts:

(1) the total temporary income that the purchaser must receive during the year covered by the fiscal year under a pension plan subject to or established by law or under a contract creating a pension of which the capital comes directly or not from such a plan;

(2) the total of the amounts that the purchaser has determined or that he must determine for his other life income funds, in the form of a maximum temporary income for the current fiscal year.

However, in the event that the reference temporary income determined in accordance with section 20.3 is less than the amount "X" in the first paragraph, where the purchaser provides to the financial institution a declaration in conformity with the one prescribed in schedule 0.8, the purchaser may determine, as the maximum temporary income, an amount that does not exceed the lesser of the following amounts:

(1) the amount "X" in the first paragraph;

(2) the balance of the fund at the beginning of the fiscal year, increased by any sums transferred to the fund and any income earned by the fund after that date and reduced by any sums originating directly or not during the same year from a life income fund of the purchaser.

The purchaser may, at any time before the end of the fiscal year, determine a new, increased, maximum temporary income for the fiscal year. In such event, he shall send to the financial institution declarations in conformity with the ones prescribed in schedules 0.4 and 0.8.

(d) **Section 20.5:** The financial institution determines the maximum temporary income for the fiscal year of the life income fund following presentation of an application in accordance with section 19.2. The said income shall be equal to the product of multiplying the maximum monthly payment set in accordance with section 19.2 by the number of months remaining in the year as of the first day of the month of the application or, where the purchaser is entitled, for that month, to a temporary income by reason of a prior application, as of the first day of the following month; the product is increased where necessary by any income provided for in section 19.2 and paid to the purchaser during the year but prior to payment of the income payable as a consequence of the application and reduced by any income paid to the purchaser, during the same period, from another life income fund. The maximum temporary income for the fiscal year may not be less than zero.

27. **Amendments:** From time to time the Trustee may amend the Declaration (including this LIF Supplement) if the amendment does not disqualify your Plan as an LIF and if the amendment is filed with and approved by Canada Revenue Agency and applicable provincial authorities. You will be given 90 days' written notice (including notice of your entitlement to transfer assets out of your Plan) of any amendment that reduces benefits under your Plan.

LRIF Supplement to the Olympia Trust Company Self-Directed Retirement Income Fund

1. **Definitions:** In this LRIF Supplement:

(b) Act: means the Income Tax Act (Canada), and includes the Regulations under that Act, as amended from time to time;

(c) Applicable pension legislation: means the *Pension Benefits Act* (Ontario), whichever governs locked-in monies transferred or to be transferred to your Plan directly or indirectly from an RPP;

(d) Declaration: means the declaration of trust creating your plan;

(e) LIF: means an "LIF" or "life income fund" as defined in applicable pension legislation;

(f) life annuity: means "life annuity", "life annuity contract", "life pension" and "immediate life annuity", "deferred life annuity" as defined in applicable pension legislation that conforms with the Act;

(g) LIRA/LRSP: means "LIRA" or "locked-in retirement account" as defined in applicable pension legislation and where those terms are not defined, means a registered retirement savings plan that satisfies the conditions under applicable pension legislation for receiving funds that originate from an RPP;

(h) LRIF: means an "LRIF" or "locked-in retirement income fund" as defined in applicable pension legislation;

(i) RLIF: means a "RLIF" or "restricted life income fund" as defined in applicable pension legislation;

(j) RLSP: means a "RLSP" or "restricted locked-in savings plan" as defined in applicable pension legislation;

(k) Plan: means the Self-Directed Retirement Savings Plan to which locked-in monies have been or will be transferred for you, the annuitant named in the Self-Directed Application Form that accompanies this Supplement;

(l) RPP: means a registered pension plan or a registered supplemental pension plan governed by applicable pension legislation or established by other legislative authority;

(m) Spouse: means a "spouse" as defined in applicable pension legislation; in context of a LIRA/LRSP provided however, it only includes a person recognized as a spouse for the purposes of the Act;

(n) Trustee: means Olympia Trust Company;

(o) Spouse: means, in relation to another person, includes another individual of the opposite sex who is a party to a void or voidable marriage with the particular individual;

(p) Common-Law Partner: means a person who cohabits at that time in a conjugal relationship with another person and:

(1) has so cohabited with the taxpayer for a continuous period of at least one year, or

(2) would be the parent of a child of whom the taxpayer is a parent, if this Act were read without reference to paragraphs

- 252(1)(c) and (e) and subparagraph 252(2)(a)(iii),
- (3) and, for the purposes of this definition, where at any time the taxpayer and the person cohabit in a conjugal relationship, they are, at any particular time after that time, deemed to be cohabiting in a conjugal relationship unless there were not cohabiting at the particular time for a period of at least 90 days that includes the particular time because of a breakdown of their conjugal relationship
- (q) Fiscal Year: means a fiscal year of the contract;
- (r) Acknowledge: means, in relation to a financial institution, currently acknowledged;
- (s) Addendum: means the portion of a contract, known as an addendum or endorsement;
- (t) Contract: means an agreement that, with the addendum forming part of it, is a LIRA;
- (u) Financial Institution: means the underwriter or depository of a LIRA, LIF or LRIF, as the case may be;
- (v) List: means the list of financial institutions established and maintained;
- (w) Non-spouse Owner: means an owner who is a member or former member referred to in clause(s);
- (x) Owner: means a member or former member of a pension plan who has made a transfer to a contract and, except where otherwise stated, includes a surviving spouse who owns a contract;
- (y) Surviving spouse Owner: means
- i. the surviving spouse, who has made a transfer of a member or former member, or
 - ii. the surviving spouse of a non-spouse owner
- (z) RRSP: means a retirement savings within the meaning of the Act that is registered under the applicable pension legislation; Approved: means approved in writing by the superintendent under subsection (7);
- (aa) Fund: means a LIF, LIRA and an LRIF;
- (bb) Transfer: means a transfer of pension benefit credits to a pension plan, a fund or a life annuity contract;
- (cc) Pension: means a benefit in the form of a series of payments that continues for the life of a former member, whether or not it is thereafter continued to any other person, and includes future entitlements to any such payments, but does not include ancillary benefits unless they become part of a pension;
- (dd) Pension benefit credit: means the value at a particular time of the pension benefits and any other benefits provided under the pension plan to which the employee has become entitled as of that time;
- (ee) Superintendent: means the Superintendent of Pensions;
- (ff) Temporary Income: means the periodic income paid under a pension plan, a life annuity contract or a fund after retirement for the purpose of supplementing retirement income until the person is eligible to receive benefits under the Old Age Security Act (Canada) or retirement benefits under the Canada Pension Plan or the Quebec Pension Plan;
- (gg) Pension Plan or "plan": means a plan, scheme or arrangement organized and administered to provide pensions for employees and former employees and under which, except in the case of a supplemental pension plan, the employer is or, in the case of a terminated plan, was required to make contributions to the plan on behalf of the members, and includes the pension fund of a plan but does not include a prescribed plan, scheme or arrangement;
- (hh) Year's Maximum Pensionable Earnings has the same meaning as in the Canada Pension Plan (Canada); and
- (ii) Member Spouse: means, in relation to the pension plan in question, the spouse who is or was the member in question; Non-Member-Spouse; means the other spouse.
2. **Compliance:** If locked-in monies are transferred or will be transferred to your Plan directly or indirectly from an RPP and you have selected the LRIF as your plan type on the Self-Directed Application Form that accompanies this LRIF Supplement the additional provisions of this LRIF Supplement form part of the Declaration. In case of any inconsistency between this LRIF Supplement and the Declaration, this LRIF Supplement will apply. Where required by applicable pension legislation, the Trustee has filed the Declaration (including this LRIF Supplement) with and caused it to be accepted by the appropriate pension authorities in Canada. The Trustee will comply with all relevant provisions of applicable pension legislation.
3. **Transfers to your Plan:** The Trustee may only accept transfers to your Plan made pursuant to a direction or authorization in a form acceptable to the Trustee and representing locked-in monies originating directly or indirectly from an RPP; an LIRA/LRSP; another LRIF; a LIF or another source permitted by the Act and applicable pension legislation from time to time. The Trustee will not accept any transfers to your Plan: (a) from a source or in circumstances not permitted by the Act and applicable pension legislation; or (b) in circumstances that would require the Trustee to begin making payments from your Plan contrary to applicable pension legislation.
4. **Investments:** The investments held in your Plan must comply with the investment rules imposed by the Act for a registered retirement income fund.
5. **Payments to Annuitant:** In each calendar year, the total amount of payments to you from your Plan may not be greater than the Maximum Amount. Each year after receiving the statement referenced in paragraph 15(a) of this LRIF Supplement, you must indicate on the form provided to you by the Trustee, the amount and frequency of payments to be made during that year. The owner will be paid an income the amount of which may vary annually and that payment of the income will commence not later than the last day of the second fiscal year of the Contract. Modifications will be required to determine, at the date of the beginning of the first fiscal year of the Contract in the interval, the amount of income to be paid for each fiscal year in that interval. You may change the amount and frequency of your payments or request additional payments by instructing the Trustee in writing in a form satisfactory to the Trustee. If you do not specify the amount and frequency of payments to be made in a year or the specified payments are less than the Minimum Amount, the Trustee will make a payment or payments as it deems necessary, in its sole discretion, to ensure that the Minimum Amount is paid to you.
6. **Calculation of Maximum Amount:** The amount of income paid during a fiscal year will not be less than the minimum amount required to be paid under the Act and does not exceed the Maximum Amount for a fiscal year, being the greatest of:
- (a) the value of the assets of your Plan at the beginning of that fiscal year less the net amount transferred to your Plan, being the sum of all amounts transferred to your Plan minus all amounts transferred from your Plan;
 - (b) the investment return earned by your Plan during the immediately previous fiscal year;
 - (c) in the first or second fiscal year of your Plan, 6% of the value of your Plan at the beginning of that fiscal year; and

(d) the Minimum Amount.

In the first fiscal year of your Plan, the Maximum Amount will be pro-rated over the number of months remaining in the year, with a part month counting as a full month. The Maximum Amount for a year may be increased if you transfer assets that have never before been held in an LRIF or LIF to your Plan during that year provided the increase is not greater than the Maximum Amount that would have applied if the assets had been transferred to a newly established LRIF.

7. **Disability Payments:** The Trustee will make a lump sum or series of payments to you from your Plan after receiving: (a) a written request in a form satisfactory to the Trustee; (b) a medical certificate signed by a physician certifying that you are subject to terminal illness or disability that considerably reduces your life expectancy; and (c) where Ontario pension legislation governs your plan, a spousal waiver form must be signed by both the annuitant and the spouse or common-law partner.
8. **Payments after Marriage Breakdown:** The assets of your Plan and any life annuity purchased with the assets of your Plan may be subject to division under family law and applicable pension law. The Trustee will make a payment or payments out of your Plan to the extent and in the manner permitted or required by applicable law: (a) to effect a division of assets provided the payment is made pursuant to a court order, marriage contract or separation agreement under applicable marital property legislation; or (b) pursuant to an execution, seizure, attachment or other process of law in satisfaction of an order for support or maintenance.
9. **Spousal Entitlement after Marriage Breakdown:** Your spouse's entitlement under your Plan will end upon separation, divorce or annulment unless you name your spouse as a beneficiary of your Plan
10. **Beneficiary Designation:** The designation of a person other than your spouse as the beneficiary of your Plan will not be valid if you have a spouse who is entitled to survivor benefits under your Plan because of applicable pension legislation.
11. **Death of Annuitant:** Following your death, the assets of your Plan will be paid to your spouse unless your spouse is not entitled to survivor benefits under applicable pension legislation. If applicable pension legislation permits or requires your spouse to receive a life annuity rather than a lump sum payment, your spouse may instruct the Trustee to: (a) continue the payments referred to in paragraph 5 of this LRIF Supplement to your spouse, in which case your spouse will be deemed to be the annuitant of your Plan with the same rights as if she or he had been the original annuitant; or (b) transfer the assets of your Plan to an LIRA/LRSP, LRIF or life annuity as permitted by applicable pension legislation and the Act. Where Ontario pension legislation governs your Plan, if there is no spouse or common-law partner, the benefit will be paid to the designated beneficiary, or to the owners' estate.
12. **Transfers from your Plan:** Subject to any restrictions imposed by the Act, the assets of your Plan may be transferred to the issuer of an LIRA/LRSP, LRIF, LIF or life annuity. Before transferring assets of your Plan, the Trustee will: (a) confirm that the transfer is permitted under applicable pension legislation and the Act; (b) write to the issuer of the recipient plan to notify it of the locked-in status of the assets being transferred and the pension legislation that governs the assets; and (c) not permit the transfer unless the issuer of the recipient plan agrees to administer the transferred assets according to applicable pension legislation.
13. **Life Annuity:** In addition to the rules imposed by the Act, a life annuity purchased with the assets of your Plan must comply with applicable pension legislation.
14. **Fiscal Year:** The fiscal year of your Plan will end on December 31 of each year and may not exceed 12 months.
15. **Valuation:** For the purpose of: a transfer of assets, the purchase of a life annuity, a payment or transfer on the death of the owner, and the determination of the maximum benefits payable, the value of your Plan will be determined based on the value of the assets owned by your Plan at the close of business on that day net of any fees or expenses properly chargeable to your Plan.
16. **Statements:** You will be given a statement of your account: (a) following the end of each fiscal year of your Plan; (b) as of the date of a transfer of assets out of your Plan; and (c) upon reasonable request. Your spouse, designated beneficiary or legal representatives, as applicable, will be given a statement of your account as of the date of your death.
17. **Prohibition:** The assets of your Plan may not be withdrawn, commuted or surrendered except as permitted by applicable pension legislation. The assets of your Plan and payments from your Plan may not be pledged, assigned, charged, alienated, anticipated, given as security, or subjected to execution, seizure or attachment except as permitted by the Act and applicable pension legislation. A transaction that is contrary to this paragraph 16 is void.
18. **Maximum Commutable Amounts:** Where Ontario pension legislation governs your Plan, a lump sum payment equal to the value of the entire Contract may be made on application by the owner to the Financial Institution for the payment, at any time:
 - (a) if
 - (i) the owner has attained the age of 55 years at the end of the preceding fiscal year,
 - (ii) the application is accompanied by a completed declaration, and
 - (iii) the value of this Contract and of other plans and contracts belonging to the owner does not exceed 40% of the YMPE for the year in which the application is made.
19. **Financial Hardship:** Where Ontario pension legislation governs your Plan, a lump sum payment, or series of payments, must be made to the owner of this Contract where the owner applies to the Superintendent for a release of all or part of the funds in this Contract due to financial hardship and the Superintendent consents to the release of the funds.
20. **Shortened Life Expectancy:** Where Ontario legislation governs your Plan, a lump sum payment, or series of payments, must be made to the owner of this Contract where a physician certifies that the owner has a terminal illness or that due to a disability the owner's life is likely to be considerably shortened. The payment(s) may only be made, in the case of a living non-pension partner owner with a pension partner, where that pension partner has waived all entitlements under the Contract.
21. **Non-Residency Status:** Where Ontario pension legislation governs your Plan, a lump sum withdrawal may be made if the owner applies to the Financial Institution with written evidence that the Canada Revenue Agency has confirmed that he has become a non-resident for the purposes of the Act (Canada) and, where that owner is a living non-spousal owner with a spouse, if that spouse has waived all entitlements under the Contract in the form and manner required under that pension legislation.
22. **Amendments:** From time to time the Trustee may amend the Declaration (including this LRIF Supplement) if the amendment does not disqualify your Plan as an LRIF and if the amendment is filed with and approved by Canada Revenue Agency and applicable provincial authorities.

Prescribed Locked-in Retirement Account (Alberta LIRA) Addendum

IMPORTANT NOTES:

This addendum forms an integral part of the LIRA to which it is attached. The provisions of this addendum prevail over other provisions of the LIRA in the event of any conflict or inconsistency. The LIRA (including this addendum) is also subject to section 39 of the Regulation and all other provisions of the Act and the Regulation (excluding this addendum) that apply to LIRAs and in the event of any conflict or inconsistency, that other legislation prevails. This addendum is only a general and abbreviated description of the legal rights and obligations relating to the LIRA vehicle and as such may not necessarily reflect fully or accurately the rights and obligations in the legislation. It should be noted that there are transitional arrangements in place covering mainly the period between August 2006 and the end of 2007, that are not necessarily reflected in this addendum, and that may also affect relationships with LRIFs.

PART 1

General Provisions

Interpretation

1(1) The following terms, used in this addendum, have the meanings respectively given them as indicated below, except where the context otherwise requires:

- (a) "the Act" means the *Employment Pension Plans Act* of Alberta, "the Regulation" means the *Employment Pension Plans Regulation* (Alberta Regulation 35/2000) under that Act, and "EPPA/R" means either both, as applicable, all as amended to the time as of which the legislation is being interpreted;
- (b) "acknowledged" means, in relation to a financial institution, currently acknowledged under section 38 of the Regulation in relation to LIRAs or LIFs, as applicable;
- (c) "Alberta locked-in money" means money in a pension plan, LIRA or LIF
 - (i) that
 - (A) originally belonged to a member who terminated membership in Alberta,
 - (B) belongs to a surviving pension partner of
 - (I) a member who died while employed in Alberta,
 - (II) a former member who terminated membership while employed in Alberta, or
 - (III) the original owner of a LIRA
 - or
 - (C) belongs to a non-member-pension partner owner owing to the application of Parts 4 of the legislation and originally belonged to a member who was employed in Alberta at the end of the period of joint accrual referred to in section 57(a) of the Regulation,
 - (ii) with respect to which the locking-in requirements of the legislation are still required to be met;
- (d) "annuity" means a non-commutable life annuity contract issued or to be issued by an insurance business licensed to do business in Canada that meets the conditions in paragraph 60(l) of the federal *Income Tax Act* and will not commence before the annuitant reaches 50;
- (e) "DC RIA" (an acronym for defined contribution retirement income account) means an account created under defined contribution provisions of a pension plan that provides the benefits referred to in section 46(8) of the Act under section 46.1 of the Regulation;
- (f) "DC RIA benefits" means the benefits referred to in clause (e);
- (g) "financial institution" means the issuer of a LIRA (including this one) or a LIF, as the case may be and, where the context relates to an annuity, includes an insurance business referred to in clause (d);
- (h) "Form", followed by a number, means the form in Schedule 1 to the Regulation corresponding to that number;
- (i) "non-member-pension partner owner" means a pension partner who owns this LIRA as a result of the application of the marriage breakdown/matrimonial property order/agreement rules in EPPA/R;
- (j) "Option",
 - (i) followed by the numeral "1", means the option in Part 1 of Form 6 agreeing to the unlocking of up to 50% of commuted value or the value of the vehicle account in question,
 - (ii) followed by the numeral "2", means the option in Part 1 of Form 6 giving up the right to receive the minimum 60% survivor payments, and
 - (iii) followed by the numeral "3", means the option in Part 2 of Form 6 giving up all rights as automatic designated beneficiary;
- (k) "original owner" means the individual who was the member or former member of a pension plan and who made a transfer under section 30(5) or 38 of the Act or section 39, 40, 41 or 46.1 of the Regulation at any time, the assets deriving from which transfer are now held in this LIRA;
- (l) "owner" means the original owner, a surviving pension partner owner or a non-member-pension partner owner;
- (m) "paragraph" and "Part" mean a paragraph and a Part, respectively, of this addendum;
- (n) "pension partner" means, in relation to an original owner,
 - (i) a person who, at the relevant time, was married to that original owner and had not been living separate and apart from that original owner for 3 or more consecutive years, or
 - (ii) if there is no such married person, a person, if there is any, who, immediately preceding that time, had lived with that original owner in a conjugal relationship
 - (A) for a continuous period of at least 3 years, or
 - (B) of some permanence, if there is a child of the relationship by birth or adoption, but does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the federal income tax legislation respecting RRSPs;

- (o) "retirement income commencement" means the time when the former member or original owner initially transfers or transferred the money from a pension plan or a LIRA to a LIF, a DC RIA or an LRIF (before its abolition);
- (p) "surviving pension partner owner" means an individual who made a transfer of money under section 39(6) of the Act or section 39(27) of the Regulation;

(2) Terms used in this addendum and not defined in subparagraph (1) but defined generally in EPPA/R have the meanings assigned to them in EPPA/R.

(3) Reference in this addendum to the execution of a waiver also requires the provision of it to the applicable pension plan administrator or financial institution for it to be effective.

1. Voluntary disposition

2. In general, the owner may not assign or otherwise voluntarily dispose of this LIRA or any rights or obligations under it to another person, but this is subject to the exceptions dealt with later.

2. Involuntary access

3(1) In general, the money in this LIRA may not be seized, attached or otherwise taken by another person, except that the money is subject to the provisions of the *Maintenance Enforcement Act* and the marriage breakdown rules.

(2) The exceptions referred to in subparagraph (1) will or may continue to apply if the money is transferred from this LIRA to another financial vehicle.

General rule on early withdrawal, etc.

4. No early voluntary withdrawal, commutation or surrender of money in this LIRA will be permitted except in accordance with Part 4 or the transitional (temporary) maximum of 50% unlocking option in Schedule 1.1 to the Regulation.

3. Locking in

5. Money that is not Alberta locked-in money will not be transferred to or continue to be held in this LIRA.

4. Investment

6. The money in this LIRA will be invested in a manner that complies with the rules for the investment of RRSP money contained in the federal income tax legislation.

5. Retirement income

7(1) All the money in this LIRA, including investment earnings, is to be used ultimately to obtain an annuity or retirement income that is required or permitted by EPPA/R.

(2) The annuity or retirement income ultimately to be obtained for an original owner with a pension partner at the time payment of that income commences is to be at least on a 60% joint life basis that satisfies section 40 of the Act, unless that pension partner executes Option 2 of the Form 6 waiver.

6. Splitting of contract

8. This LIRA, if not eligible for the payment allowed by paragraph 21, may not be split so as to change it into 2 or more LIRAs, LIFs, DC RIAs or annuities or any combination of them that would make any of them so eligible.

7. Pension partner waiver

9. A pension partner may be entitled to money from this LIRA on the death of the original owner but, while the original owner is still alive, the pension partner may waive entitlement to that money by executing Form 3.

8. Disclosure statements

10(1) The LIRA issuer will provide to the owner, at least annually, a statement showing

- (a) the LIRA account balance at the beginning and the end of the period covered by the statement, and
- (b) the investment gains and losses earned in, the amounts transferred into, the payments made out of, and the fees charged against, the account in that period.

(2) Where money is paid out from this LIRA, the LIRA issuer will provide to the owner a statement showing

- (a) the LIRA account balance at the beginning of the period covered by the statement and at the date of the payment out, and
- (b) the matters specified in subparagraph (1)(b).

9. Part 2

Transfers In and Transfers and Payments Out of LIRA

Transfer-in requirements

11(1) The LIRA issuer

- (a) warrants to the owner that it is, and will make every endeavor while this contract exists to remain, on Superintendent's list of acknowledged financial institutions for LIRAs, and
- (b) will ensure that only Alberta locked-in money is transferred to this LIRA.

(2) A transfer to this LIRA may be made only from

- (a) the non-DC RIA portion of a plan or another LIRA, or
- (b) an old locked-in RRSP under an agreement under the predecessor legislation of 1966.

10. Transfers to other vehicles

12. A transfer of money from this LIRA is permitted to be made only to

- (a) the non-DC RIA portion of a plan on a locked-in basis,
- (b) a DC RIA,
- (c) another LIRA,
- (d) a LIF, or
- (e) an annuity.

11. Transfer-out requirements

13(1) The LIRA issuer will not transfer money from this LIRA unless, to the extent applicable, it

- (a) has ascertained that the transferee financial institution, if issuing a LIRA or LIF, is on the appropriate Superintendent's acknowledgement list,
- (b) has ascertained that the transferee pension plan will treat the money as Alberta locked-in money,
- (c) has advised the transferee financial institution or pension plan administrator that the money being transferred is Alberta locked-in money,
- (d) provides that transferee with a certified copy,
 - (i) if the transfer is being made to another LIRA or non-DC RIA portion of a pension plan by an original owner who has a pension partner at the time of the transfer who has previously executed a Form 3 waiver, of that waiver, or
 - (ii) if the transfer is being made to a LIF, a DC RIA or an annuity other than a minimum 60% joint life annuity by an original owner with a pension partner at the time of the transfer, of an executed Option 2 of the Form 6 waiver,
- (e) has provided the owner with a statement under paragraph 10(2), and
- (f) if the transfer is to a LIF, DC RIA or annuity, has offered the owner the maximum 50% unlocking option provided for in Schedule 1.1 to the Regulation subject, if the owner is an original owner with a pension partner at the time of the transfer, to the pension partner's having previously exercised Option 1 of the Form 6 waiver, and the LIRA issuer will otherwise ensure that the EPPA/R rules on transfers out are obeyed.

(2) Unless a pension partner referred to in subparagraph (1)(d)(ii) executes Option 2 of the Form 6 waiver, that pension partner is the designated beneficiary for any death benefit.

(3) Where an Option 1 of the Form 6 waiver was executed, the LIRA issuer will keep a certified copy of it.

12. Potential consequences of breach

14. If the LIRA issuer disobeys any of the requirements in paragraph 13(1), it may have to fund the recipient vehicle (again if need be) to ensure that those entitled to the benefits of the recipient vehicle receive them in the form and manner required by EPPA/R.

13. General liability on payment out

15. If money is paid out to an individual person contrary to EPPA/R, the LIRA issuer will ensure the provision of appropriate income to the owner, in accordance with EPPA/R, as if that legislation has not been breached.

Prohibition against double indemnity

16. Where the owner, as a result of EPPA/R, obtains, in effect, a double payment or a payment as well as a continuing interest in the LIRA, the owner may be liable to repay amounts to which EPPA/R did not entitle him/her.

14. Federal tax legislation requirements

17. Without mention of other provisions of the federal tax legislation to which a transfer is or may be subject, any transfer made under paragraph 13(1) is subject to paragraph 146.3(2)(e.1) or (e.2) of the federal *Income Tax Act*.

15. Remittance of securities

18. Where this LIRA holds identifiable and transferable investment securities, the transfers out referred to in this Part may, unless otherwise stipulated, at the option of the LIRA issuer and with the consent of the owner, be effected by the remittance of any such securities.

16. Part 3

Death of Owner

Disposition of balance on death

19(1) Within 60 days after the delivery to the LIRA issuer of the documents required by it following the death of the original owner with a surviving pension partner who has not executed the Form 3 waiver, the LIRA balance will be transferred, subject to paragraph 13, on that surviving pension partner's behalf to

- (a) a LIRA,
 - (b) a LIF,
 - (c) an annuity that is not a minimum 60% joint life annuity, or
 - (d) a pension plan on a locked-in basis,
- as that surviving pension partner chooses.

(2) Within 60 days after the delivery to the LIRA issuer of the documents required by it following the death of the owner other than an owner referred to in subparagraph (1), the LIRA balance will be paid to the original owner's designated beneficiary or, if there is no valid designation of beneficiary, to the original owner's estate as a cash lump sum.

17. Part 4

Withdrawal, Commutation and Surrender

YMPE based lump sum payment

21. The LIRA issuer will on application make a lump sum payment of the whole LIRA balance,

- (a) at any time if the LIRA balance does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the year in which the application is made, or
- (b) if the owner is at least 65 and the value of the LIRA does not exceed 40% of the YMPE for the year in which the application was made.

18. Non-residency for tax purposes

22. The LIRA issuer will make a lump sum payment of the entire LIRA balance if the owner applies to it with written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the federal tax legislation and, where that owner is an original owner who has a pension partner at the time when the application is made, if such a pension partner has executed a Form 5 waiver.

19. Life threatening condition

23. The LIRA issuer will on application make a lump sum payment to the owner of the entire LIRA balance or an equivalent series of payments if a physician certifies that the owner has a terminal illness or that due to a disability the owner's life is likely to be considerably shortened, but the LIRA issuer may make the payment or payments, in the case of an original owner who has a pension partner at the time when the application for payment is made, only if such a pension partner has executed a Form 5 waiver.

20. Financial hardship

24. The LIRA issuer will make a lump sum payment or a series of payments, on application to the LIRA issuer by the owner, if the owner has previously applied to the Superintendent for a release of all or part of the money due to financial hardship and the Superintendent has given written consent to that application.

21. Part X.1 of federal tax legislation

25. The owner may withdraw from this LIRA such amount of money as is required to be paid to the owner to reduce the amount of tax otherwise payable under Part X.1 of the federal *Income Tax Act*.

Life Income Fund (Alberta LIF) Addendum

IMPORTANT NOTES:

This addendum forms an integral part of the LIF to which it is attached. The provisions of this addendum prevail over other provisions of the LIF in the event of any conflict or inconsistency. The LIF (including this addendum) is also subject to section 40 of the Regulation and all other provisions of the Act and the Regulation (excluding this addendum) that apply to LIFs and in the event of any conflict or inconsistency, that other legislation prevails. This addendum is only a general and abbreviated description of the legal rights and obligations relating to the LIF vehicle and as such may not necessarily reflect fully or accurately the rights and obligations in the legislation. It should be noted that there are transitional arrangements in place covering mainly the period between August 2006 and the end of 2007, that are not necessarily reflected in this addendum, and that may also affect relationships with LRIFs.

PART 1

General Provisions

Interpretation and requisites for LIF

1(1) The following terms, used in this addendum, have the meanings respectively given them as indicated below, except where the context otherwise requires:

- (q) "the Act" means the *Employment Pension Plans Act* of Alberta, "the Regulation" means the *Employment Pension Plans Regulation* (Alberta Regulation 35/2000) under that Act, and "EPPA/R" means either both, as applicable, all as amended to the time as of which the legislation is being interpreted;
- (r) "acknowledged" means, in relation to a financial institution, currently acknowledged under section 38 of the Regulation in relation to LIFs or LIRAs, as applicable;
- (s) "Alberta locked-in money" means money in a pension plan, LIRA or LIF
 - (i) that
 - (A) originally belonged to a member who terminated membership in Alberta,
 - (B) belongs to a surviving pension partner of
 - (I) a member who died while employed in Alberta,
 - (II) a former member who terminated membership while employed in Alberta, or
 - (III) the original owner of a LIRAor
 - (C) belongs to a non-member-pension partner owner owing to the application of Parts 4 of the legislation and originally belonged to a member who was employed in Alberta at the end of the period of joint accrual referred to in section 57(a),and
 - (ii) with respect to which the locking-in requirements of the legislation are still required to be met;
- (t) "annuity" means a non-commutable life annuity contract issued or to be issued by an insurance business licensed to do business in Canada that meets the conditions in paragraph 60(l) of the federal *Income Tax Act* and will not commence before the annuitant reaches 50;
- (u) "DC RIA" (an acronym for defined contribution retirement income account) means an account created under defined contribution provisions of a pension plan that provides the benefits referred to in section 46(8) of the Act and that exists to provide retirement income under section 46.1 of the Regulation;
- (v) "DC RIA benefits" means the benefits referred to in clause (e);
- (w) "financial institution" means the issuer of a LIF (including this one) or a LIRA, as the case may be and, where the context relates to an annuity, includes an insurance business referred to in clause (d);
- (x) "Form", followed by a number, means the form in Schedule 1 to the Regulation corresponding to that number;
- (y) "non-member-pension partner owner" means a pension partner who owns this LIF as a result of the application of the marriage breakdown/matrimonial property order/agreement rules in EPPA/R;
- (z) "Option",
 - (i) followed by the numeral "1", means the option in Part 1 of Form 6 agreeing to the unlocking of up to 50% of commuted value or the value of the vehicle account in question,
 - (ii) followed by the numeral "2", means the option in Part 1 of Form 6 giving up the right to receive the minimum 60% survivor payments, and
 - (iii) followed by the numeral "3", means the option in Part 2 of Form 6 giving up all rights as automatic designated beneficiary;

- (aa) "original owner" means the individual who was the member or former member of a pension plan and who made a transfer under section 30(5) or 38 of the Act or section 39, 40, 41 or 46.1 of the Regulation at any time, the assets deriving from which transfer are now held in this LIF;
- (bb) "owner" means the original owner, a surviving pension partner owner or a non-member-pension partner owner;
- (cc) "paragraph" and "Part" mean a paragraph and a Part, respectively, of this addendum;
- (dd) "pension partner" means, in relation to an original owner,
 - (i) a person who, at retirement income commencement, was married to that original owner and had not been living separate and apart from that original owner for 3 or more consecutive years, or
 - (ii) if there is no such married person, a person, if there is any, who, immediately preceding that time, had lived with that original owner in a conjugal relationship
 - (A) for a continuous period of at least 3 years, or
 - (B) of some permanence, if there is a child of the relationship by birth or adoption, but does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the federal income tax legislation respecting RRIFs;
- (ee) "retirement income commencement" means the time when the former member or original owner initially transfers or transferred the money from a pension plan or a LIRA to a LIF, a DC RIA or an LRIF (before its abolition);
- (ff) "surviving pension partner owner" means
 - (i) an individual who made a transfer of money under section 39(6) of the Act, or
 - (ii) a surviving pension partner of the original owner.

(2) Terms used in this addendum and not defined in subparagraph (1) but defined generally in EPPA/R have the meanings assigned to them in EPPA/R.

(3) Reference in this addendum to the execution of a waiver also requires the provision of it to the applicable pension plan administrator or financial institution for it to be effective.

(4) This addendum has no effect as a part of a RRIF or a LIF unless and until

- (a) the owner is at least 50,
- (b) this addendum is attached to the RRIF,
- (c) the issuer has made reasonable efforts to ascertain whether or not the original owner has a pension partner at the time the LIF would be established and, if so, his or her identity,
- (d) if there is such a pension partner, that institution has received an executed Option 2 of the Form 6 waiver, and
- (e) that waiver has been attached to the RRIF, and the waiver referred to in clause (e) becomes part of the LIF on its being attached to the RRIF.

(5) The fiscal year of this LIF is the calendar year.

22. Voluntary disposition

2 In general, the owner may not assign or otherwise voluntarily dispose of this LIF or any rights or obligations under it to another person, but this is subject to the exceptions dealt with later.

23. Involuntary access

3(1) In general, the money in this LIF may not be seized, attached or otherwise taken by another person, except that the money is subject to the provisions of the *Maintenance Enforcement Act* and the marriage breakdown rules.

(2) The exceptions referred to in subparagraph (1) will or may continue to apply if the money is transferred from this LIF to another financial vehicle.

General rule on early withdrawal, etc.

4 No early voluntary withdrawal, commutation or surrender of money in this LIF will be permitted except in accordance with Part 5 or the transitional (temporary) maximum of 50% unlocking option in Schedule 1.1 to the Regulation.

24. Locking in

5 Money that is not Alberta locked-in money will not be transferred to or continue to be held in this LIF.

25. Investment

6 The money in this LIF will be invested in a manner that complies with the rules for the investment of RRIF money contained in the federal income tax legislation.

26. Minimum retirement income provision

7 All the money in this LIF, including investment earnings, is to be used to provide or obtain retirement income or an annuity that is required or permitted by EPPA/R.

27. Splitting of contract

8 This LIF, if not eligible for the payment allowed by paragraph 27, may not be split so as to change it into 2 or more LIFs, DC RIAs or annuities or any combination of them that would make any of them so eligible.

28. Disclosure statements

9 The LIF issuer will provide to the owner or, in the case of a deceased original owner, the designated beneficiary or estate, as the case may be,

- (c) within 30 days after the beginning of each year, information on
 - a. the amounts transferred into, the interest, gains and losses earned by, the payments made out of, and the fees charged against, this LIF during the previous year,
 - b. the LIF account balance at the end of the previous year,
 - c. the minimum amount that must be paid out of this LIF to the owner during the current year, and
 - d. the maximum amount that may be paid out during the current year, being the greatest of the amounts calculated in accordance with paragraph 20(1)(a), (b) and (c),

- (d) if the owner makes a transfer specified in paragraph 11, a reconciliation of the LIF balance at the date of the transfer with the balance at the end of the immediately previous year, showing the amounts transferred into, the interest, gains and losses earned by, the payments made out of, and the fees charged against, this LIF in the intervening period, and
- (e) where the owner receives a payment under Part 5 of this addendum, a reconciliation of the LIF balance at the date of payment with the balance at the end of the immediately previous year, showing the amounts transferred into, the interest, gains and losses earned by, the payments made out of, and the fees charged against, this LIF during the intervening period.

29. Part 2

Transfers In and Transfers and Payments Out

Transfer-in requirements

10(1) The LIF issuer

- (c) warrants to the owner that it is, and will make every endeavor while this contract exists to remain, on the Superintendent's list of acknowledged financial institutions for LIFs, and
- (d) will ensure that only Alberta locked-in money is transferred to this LIF.

(2) A transfer to this LIF may be made only from a pension plan, another LIF, a LIRA or an LRIF.

30. Transfers to other vehicles

12 A transfer of money from this LIF is permitted, but only permitted,

- (f) to another LIF,
- (g) a DC RIA, or
- (h) to an insurance business to purchase an annuity that, in the case of an original owner who had a pension partner at retirement income commencement, designates that pension partner as the beneficiary of any death benefit provided by the annuity unless the original owner has provided to the LIF issuer an executed Option 3 of the Form 6 waiver.

31. Transfer-out requirements

12(1) The LIF issuer will not transfer money from this LIF unless, to the extent applicable, it

- (g) has ascertained that the transferee financial institution, if issuing a LIF, is on the appropriate Superintendent's acknowledgement list for LIFs,
- (h) has ascertained that the transferee pension plan containing the DC RIA is registered under EPPA/R,
- (i) has advised the transferee financial institution or pension plan administrator that the money being transferred is Alberta locked-in money,
- (j) if the owner is an original owner who had a pension partner at retirement income commencement, provides the receiving financial institution or administrator with an executed option 2 and, if applicable Option 3 of the Form 6 waiver.
- (k) if the transfer is to another LIF or to a DC RIA, provides that transferee with
 - (i) a copy of the information provided to the owner under paragraph 9(b), and
 - (ii) a copy of the decision made by the owner respecting the amount to be withdrawn during the current year.
- (l) if the transfer is to an insurance business to purchase an annuity,
 - a. has ensured that the vehicle is an annuity, and
 - b. if the owner is an original owner, provides to the insurance business a certified copy of an executed the Option 2 and, if applicable, the Option 3 of the Form 6 waiver, and the LIF issuer will otherwise ensure that the EPPA/R rules on transfers out are obeyed.

32. Potential consequences of breach

13 If the LIF issuer disobeys any of the requirements in paragraph 12, it may have to fund the recipient vehicle (again if need be) to ensure that those entitled to the benefits of the recipient vehicle receive them in the form and manner required by EPPA/R.

33. General liability on payment out

14 If money is paid out to an individual person contrary to EPPA/R, the LIF issuer will ensure the provision of appropriate income to the owner, in accordance with EPPA/R, as if that legislation has not been breached.

Prohibition against double indemnity

15 Where the owner, as a result of EPPA/R, obtains, in effect, a double payment or a payment as well as a continuing interest in the LIF, the owner may be liable to repay amounts to which EPPA/R did not entitle him/her.

34. Federal tax legislation requirements

16 Without mention of other provisions of the federal tax legislation to which a transfer is or may be subject, any transfer made under paragraph 12 is subject to paragraph 146.3(2)(e.1) or (e.2) of the federal *Income Tax Act*.

35. Remittance of securities

17 Where this LIF holds identifiable and transferable investment securities, the transfers out referred to in this Part may, unless otherwise stipulated, at the option of the LIF issuer and with the consent of the owner, be effected by the remittance of any such securities.

36. Part 3

Payment Calculations

37. Commencement of income payment

18 The owner will be paid an income that will commence not later than the last day of the year following the year in which the LIF was established.

38. Establishment and alteration of income pay-out

19(1) Within 60 days after receipt of the information described in paragraph 9(a), the owner will establish and notify the LIF issuer in writing of the amount of income to be paid during the current year, except that if this LIF guarantees the rate of return of this LIF over a period that is greater than one year, then the owner may establish and notify, at the beginning of that period, the amount of income to be paid during any one or more of the years that end not later than the expiration of that period.

(2) The owner may, at any time during the year, change the amount of income to be paid provided that the amount will always result, by the end of the year, in a payment or payments that are at least equal to the minimum amount required by the federal tax legislation and that do not exceed the maximum amount calculated in accordance with paragraph 20(1).

39. Maximum income pay-out

20(1) Subject to subparagraph (2), the amount of income to be paid out during a year is not to exceed the greatest of

(a) M, with that symbol being calculated in accordance with the following formula:

$$M = C/F$$

where

C is the balance of the money in this LIF on the first day of the year, and

F is the value on January 1 of the year in which the calculation is made of a guaranteed amount of which the annual payment is \$1 payable at the beginning of each year between that date and December 31 of the year during which the owner reaches the age of 85 years and calculated by using

(i) an interest rate of not more than 6% per year, or

(ii) for the first 15 years after the date of the valuation, an interest rate exceeding 6% per year if that rate does not exceed the interest rate obtained on long-term bonds issued by the Government of Canada for the month of November preceding the year of the valuation, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series B-14013, and using an interest rate not exceeding 6% in subsequent years,

(b) the minimum amount required to be withdrawn in accordance with the federal tax legislation, and

(c) investment gains earned in the immediately previous year.

(2) For the initial year of the payment out of income,

(a) The limit M is prorated in proportion to the number of months in the year in which this LIF was established divided by 12, with any part of an incomplete month counting as one month,

(b) the minimum amount to be paid, as referred to in subparagraph (1)(b), is set at zero, and

(d) investment gains referred to in subparagraph (1)(c) are 6% of the fair market value of this LIF prorated, where applicable, in proportion to the number of months in the year for which this LIF was established divided by 12, with any part of an incomplete month counting as one month.

40. Continuation of income payments

21 Subject to paragraph 19(2), if the money in this LIF is transferred to another LIF or to a DC RIA, payments to the owner will continue in the same manner as the owner selected at the beginning of the year of the transfer.

41. Additional transfers in

22(1) If, in any year, an additional transfer is made to this LIF and that additional transfer has never been under a LIF or a DC RIA before, an additional withdrawal is allowed in that year.

(2) The additional withdrawal will be calculated in accordance with paragraph 20(1) and prorated in accordance with paragraph 20(2) with respect to the amount that was transferred in.

42. Guarantee of rate of return over longer period

23 Where the exception in paragraph 19(1) applies, paragraphs 20, 21, and 22 apply with such modification as the circumstances require to determine, at the date of the beginning of the first year of the interval, the amount of income to be paid out for each year in that interval.

43. Part 4

Death of Owner

Deceased owners

25 Within 60 days after the delivery to the LIF issuer of the documents required by it following the death of the owner, the LIF balance will be paid

(a) if the deceased owner was the original owner with a surviving pension partner who had not executed the Option 3 of the Form 6 waiver, to that pension partner, or

(b) if the owner was someone other than that original owner, to the owner's designated beneficiary or, if there is no such designated beneficiary, the owner's estate.

44. Manner of payment

26 The money will be paid, under paragraph 25,

(a) as a cash lump sum, or

(b) subject to the federal tax legislation, in the case of a surviving pension partner and if that person so elects, to an RRSP or RRIF.

45. Part 5

Withdrawal, Commutation and Surrender

YMPE based lump sum payment

21 The LIF issuer will on application make a lump sum payment of the whole LIF balance,

(c) at any time if the LIF balance does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the year in which the application is made, or

(d) if the owner is at least 65 and the value of the LIF does not exceed 40% of the YMPE for the year in which the application was made.

46. Non-residency for tax purposes

22 The LIF issuer will make a lump sum payment of the entire LIF balance if the owner applies to it with written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the federal tax legislation and, where that owner is an original owner who has a pension partner at the time when the application is made, if such a pension partner has executed a Form 5 waiver.

47. Life threatening condition

23 The LIF issuer will on application make a lump sum payment to the owner of the entire LIF balance or an equivalent series of payments if a physician certifies that the owner has a terminal illness or that due to a disability the owner's life is likely to be considerably shortened, but the LIF issuer may make the payment or payments, in the case of an original owner who has a pension partner at the time when the application for payment is made, only if such a pension partner has executed a Form 5 waiver.

48. Financial hardship

24 The LIF issuer will make a lump sum payment or a series of payments, on application to the LIF issuer by the owner, if the owner has previously applied to the Superintendent for a release of all or part of the money due to financial hardship and the Superintendent has given written consent to that application.

49. Part X.1 of federal tax legislation

25 The owner may withdraw from this LIF such amount of money as is required to be paid to the owner to reduce the amount of tax otherwise payable under Part X.1 of the federal *Income Tax Act*.

SCHEDULE 1.1 ONTARIO NEW LIF LIFE INCOME FUNDS GOVERNED BY THIS SCHEDULE

Establishing the Fund

1. (1) The following persons may purchase, in accordance with this section, a life income fund that is governed by this Schedule:
 1. A former member who is entitled to make a transfer under clause 42 (1) (b) of the Act.
 2. A spouse or former spouse of a person who was a member who is entitled to make a transfer under clause 42 (1) (b) of the Act.
 3. A person who has previously transferred an amount under clause 42 (1) (b) of the Act into a life income fund, a locked-in retirement account or a locked-in retirement income fund.(2) The fund must be purchased using all or part of the amount transferred under clause 42 (1) (b) of the Act, or using all or part of the assets in a life income fund, a locked-in retirement account or a locked-in retirement income fund.
(3) The purchaser must have the written consent of his or her spouse in order to make the purchase but,
 - (a) the consent of a spouse who is living separate and apart from the purchaser on the date of purchase is not required; and
 - (b) the consent of a spouse is not required if none of the money to be transferred into the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the purchaser.
2. (1) A contract establishing a life income fund that is governed by this Schedule must provide for the matters described in this section.
 - (2) It must indicate the name and address of the financial institution providing the fund.
 - (3) It must describe the owner's powers, if any, respecting investment of the assets in the fund.
 - (4) It must state that the owner agrees not to assign, charge, anticipate or give as security money payable under the fund except as required by an order under the *Family Law Act* or by a domestic contract as defined in Part IV of that Act.
 - (5) It must describe the method for determining the value of the assets in the fund.
3. (1) Money in a life income fund that is governed by this Schedule cannot be commuted, withdrawn or surrendered in whole or in part, except as permitted by section 49 or 67 of the Act, section 22.2 of this Regulation or this Schedule.
 - (2) Every contract establishing a life income fund that is governed by this Schedule is deemed to include a provision setting out the restriction described in subsection (1).
4. The fiscal year of a life income fund that is governed by this Schedule must end on December 31 and must not exceed 12 months.

Periodic Payments out of the Fund

5. (1) Payments out of a life income fund that is governed by this Schedule must begin no earlier than the earliest date on which the former member is entitled to receive a pension under any pension plan from which money was transferred into the fund directly or indirectly.
 - (2) Payments out of the fund must begin no later than the end of the second fiscal year of the fund.
 - (3) The owner must notify the financial institution of the amount to be paid out of the fund each year. If the owner does not do so, the minimum amount determined under section 6 must be paid out of the fund that year.
 - (4) The notice respecting the amount to be paid out of the fund must be given either at the beginning of the fiscal year of the fund or at another time agreed to by the financial institution.
 - (5) The notice expires at the end of the fiscal year to which it relates.
 - (6) The value of the assets in the fund and payments out of the fund are subject to division in accordance with the terms of an order under the *Family Law Act* or a domestic contract as defined in Part IV of that Act.
6. (1) The amount of income paid during a fiscal year out of a life income fund that is governed by this Schedule must not exceed the greatest of the following amounts:
 1. The investment earnings, including any unrealized capital gains or losses, of the fund in the previous fiscal year.
 2. If the money in the fund (the "receiving fund") is derived from money transferred directly from another life income fund or a locked-in retirement income fund (the "transferring fund"), and if the income is being paid out of the receiving fund in the fiscal year following the fiscal year in which the receiving fund is established, the sum of,
 - i. the investment earnings, including any unrealized capital gains or losses, of the transferring fund in the previous fiscal year, and

ii. the investment earnings, including any unrealized capital gains or losses, of the receiving fund in the previous fiscal year.

3. The amount calculated using the formula,

$$C/F$$

in which,

“C” is the value of the assets in the fund at the beginning of the fiscal year, and

“F” is the present value, at the beginning of the fiscal year, of an annuity of \$1 payable annually in advance over the period commencing at the beginning of the fiscal year and ending on December 31 of the year in which the owner reaches 90 years of age.

(2) The following interest rate assumptions are to be used to determine the amount “F” in subsection (1):

1. The interest rate for each of the first 15 fiscal years of the period referred to in the definition of “F” is the greater of 6 per cent and the nominal rate of interest on long-term bonds issued by the Government of Canada for November of the year before the beginning of the fiscal year, as determined from the Canadian Socio-Economic Information Management System (CANSIM) series V122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada.

2. For the sixteenth and each subsequent fiscal year of the period referred to in the definition of “F”, the interest rate is 6 per cent.

(3) Despite subsection (1), if any money in the fund is derived from money transferred directly or indirectly from another life income fund or a locked-in retirement income fund, the maximum amount that may be paid out of the fund in the fiscal year in which the money is transferred into the fund is zero.

(4) If the initial fiscal year of the fund is not 12 months long, the maximum amount determined under subsection (1) shall be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an incomplete month counting as one month.

(5) The amount of income paid out of the fund during a fiscal year must not be less than the minimum amount prescribed for an RRIF under the *Income Tax Act* (Canada).

(6) If the minimum amount specified by subsection (5) is greater than the maximum amount determined under subsection (1), (3) or (4), the minimum amount must be paid out of the fund during the fiscal year.

(7) This section shall not be construed to prevent or limit a payment from the fund that is permitted under section 3, 8, 9, 10 or 11 of this Schedule or under section 22.2 of this Regulation.

Transferring Assets from the Fund

7. (1) The owner of a life income fund that is governed by this Schedule may transfer any or all of the assets in it either to another life income fund that is governed by this Schedule or to purchase an immediate life annuity that meets the requirements of section 22 of this Regulation.

(2) In the contract governing the fund, the financial institution must agree to make such a transfer within 30 days after the owner requests it. This does not apply with respect to the transfer of assets held as securities whose term of investment extends beyond the 30-day period.

(3) If assets in the fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

(4) For the purposes of the purchase of an immediate life annuity referred to in subsection (1), a determination as to whether the owner has a spouse is to be made on the date the annuity is purchased.

(5) Payments under a life annuity are subject to division in accordance with the terms of an order under the *Family Law Act* or a domestic contract as defined in Part IV of that Act.

Withdrawals from the Fund

8. (1) This section applies if assets are transferred into a life income fund that is governed by this Schedule (the “receiving fund”) from a pension fund, a locked-in retirement account, a locked-in retirement income fund or another life income fund.

(2) The owner of the receiving fund may, upon application in accordance with this section, either withdraw from the fund or transfer from it to an RRSP or RRIF an amount representing up to 25 per cent of the total market value of the assets transferred into the fund.

(3) Despite subsection (2), if the assets are transferred into the receiving fund from another life income fund that is governed by this Schedule, the owner cannot make a withdrawal or transfer described in subsection (2) unless the transfer into the receiving fund was made in accordance with the terms of an order under the *Family Law Act* or a domestic contract as defined in Part IV of that Act.

(4) An application for a withdrawal or transfer described in subsection (2) must be given to the financial institution that administers the receiving fund within 60 days after the assets are transferred into the fund.

(5) The application must be made on a form approved by the Superintendent.

(6) The application form must be signed by the owner and accompanied by one of the following documents:

1. A declaration described in section 12 about a spouse.

2. A statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(7) If assets in the receiving fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

(8) The contract governing the fund must include the following terms and, if it does not, the contract is deemed to include them:

1. The financial institution is entitled to rely upon the information provided by the owner in an application made under this section.

2. An application that meets the requirements of this section constitutes authorization to the financial institution to make the payment or transfer from the fund in accordance with this section.

3. The financial institution is required to make the payment or transfer to which the owner is entitled under this section within 30 days after the financial institution receives the completed application form and accompanying documents.

9. (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all the money in the fund or transfer the assets to an RRSP or RRIF if, when the owner signs the application,
- (a) he or she is at least 55 years of age; and
 - (b) the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by him or her is less than 40 per cent of the Year's Maximum Pensionable Earnings for that calendar year.
- (2) An application for the withdrawal or transfer from the fund must be given to the financial institution that administers the fund.
- (3) The application must be made on a form approved by the Superintendent.
- (4) The application form must be signed by the owner and accompanied by one of the following documents:
1. A declaration described in section 12 about a spouse.
 2. A statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
- (5) If assets in the fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.
- (6) The contract governing the fund must include the following terms and, if it does not, the contract is deemed to include them:
1. The financial institution is entitled to rely upon the information provided by the owner in an application made under this section.
 2. An application that meets the requirements of this section constitutes authorization to the financial institution to make the payment or transfer from the fund in accordance with this section.
 3. The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the owner when he or she signs the application under this section is to be determined using the most recent statement about each fund or account given to the owner. Each such statement must be dated within one year before the owner signs the application.
 4. The financial institution is required to make the payment or transfer to which the owner is entitled under this section within 30 days after the financial institution receives the completed application form and accompanying document.
10. (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all the money in the fund,
- (a) if, when the owner signs the application, he or she is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the *Income Tax Act* (Canada); and
 - (b) if the application is made at least 24 months after his or her date of departure from Canada.
- (2) An application to withdraw the money from the fund must be given to the financial institution that administers the fund.
- (3) The application must be made on a form approved by the Superintendent.
- (4) The application form must be signed by the owner and accompanied by the following documents:
1. A written determination from the Canada Revenue Agency that the person is a non-resident for the purposes of the *Income Tax Act* (Canada).
 2. Either a declaration described in section 12 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
- (5) The contract governing the fund must include the following terms and, if it does not, the contract is deemed to include them:
1. The financial institution is entitled to rely upon the information provided by the owner in an application made under this section.
 2. An application that meets the requirements of this section constitutes authorization to the financial institution to make the payment from the fund in accordance with this section.
 3. The financial institution is required to make the payment to which the owner is entitled under this section within 30 days after the financial institution receives the completed application form and accompanying documents.
11. (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund if, when the owner signs the application, he or she has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.
- (2) An application to withdraw money from the fund must be given to the financial institution that administers the fund.
- (3) The application must be made on a form approved by the Superintendent.
- (4) The application form must be signed by the owner and be accompanied by the following documents:
1. A statement signed by a physician who is licensed to practice medicine in a jurisdiction in Canada that, in the opinion of the physician, the owner has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.
 2. Either a declaration described in section 12 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
- (5) The contract governing the fund must include the following terms and, if it does not, the contract is deemed to include them:
1. The financial institution is entitled to rely upon the information provided by the owner in an application made under this section.
 2. An application that meets the requirements of this section constitutes authorization to the financial institution to make the payment from the fund in accordance with this section.
 3. The financial institution is required to make the payment to which the owner is entitled under this section within 30 days after the financial institution receives the completed application form and accompanying documents.
12. Any of the following documents constitutes a declaration about a spouse for the purposes of a withdrawal or transfer under section 8, 9, 10 or 11 from a life income fund that is governed by this Schedule:
1. A statement signed by the owner's spouse, if any, that the spouse consents to the withdrawal or transfer from the fund.
 2. A statement signed by the owner attesting to the fact that he or she does not have a spouse.

3. A statement signed by the owner attesting to the fact that he or she is living separate and apart from his or her spouse on the date the owner signs the application to make the withdrawal or transfer from the fund.
13. (1) If the owner of a life income fund that is governed by this Schedule is required by section 8, 9, 10 or 11 to give a document to a financial institution and if the document is one that must be signed by the owner or by his or her spouse, the document is a nullity if it is signed by the owner or the spouse more than 60 days before the financial institution receives it.
- (2) When the financial institution receives a document required by section 8, 9, 10 or 11, the financial institution shall give the owner of the life income fund a receipt for the document stating the date on which it was received.

Survivor's Benefits

14. (1) Upon the death of the owner of a life income fund that is governed by this Schedule, the owner's spouse or, if there is none or if the spouse is otherwise disentitled, the owner's named beneficiary or, if there is none, the owner's estate is entitled to receive a benefit equal to the value of the assets in the fund.
- (2) The benefit described in subsection (1) may be transferred to an RRSP or an RRIF in accordance with the *Income Tax Act* (Canada).
- (3) A spouse of the owner is not entitled to receive the value of the assets in the fund unless the owner was a member or former member of a pension plan from which assets were transferred directly or indirectly to purchase the fund.
- (4) A spouse who is living separate and apart from the owner on the date of the owner's death is not entitled to receive the value of the assets in the fund.
- (5) For the purposes of subsection (1), a determination as to whether the owner has a spouse is to be made on the date of the owner's death.
- (6) For the purposes of subsection (1), the value of the assets in the fund includes all accumulated investment earnings, including any unrealized capital gains and losses, of the fund from the date of death until the date of payment.
15. (1) A spouse of the owner of a life income fund that is governed by this Schedule may waive his or her entitlement to receive the survivor's benefit described in section 14 from the fund by delivering to the financial institution a written waiver in a form approved by the Superintendent.
- (2) A spouse who has delivered a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date of the death of the owner of the fund.

Amending the Fund

16. (1) In the contract governing a life income fund that is governed by this Schedule, the financial institution providing the fund must agree not to amend the contract except as provided in this section.
- (2) The financial institution must give the owner of the fund at least 90 days notice of a proposed amendment, other than an amendment described in subsection (3).
- (3) The financial institution must not amend the contract governing the fund if the amendment would result in a reduction in the owner's rights under the contract unless,
- (a) the financial institution is required by law to make the amendment; and
- (b) the owner is entitled to transfer the assets in the fund under the terms of the contract that exist before the amendment is made.
- (4) When making an amendment described in subsection (3), the financial institution must notify the owner of the fund of the nature of the amendment and allow the owner at least 90 days after the notice is given to transfer all or part of the assets in the fund.
- (5) Notices under this section must be sent by registered mail to the owner's address as set out in the records of the Financial Institution.

Information to be Provided by the Financial Institution

17. (1) In the contract governing a life income fund that is governed by this Schedule, the financial institution must agree to provide the information described in this section to the person indicated.
- (2) At the beginning of each fiscal year, the following information must be provided to the owner:
1. With respect to the previous fiscal year: the sums deposited, any accumulated investment earnings including any unrealized capital gains or losses, the payments made out of the fund and the fees charged against the fund.
 2. The value of the assets in the fund as of the beginning of the fiscal year.
 3. The minimum amount that must be paid out of the fund to the owner during the current fiscal year.
 4. The maximum amount that may be paid out of the fund to the owner during the current fiscal year.
- (3) If the assets in the fund are transferred as described in subsection 7 (1), the owner must be given the information described in subsection (2) determined as of the date of the transfer.
- (4) Upon the death of the owner, the person entitled to receive the assets in the fund must be given the information described in subsection (2) determined as of the date of the owner's death.

RESTRICTED LOCKED-IN SAVINGS PLAN AND RESTRICTED LIFE INCOME FUND FEDERAL ADDENDUM

- (1) A restricted locked-in savings plan shall provide that
- (a) the funds may only be:
- (i) transferred to another restricted locked-in savings plan,
 - (ii) transferred to a plan if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with two years' membership in the plan,
 - (iii) used to purchase an immediate life annuity or a deferred life annuity, or
 - (iv) transferred to a restricted life income fund;
- (b) on the death of the holder of the restricted locked-in savings plan, the funds shall be paid to the survivor of the holder by
- (i) transferring the funds to another restricted locked-in savings plan or to a locked-in registered retirement savings plan,
 - (ii) transferring the funds to a plan, if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with two years' membership in the plan,

- (iii) using the funds to purchase an immediate life annuity or a deferred life annuity, or
 - (iv) transferring the funds to a life income fund or to a restricted life income fund;
 - (c) except as provided in subsection 25(4) of the Act, the funds shall not be assigned, charged, anticipated or given as security and any transaction purporting to assign, charge, anticipate or give the funds as security is void;
 - (d) in the calendar year in which the holder of the restricted locked-in savings plan reaches 55 years of age or in any subsequent calendar year, the funds may be paid to the holder in a lump sum if:
 - (i) the holder certifies that the total value of all assets in all locked-in registered retirement savings plans, life income funds, restricted locked-in savings plans and restricted life income funds that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by these Regulations is less than or equal to 50% of the Year's Maximum Pensionable Earnings, and
 - (ii) if the holder gives a copy of Form 2 and Form 3 of Schedule V to the financial institution with whom the contract or arrangement for the restricted locked-in savings plan was entered into; and
 - (e) the holder of the restricted locked-in savings plan may withdraw an amount from that plan up to the lesser of the amount determined by the formula set out in subsection 20(1.1) and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year under this paragraph — from any restricted locked-in savings plan — or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m)
 - (i) if the holder certifies that the holder has not made a withdrawal in the calendar year under this paragraph — from any restricted locked-in savings plan — or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m) other than within the last 30 days before this certification,
 - (ii) if, in the event that the value of M in subsection 20(1.1) is greater than zero,
 - (A) the holder certifies that the holder expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the holder's total expected income for that calendar year determined in accordance with the Income Tax Act, excluding withdrawals in the calendar year under this paragraph — from any restricted locked-in savings plan — or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m), and
 - (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and
 - (iii) if the holder gives a copy of Form 1 and Form 2 of Schedule V to the financial institution with whom the contract or arrangement for the restricted locked-in savings plan was entered into.
 - (2) If a pension benefit credit transferred into a restricted locked-in savings plan was not varied according to the sex of the plan member, an immediate life annuity or a deferred life annuity purchased with funds accumulated in the plan shall not differentiate as to sex.
 - (3) A restricted locked-in savings plan shall contain a statement as to whether or not the pension benefit credit transferred under section 26 of the Act was varied according to the sex of the plan member.
 - (4) A restricted locked-in savings plan may provide that, if a physician certifies that owing to mental or physical disability the life expectancy of the holder is likely to be shortened considerably, the funds may be paid to the holder in a lump sum.
 - (5) The contract or arrangement establishing a restricted locked-in savings plan shall set out the method of determining the value of the plan, including the valuation method used to establish its value on the death of the holder of the plan or on the transfer of assets from the plan.
- (1) The contract or arrangement establishing a restricted life income fund shall
- (a) set out the method of determining the value of the restricted life income fund, including the valuation method used to establish its value on the death of the holder of the fund or on the transfer of assets from the fund;
 - (b) provide that the holder of the restricted life income fund shall, at the beginning of each calendar year or at any other time agreed on by the financial institution with whom the contract or arrangement was entered into, decide the amount to be paid out of the fund in that year;
 - (c) provide that, in the event that the holder of the restricted life income fund does not decide the amount to be paid out of the fund in a calendar year, the minimum amount determined in accordance with the Income Tax Act shall be paid out in that year;
 - (d) provide that, for any calendar year before the calendar year in which the holder of the restricted life income fund reaches 90 years of age, the amount of income paid out of the fund shall not exceed the amount determined by the formula
- C/F where
- C is the balance in the restricted life income fund
 - (i) at the beginning of the calendar year, or
 - (ii) if the amount determined under subparagraph (i) is zero, on the day on which the initial amount is transferred into the fund; and
 - F is the value, at the beginning of the calendar year, of a pension benefit whose annual payment is \$1, payable on January 1 of each year between the beginning of that calendar year and December 31 of the year in which the holder reaches 90 years of age, established using an interest rate that,
 - (i) for the first 15 years after January 1 of the year in which the restricted life income fund is valued, is less than or equal to the monthly average yield on Government of Canada marketable bonds of maturity over 10 years, as published by the Bank of Canada, for the second month before the beginning of the calendar year, and
 - (ii) for any subsequent year, is not more than 6%;
 - (e) provide that, for the calendar year in which the holder of the restricted life income fund reaches 90 years of age and for all subsequent calendar years, the amount of income paid out of the fund shall not exceed the value of the funds held in the fund immediately before the time of the payment;
 - (f) provide that, for the calendar year in which the contract or arrangement was entered into, the amount determined under paragraph (d) or (e), as the case may be, shall be multiplied by the number of months remaining in that year and then divided by 12, with any part of an incomplete month counting as one month;
 - (g) provide that if, at the time the restricted life income fund was established, part of the fund was composed of funds that had been held in another restricted life income fund of the holder earlier in the calendar year in which the fund was established, the amount determined under paragraph (d) or (e), as the case may be, is deemed to be zero in respect of that part of the fund

- for that calendar year;
- (h) provide that the funds in the restricted life income fund may only be transferred to another restricted life income fund, transferred to a restricted locked-in savings plan, or used to purchase an immediate life annuity or a deferred life annuity;
- (i) provide that, on the death of the holder of the restricted life income fund, the funds in that fund shall be paid to the survivor of the holder by transferring the funds to another restricted life income fund or to a life income fund, transferring the funds to a locked-in registered retirement savings plan or to a restricted locked-in savings plan, or using the funds to purchase an immediate life annuity or a deferred life annuity;
- (j) provide that, except as provided in subsection 25(4) of the Act, the funds in the restricted life income fund shall not be assigned, charged, anticipated or given as security and that any transaction purporting to assign, charge, anticipate or give the funds as security is void;
- (k) state whether or not any pension benefit credit transferred under section 26 of the Act was varied according to the sex of the plan member;
- (l) provide that, in the calendar year in which the holder of the restricted life income fund reaches 55 years of age or in any subsequent calendar year, the funds may be paid to the holder in a lump sum if
- (i) the holder certifies that the total value of all assets in all locked-in registered retirement savings plans, life income funds, restricted locked-in savings plans and restricted life income funds that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by these Regulations is less than or equal to 50% of the Year's Maximum Pensionable Earnings, and
- (ii) if the holder gives a copy of Form 2 and Form 3 of Schedule V to the financial institution with whom the contract or arrangement for the restricted life income fund was entered into;
- (m) provide that the holder of the restricted life income fund may withdraw an amount from that fund up to the lesser of the amount determined by the formula set out in subsection 20(1.1) and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year under this paragraph — from any restricted life income fund — or under paragraph 20(1)(d), 20.1(1)(m) or 20.2(1)(e)
- (i) if the holder certifies that the holder has not made a withdrawal in the calendar year under this paragraph — from any restricted life income fund — or under paragraph 20(1)(d), 20.1(1)(m) or 20.2(1)(e) other than within the last 30 days before this certification,
- (ii) if, in the event that the value of M in subsection 20(1.1) is greater than zero,
- (A) the holder certifies that the holder expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the holder's total expected income for that calendar year determined in accordance with the Income Tax Act, excluding withdrawals in the calendar year under this paragraph —
- from any restricted life income fund — or under paragraph 20(1)(d), 20.1(1)(m) or 20.2(1)(e), and
- (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and
- (iii) if the holder gives a copy of Form 1 and Form 2 of Schedule V to the financial institution with whom the contract or arrangement for the restricted life income fund was entered into; and
- (n) provide that, if the restricted life income fund is established in the calendar year in which the holder of the fund reaches 55 years of age or in any subsequent calendar year, the holder of the fund may transfer 50% of the funds in that fund to a registered retirement savings plan or a registered retirement income fund within 60 days after the establishment of the restricted life income fund if
- (i) the restricted life income fund was created as the result of the transfer of a pension benefit credit under section 26 of the Act or a transfer from a locked-in registered retirement savings plan or a life income fund, and
- (ii) if the holder gives a copy of Form 2 of Schedule V to the financial institution with whom the contract or arrangement for the restricted life income fund was entered into.
- (2) If a pension benefit credit transferred to a restricted life income fund was not varied according to the sex of the plan member, an immediate life annuity or a deferred life annuity purchased with funds accumulated in the fund shall not differentiate as to sex.
- (3) The contract or arrangement establishing a restricted life income fund may provide that, if a physician certifies that owing to mental or physical disability the life expectancy of the holder of the fund is likely to be shortened considerably, the funds in that fund may be paid to the holder in a lump sum.

Locked-In Retirement (LIRA) and Life Income Fund (LIF) Accounts Nova Scotia Addendum

LIRA requirements

22(1) For purposes of clause 50(1)(b) and Section 61 (pension division) of the Act, a LIRA is a prescribed retirement savings arrangement.

(2) A transferee as referred to in this Section is an administrator for the purposes of Section 71A of the Act.

(3) A contract to establish a LIRA for purposes of a transfer under Section 50 and Section 61 of the Act must include the following provisions:

- (a) no money in the account will be withdrawn except
- (i) for transfer to the pension fund of a registered pension plan or a pension plan established by a Provincial statute or a Federal statute,
- (ii) for transfer to another LIRA,
- (iii) to purchase only an immediate or deferred life annuity described in subsection (6) that is provided by a person authorized under the laws of Canada or a province to sell annuities as defined in Section 248 of the *Income Tax Act* (Canada) under an insurance contract that meets the requirements of Section 24,
- (iv) to transfer it to a LIF, or
- (v) to pay it in accordance with Section 27 or 28 (small amounts at age 65 or considerably shortened life expectancy), or in accordance with subsection 72(5) of the Act (financial hardship);

- (b) money in the account will not be assigned, charged, anticipated or given as security except as permitted by subsection 70(3) or Section 71A of the Act, and any transaction purporting to assign, charge, anticipate or give the money in the account as security is void;
 - (c) money in the account is exempt from execution, seizure or attachment except as permitted by Section 71A of the Act;
 - (d) except as provided in Section 57 or Section 71A of the Act or Section 27 or 28 (small amounts at age 65 or considerably shortened life expectancy), or in accordance with subsection 72(5) of the Act (financial hardship), money transferred, including investment earnings, will not be commuted or surrendered during the lifetime of the member, and any transaction purporting to surrender or commute the money in the account is void;
 - (e) the transferee will not permit any subsequent transfer unless
 - (i) the transfer would be permitted under the Act and these regulations, and
 - (ii) the subsequent transferee agrees to administer the amount transferred as a pension or deferred pension in accordance with the Act and these regulations;
 - (f) the transferee will advise any subsequent transferee in writing that the amount transferred must be administered as a pension or deferred pension under the Act and these regulations; and
 - (g) on the death of the holder of the LIRA, the spouse or common-law partner or, if there is no spouse or common-law partner, the beneficiary or the estate of the holder, will be entitled to the full value of the account.
- (4) If the commuted value of a pension benefit that was transferred to a LIRA was determined in a manner that did not differentiate on the basis of sex, the immediate or deferred life annuity purchased with the funds in the account must not differentiate on the basis of the sex of the recipient.
- (5) If a LIRA results from the transfer of the commuted value of a pension benefit, the account must contain a statement as to whether the commuted value was determined on a basis that differentiated on the basis of sex.
- (6) The income payable under an annuity that is purchased with funds from a LIRA must not begin before the earlier of
- (a) the earliest date on which the former member is entitled to receive pension benefits under the Act as a result of termination of employment or termination of membership in any pension plan from which money was transferred into the LIRA; and
 - (b) the earliest date on which the former member is entitled to receive pension benefits under any pension plan described in clause (a) as a result of termination of employment or termination of membership in the plan.

LIF requirements

- 23(1)** For the purposes of clause 50 (1)(b) of the Act, a LIF is a prescribed retirement savings arrangement.
- (2) A transferee as referred to in this Section is an administrator for the purposes of Section 71A of the Act.
- (3) The LIF must comply with the conditions for registration under the *Income Tax Act* (Canada) to be a registered retirement income fund and, once registered, must remain registered.
- (4) LIF money must be invested in a manner that complies with the rules for the investment of the RRIF money contained in the *Income Tax Act* (Canada) and the regulations thereunder.
- (5) A LIF established after December 31, 2002, by a financial institution must meet the requirements of this Section.
- (6) A LIF on the list maintained by the Superintendent under subsection (13) on December 31, 2002, must meet the requirements of this Section no later than December 31, 2003.
- (7) In this Section
- (a) "financial institution" mean the underwriter, depository or issuer of a LIF;
 - (b) "list" means the appropriate list established and maintained under subsection (13); and
 - (c) "owner" means the former member of a pension plan who has made a transfer pursuant to Section 50 of the Act to a LIF and, unless otherwise stated, includes the spouse or common-law partner if the spouse or common-law partner has made a transfer of a pension benefit as a result of the death of the member or former member or as a result of a division of a pension or pension benefits pursuant to Section 61 (pension division) of the Act.

Establishing a LIF

- (8) Pension benefits may be transferred to a LIF by
- (a) a former member of a pension plan, including a former member who has previously transferred an amount under clause 50(1)(b) of the Act, who, if they have a spouse or common-law partner;
 - (i) has obtained the written consent of his or her spouse or common-law partner, or
 - (ii) is living separate and apart from his or her spouse or common-law partner;
 - (b) the spouse or common-law partner of a member or former member of a pension plan if the spouse or common-law partner is entitled to a pension benefit as a result of the death of the member or former member or as a result of a division of pension benefits pursuant to Section 61 of the Act; or
 - (c) a person who has previously transferred an amount under Section 61 of the Act into a LIRA.
- (9) The only money that is permitted to be transferred to a LIF is an amount transferred under clause 50(1)(b) of the Act, all or part of the money transferred from a LIRA or money transferred from another LIF.
- (10) An owner may not commence income under a LIF earlier than the earliest date on which the owner would have been entitled to receive payment of a pension under any of the pension plans from which the money in the LIF was transferred.

LIF contract

- (11) A LIF contract must
- (a) indicate the name and address of the financial institution;
 - (b) describe the owner's rights, if any, respecting the investment of the money in the fund;
 - (c) include as part of the contract the Nova Scotia LIF Addendum in Schedule IV;
 - (d) establish the method and factors that will be used to establish the value of the fund for the purpose of a transfer of assets or purchase of an annuity or payment upon the owner's death; and
 - (e) provide that the financial institution will not amend the contract except as provided in subsection (19), and include as part of the contract the provisions set out in subsection (19).

LIF filing requirements and Superintendent's list

- (12)** A financial institution must file with the Superintendent for approval
- (a) a specimen certified copy of its LIF contract, together with a filing fee of \$1070.56 payable to the Minister of Finance; and
 - (b) specimen certified copies of any subsequent amendments to its LIF contract together with a filing fee of \$276.63 per amendment payable to the Minister of Finance.
- (13)** The Superintendent must establish and maintain a list of
- (a) the financial institutions for which contracts filed under subsection (12) are approved; and
 - (b) the LIFs that are approved for financial institutions referred to in clause (a).
- (14)** A financial institution is permitted to issue a LIF only when it has been notified in writing by the Superintendent that its name and LIF are on the list, and has not been notified in writing by the Superintendent that it has been removed from the list pursuant to subsection (15).
- (15)** The Superintendent may, without affecting the duties or liability of a financial institution in relation to any transfer or LIF, remove the financial institution's name or LIF from the list if a specimen certified copy of a LIF contract or amendments thereto have not been filed with the Superintendent or if the financial institution has breached any of its obligations under this Section.

Administrator's duties respecting transfer to a LIF

- (16)** An administrator must not effect a transfer to a LIF issued by a financial institution unless the administrator has ascertained that the financial institution's name and LIF are currently on the list maintained in accordance with subsection (13).
- (17)** An administrator must advise the financial institution as to whether the commuted value of a pension benefit transferred to the financial institution was determined in a manner that differentiated on the basis of sex.
- (18)** An administrator must advise the financial institution of the earliest date on which a former member would have been entitled to receive payment of a pension under the pension plan from which the funds have been transferred.

Amending a LIF contract

- (19)** A financial institution must not amend its LIF contract except in accordance with the following provisions:
- (a) the financial institution must give the owner at least 90 days' notice of a proposed amendment, other than an amendment described in clause (b);
 - (b) the financial institution must not amend the LIF if the amendment would result in a reduction in the owner's rights under the contract, unless
 - (i) the financial institution is required by law to make the amendment, and
 - (ii) the owner is entitled to transfer the assets in the fund under the terms of the contract that exist before the amendment is made;
 - (c) when making an amendment described in clause (b), the financial institution must notify the owner of the nature of the amendment and allow the owner at least 90 days after the notice is given to transfer all or part of the assets in the fund.

Withdrawal of money by owner at age 65 or with shortened life expectancy

26(1) A document that is required to be given to a financial institution under Section 27 or 28 (small amounts at age 65 and considerably shortened life expectancy) and that must be signed by the owner of the LIRA or LIF is void if it is signed more than 60 days before the financial institution receives it.

(2) A financial institution that receives a document required under Section 27 or 28 must give the owner of the LIRA or LIF a receipt for the document stating the date on which it was received.

27(1) The owner of a LIRA or LIF may, upon application in accordance with this Section, withdraw all the money in the LIRA or LIF if, when the owner signs the application,

- (a) the owner is at least 65 years of age; and
- (b) the value of all assets in all LIRAs, LIFs, and pension plans providing defined contribution benefits owned by the owner is less than 40% of the years maximum pensionable earnings for the calendar year in which the application is made.

(2) An application to withdraw the money from a LIRA or LIF must be

- (a) in Form 10: Application to a Financial Institution to Withdraw Money From a LIRA or LIF at age 65;
- (b) signed by the owner of the LIRA or LIF; and
- (c) given to the financial institution that administers the LIRA or LIF.

(3) The contract governing a LIRA or LIF must include the following terms and, if it does not, the contract is deemed to include them:

- (a) the financial institution is entitled to rely upon the information provided by the owner in an application made under this Section;
- (b) an application that meets the requirements of the Section constitutes authorization to the financial institution to pay the money to the owner from the LIRA or LIF in accordance with this Section;
- (c) the value of all assets in all LIRAs, LIFs, and pension plans providing defined contribution benefits owned by the owner when he or she signs the application under this Section will be determined in accordance with the most recent statement about each LIRA or LIF given to the owner, and each statement must be dated within one year before the owner signs the application;
- (d) the financial institution must make the payments to which the owner is entitled under this Section within 30 days after the financial institution receives the completed application form and the statement referred to in clause (c).

28(1) The owner of a LIRA or LIF may, upon application in accordance with this Section, withdraw all or part of the money in the LIRA or LIF if, when the owner signs the application, he or she has a mental or physical disability that is likely to shorten considerably his or her life expectancy.

(2) An application to withdraw money from a LIRA or LIF must be

- (a) in Form 11: Application to a Financial Institution to Withdraw Money from a LIRA or LIF Because of Considerably Shortened Life Expectancy;
- (b) signed by the owner of the LIRA or LIF and accompanied by a statement signed by a physician who is licensed to practice medicine in a jurisdiction in Canada that, in the opinion of the physician, the owner has a mental or physical disability that is likely to shorten considerably his or her life expectancy; and
- (c) given to the financial institution that administers the LIRA or LIF.

(3) A contract governing a LIRA or LIF must include the following terms and, if it does not, the contract is deemed to include them:

- (a) the financial institution is entitled to rely upon the information provided by the owner in an application made under this Section;
- (b) an application that meets the requirements of this Section constitutes authorization to the financial institution to pay money to the owner from the LIRA or LIF in accordance with this Section; and
- (c) the financial institution must make the payments to which the owner is entitled under this Section within 30 days after the financial institution receives the completed application form and accompanying document.

Schedule IV – Nova Scotia LIF Addendum

Interpretation

1(1) In this Schedule,

- (a) “common-law partner” of an individual means another individual who has cohabited with the individual in a conjugal relationship for a period of at least 2 years, neither of them being a spouse;
- (b) “regulations” means the *Pension Benefits Regulations*, of which this Schedule forms a part.
- (c) “spouse” means either of a man and woman who
 - (i) are married to each other,
 - (ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity, or
 - (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the 12-month period immediately preceding the date of entitlement; and
- (d) “temporary income” means periodic income paid under a pension plan, an annuity or a LIF to a person for a temporary period of time after retirement for the purposes of supplementing retirement income until the person is eligible to receive benefits under the *Old Age Security Act* (Canada) or is either eligible for or commences to receive retirement benefits under the Canada Pension Plan (Canada) or Quebec Pension Plan (Quebec).

(2) A fiscal year referred to in this Schedule is the fiscal year of a LIF, which must end on December 31 and must never exceed 12 months.

(3) A reference rate referred to in this Schedule for the fiscal year of a LIF

- (a) is based on the month-end nominal rate of interest earned on long-term bonds issued by the Government of Canada for the month of November preceding the beginning of the fiscal year, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series B-14013, with the following adjustments applied successively to that nominal rate:
 - (i) an increase of 0.5%,
 - (ii) the conversion of the increased rate, based on interest compounded semi-annually, to an effective annual rate of interest,
 - (iii) the rounding of the effective interest rate to the nearest multiple of 0.5%; and
- (b) must not be less than 6%.

Prohibitions

2 Money held in a LIF must not be commuted, withdrawn or surrendered in whole or in part, except as permitted by Section 27 and 28 of the regulations (small amounts at age 65 and considerably shortened life expectancy), or in accordance with Part 4 of the regulations (financial hardship).

3 Money held in a LIF must not be assigned, charged, or given as security except as permitted by subsection 70(3) or Section 71A of the Act, and any transaction purporting to assign, charge, anticipate or give such money in the LIF as security is void.

4 Money held in a LIF is exempt from execution, seizure or attachment except as permitted by Section 71A of the Act.

Income commencement

5(1) The owner must be paid an income from the LIF, the amount of which may vary annually.

(2) Payment of the income from the LIF to the owner must begin no earlier than the earliest date the owner was entitled to receive a pension under any of the pension plans from which the money was transferred into the LIF, directly or indirectly.

(3) Payments must begin no later than the end of the second fiscal year of the LIF.

(4) The minimum amount of income paid during a fiscal year must not be less than the minimum amount prescribed for a RRIF under the *Income Tax Act* (Canada).

(5) The owner must establish the amount of income to be paid during each fiscal year at the beginning of that fiscal year and after the receipt of the information specified in subsection 11(1).

(6) If the financial institution guarantees the rate of return of the LIF over a period that is greater than one year, that period must end at the end of a fiscal year and the owner may establish the amount of income to be paid during that period at the beginning of that period.

Minimum LIF withdrawal

6 The amount of income paid during the fiscal year of a LIF must not be less than the minimum amount prescribed by the *Income Tax Act* (Canada), determined on the basis of the owner’s age or the age of the owner’s spouse or common-law partner where that person is younger than the owner.

Maximum LIF withdrawal – no provision for temporary income

7 The maximum income (M) to be paid from a LIF from which no temporary income is paid, is determined by the following formula:

$$M = F \times C$$

where

“F” is the factor in Schedule V for the reference rate for the fiscal year and the owner’s age at the end of the preceding year; and

“C” is the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after that date and reduced by any money transferred from another LIF to the LIF in the same year.

Maximum LIF withdrawal – with temporary income

8(1) A LIF may provide that the owner be entitled to a temporary income if the owner meets the following requirements:

- (a) the owner makes an application in Form 9 (Application to a Financial Institution for Payment of Temporary Income from a LIF) to the financial institution that administers the LIF for payment of a temporary income under the LIF; and
- (b) the owner is at least age 54 but under age 65 at the end of the year preceding the date of application.
- (2)** The temporary income must not be paid after the end of the year in which the owner reaches age 65.
- (3)** No temporary income is payable if any portion of a LIF payment is transferred to a non-locked-in retirement savings arrangement.
- (4)** The maximum temporary income (A) for the fiscal year is the lesser of
- (a) 40% of the year's maximum pensionable earnings – T; and
- (b) $F \times C \times D$,
- where
- “F” is the factor in Schedule V for the reference rate for the fiscal year and the owner's age at the end of the preceding year;
- “C” is the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after that date and reduced by any money originating during the same year from another LIF;
- “T” is the total of temporary income from a pension plan for that fiscal year and temporary income from other LIFs of the owner; and
- “D” is the factor in Schedule VI for the owner's age at the end of the year preceding the current fiscal year.
- (5)** Despite subsection (4), if $F \times C \times D$ is equivalent to less than 40% of the year's maximum pensionable earnings, and the owner is not entitled to any temporary income from another LIF or from a pension plan, “A” is the lesser of
- (a) 40% of the year's maximum pensionable earnings, and
- (b) the LIF less LIF transfers.
- (6)** The maximum life income (E) to be paid from a LIF from which a temporary income is paid is determined by the following formula, provided that “E” must not be less than zero:

$$E = (F \times C) - (A / D)$$

where

- “F” is the factor in Schedule V for the reference rate for the fiscal year and the owner's age at the end of the preceding year;
- “C” is the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after that date and reduced by any money originating during the same year from another LIF.

Maximum income payable when the financial institution guarantees the rate of return of the LIF

9(1) If the financial institution has guaranteed the rate of return of the LIF over a period greater than one year, and the owner establishes the amount of income to be paid during that period, the maximum income that may be paid during each of the fiscal years of that period is determined at the beginning of each of those fiscal years.

(2) For the first fiscal year, the maximum income is determined in accordance with Section 7.

(3) For each subsequent year, the maximum income is equal to the lesser of

- (a) the balance of the LIF at the time of payment in that year; and
- (b) the result of the formula $(M \times J) / K$

where

- “M” represents the maximum income determined for the initial fiscal year,
- “J” represents the balance of the LIF at the beginning of the fiscal year, and
- “K” represents the reference balance determined at January 1 of the year, calculated as

- (i) the reference balance at the beginning of the previous year, reduced by M, plus
- (ii) the amount determined under subclause (i) multiplied by the reference rate for the year, if it is one of the first 16 fiscal years of the fund, or by 6% in any other case, and in applying this formula to the second year of the period, the reference balance referred to in subclause (i) is the LIF balance at the beginning of the first year of the period.

Excess income paid

10 If the income paid to the owner during the fiscal year of the fund exceeds the maximum that may be paid, the balance of the fund must not be reduced by the excess, unless the payment is attributable to incorrect information provided by the owner.

Information to be provided by the financial institution

11(1) At the beginning of each fiscal year, the financial institution must provide to the owner a statement indicating

- (a) the balance in the LIF at the beginning of the fiscal year;
- (b) information on the sums deposited, any accumulated investment earnings including any unrealized capital gains or losses, the payments made during the fiscal year and the fees charged against the LIF during the previous fiscal year;
- (c) the minimum amount that must be paid out as income to the owner during the current fiscal year;
- (d) the maximum amount that may be paid out as income to the owner during the current fiscal year;
- (e) if the beginning of the fiscal year is later than the beginning of the calendar year, the sums deposited that were held in another LIF during the year;
- (f) if the LIF provides for payment of a temporary income and the owner was at least 54 but less than 65 at the end of the preceding year,
- (i) the terms and conditions the owner must meet to be entitled to payment of the temporary income under Section 8, and
- (ii) that payment of temporary income will reduce the income that would otherwise be paid to the owner after age 65;
- (g) that the maximum amount of income that may be paid to the owner will not be increased if a transfer is made to the LIF of assets held in another LIF during that year; and
- (h) that if the owner wishes to transfer, in whole or in part, the balance of the LIF and still receive from the LIF the income determined for the fiscal year, an amount must be retained in the LIF at least equal to the difference between the income determined for the fiscal year and the income already received from the LIF since the beginning of the fiscal year.

(2) If the owner dies before the balance in the LIF is used to purchase a life annuity contract or is transferred under Section 12, the financial institution must provide to the owner's spouse or common-law partner or beneficiary or estate the information in clauses 11(1)(a) and (b) as of the owner's date of death.

(3) If the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution must provide the owner the information in clauses (1)(a) and (b) as of the date of the transfer or annuity purchase.

(4) If the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution must comply with the requirements of an administrator under subsections 23(16), (17), and (18) of the regulations.

Information provided upon transfer of additional amounts to a LIF

(5) Within 30 days following a transfer to a LIF of locked-in funds that have not been held in a LIF at any time in the current year, the financial institution must provide the owner with a statement indicating

- (a) the balance of the LIF at the beginning of the fiscal year, any money transferred into the LIF during the fiscal year and balance of the LIF used to determine the maximum amount that may be paid to the owner as income during the fiscal year;
- (b) the maximum amount that may be paid to the owner as income during the fiscal year;
- (c) the minimum amount that may be paid to the owner as income during the fiscal year; and
- (d) if the LIF provides for payment of a temporary income and the owner is at least 54 years of age but less than 65 years of age at the end of the preceding year, that the owner is entitled to receive payment of a temporary income.

(6) If a transfer is made to a LIF of assets held in another LIF at any time in the current fiscal year, the maximum amount of income that may be paid to the owner must not be increased.

Transferring assets from a LIF

12(1) The owner of a LIF may transfer all or part of the assets in a LIF

- (a) to another LIF;
- (b) to purchase an immediate life annuity contract that meets the conditions of Section 24 of the regulations, provided the annuity does not commence on a date earlier than the earliest date the owner was entitled to receive a pension under any of the pension plans from which the money in the LIF was transferred; or
- (c) to a LIRA, if permitted under the *Income Tax Act* (Canada).

(2) If assets in the LIF consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

(3) The date of transfer must not be more than 30 days after the date of application by the owner unless the term agreed to for the investments has not expired.

(4) The financial institution must advise the financial institution to which the assets are transferred that the assets were held in a LIF in the current year.

Death benefit

13(1) On the death of the owner, the balance in the LIF must be paid to or for the benefit of the owner's spouse or common-law partner or, if there is no spouse or common-law partner, the owner's designated beneficiary or, if there is no valid designation of beneficiary, the owner's estate.

(2) A spouse or common-law partner is not entitled to receive a death benefit if a division has been made under Section 61 of the Act (pension division) of the pension benefits transferred to the LIF, unless the spouse or common-law partner is the owner's designated beneficiary.

Withdrawals

14 An application for withdrawal of the assets held in a LIF must be made in accordance with Sections 27 and 28 of the regulations (small amounts at age 65 and considerably shortened life expectancy), or in accordance with Part 4 of the regulations (financial hardship).

Locked-In Retirement (LIRA), Life Income Fund (LIF) and Locked-in Retirement Income Fund (LRIF) Accounts Newfoundland / Labrador Addendum

Locked-In Retirement Account Requirements

1. In this Directive,

- (a) "LIRA" means a registered retirement savings arrangement known as a Locked-In Retirement Account, as defined in the Regulations, that meets the conditions of this Directive;
- (b) "owner" means the member or former member of a pension plan who has made a transfer pursuant to section 40 of the Act to a LIRA and, unless otherwise stated, includes the principal beneficiary or former principal beneficiary of the member or former member if the principal beneficiary or former principal beneficiary is entitled to a pension benefit as a result of the death of the member or former member or as a result of marriage breakdown;
- (c) "principal beneficiary" means the spouse of a member or former member, or where the member or former member has a cohabiting partner, the member or former member's cohabiting partner as defined in the Act.

2. A contract to establish a Locked-In Retirement Account for purpose of a transfer under section 40 of the Act shall include the following provisions:

- (a) all money transferred, including all investment earnings, shall be used to provide a pension benefit and shall not be withdrawn except,
 - (i) before maturity, to transfer the money to the pension fund of a registered pension plan;
 - (ii) before maturity, to transfer the money to another Locked-In Retirement Account;
 - (iii) to purchase a life annuity contract that is provided by a person authorized under the laws of Canada or a province to sell annuities as defined in the *Income Tax Act* (Canada) under an insurance contract that meets the requirements of this Directive and Directive No. 6, commencing not before the person who is to receive the pension benefit obtains the earlier of;
 - (A) age of 55 years, or
 - (B) the earliest date on which the former member is entitled to receive a pension benefit under a pension plan from which the money was transferred to the LIRA as a result of termination of employment or termination of the plan.
 - (iv) to transfer the money to a Life Income Fund that meets the requirements of Directive No. 5, or

- (v) to transfer to a Locked-in Retirement Income Fund that meets the requirements of Directive No. 17.
 - (b) all money transferred, plus interest, shall not be assigned, charged, anticipated or given as security except as permitted by section 37 of the Regulations and that any transaction purporting to assign, charge, anticipate or give the money transferred as security is void;
 - (c) except as provided in Part VI of the Act, all money transferred, plus interest, shall not be commuted or surrendered during the lifetime of the member and that any transaction purporting to surrender or commute the money transferred is void;
 - (d) all money shall be invested in a manner that complies with the rules of investment contained in the *Income Tax Act* (Canada) and will not be invested directly or indirectly in any mortgage in respect of which the mortgagor is the owner of the money or the parent, brother, sister, or child of the owner of the money or the principal beneficiary of any of those persons;
 - (e) if money is paid out contrary to the Act or this Directive, the underwriter will provide or ensure the provision of a pension benefit equal in value to the pension benefit that would have been provided had the money not been paid out;
 - (f) the transferee shall not permit any subsequent transfer except
 - (i) where a transfer would be permitted under the Act, and
 - (ii) the subsequent transferee agrees to administer the amount transferred as a pension benefit in accordance with the Act;
 - (g) the transferee shall advise in writing any subsequent transferee that the amount transferred must be administered as a pension benefit under the Act;
 - (h) the pension benefit payable to a former member who has a principal beneficiary at the date the pension commences shall be a joint and survivor pension benefit with at least 60% continuing to be payable to the survivor for life after the death of either unless the principal beneficiary waives the entitlement in a form and manner set out in a form provided by the Superintendent;
 - (i) on the death of a former member who has a principal beneficiary, the surviving principal beneficiary, or where there is no surviving principal beneficiary or the surviving principal beneficiary had waived entitlement in the form and manner required by the Superintendent, a designated beneficiary, or where there is no designated beneficiary, the estate of the member or former member is entitled to a lump sum payment of the full value of the Locked-In Retirement Account;
 - (j) where the owner is not a former member, the full value of the contract shall be paid to the designated beneficiary or, where there is no beneficiary, to the owner's estate;
 - (k) money that is not locked in shall not be transferred to or held under a contract, other than a life annuity contract, that holds, or will hold locked-in money, unless the locked-in money is to be held in a separate account; and
 - (l) all contracts are subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act.
3. Notwithstanding section 2, the contract may provide for the withdrawal of money as a lump sum or series of payments if a medical practitioner certifies that due to mental or physical disability the life expectancy of the owner is likely to be shortened considerably, but where the owner is a former member of a pension plan such payment may only be made if the principal beneficiary of the former member has waived the joint and survivor pension entitlement in the form and manner required by the Superintendent.
4. Notwithstanding section 2, the contract shall provide for a lump sum payment equal to the value of the entire contract on application by the owner to the financial institution for payment if, at the time the owner signs the application, the following conditions are met,
- (a) the value of all assets in all LIFs, LRIFs and LIRAs owned by him or her and governed by Newfoundland pension benefits legislation is less than 10 percent of the year's maximum pensionable earnings under the Canada Pension Plan for that calendar year; or
 - (b) (i) the owner has reached the earlier of age 55 or the earliest date on which the owner would have been entitled to receive a pension benefit under the plan from which money was transferred, and
 - (ii) the value of the owner's assets in all LIFs, LRIFs and LIRAs governed by Newfoundland pension benefits legislation is less than 40 percent of the year's maximum pensionable earnings under the Canada Pension Plan for that calendar year.
5. An application for payment under section 4 shall be
- (a) on a form approved by the Superintendent, and
 - (b) accompanied by a waiver by the principal beneficiary of a former member of a pension plan of joint and survivor pension entitlement, in the form and manner required by the Superintendent.
6. The contract must comply with the conditions of registration under the *Income Tax Act* (Canada) and once registered, the contract shall remain registered.
7. Where the commuted value of a pension benefit which was transferred to a Locked-In Retirement Account was determined in a manner that did not differentiate on the basis of sex, the immediate or deferred life annuity purchased with the funds in the arrangement shall not differentiate on the basis of sex of the recipient.
8. Where a Locked-In Retirement Account results from the transfer of the commuted value of a pension benefit, the arrangement shall contain a statement as to whether the commuted value was determined on a basis that differentiated on the basis of sex.
9. This Directive replaces Directive No. 4 issued July 1, 2000 and shall take effect on December 13, 2001 with the exception of section 4 which shall apply to Locked-In Retirement Account contracts made before and after the effective date of this Directive.

Life Income Fund Requirements

1. In this Directive,
- (a) "financial institution" means the underwriter, depositary or issuer of a LIF;
 - (b) "fiscal year" means a fiscal year of the LIF;
 - (c) "LIF" means a retirement income arrangement, known as a Life Income Fund, as defined in the Regulations, that meets the conditions set out in this Directive;
 - (d) "life annuity contract" means an arrangement made to purchase through a person authorized under the laws of Canada or a province to sell annuities as defined in the *Income Tax Act* (Canada), a non-commutable pension, in accordance with Directive No. 6, that will not commence before that person attains the age of 55 years, or, if that person provides evidence

to the satisfaction of the financial institution that the plan or any of the plans from which the money was transferred provided for payment of the pension at an earlier age, that earlier age;

- (e) "list" means the appropriate list established and maintained under section 18 of the Regulations;
- (f) "owner" means the member or former member of a pension plan who has made a transfer pursuant to section 40 of the Act to a LIF and, unless otherwise stated, includes the principal beneficiary or former principal beneficiary of the member or former member if the principal beneficiary or former principal beneficiary is entitled to a pension benefit as a result of the death of the member or former member or as a result of marriage breakdown;
- (g) "principal beneficiary" means the spouse of a member or former member, or where the member or former member has a cohabiting partner, the member or former member's cohabiting partner as defined in the Act.

2. A financial institution must file with the Superintendent a specimen certified copy of a Life Income Fund and any amendments for review and approval.

3. The Superintendent will maintain a list of financial institutions approved by the Superintendent as offering acceptable Life Income Fund products.

4. The conditions on which a transfer of locked-in money to a Life Income Fund under section 40 of the Act and any subsequent transfer to a financial institution of money so transferred are to be made as set out in this Directive.

5. A Life Income Fund may be purchased with respect to an entitlement to a pension under a pension plan by:

- (a) a member or former member of the pension plan who has obtained with written consent of his or her principal beneficiary, if any, or
- (b) the principal beneficiary or former principal beneficiary of a member or former member if the principal beneficiary or former principal beneficiary is entitled to a pension benefit as a result of the death of the member or former member or as a result of marriage breakdown.

6. An administrator of a pension plan shall not effect a transfer to a financial institution unless the administrator has

- (a) ascertained that the financial institution's name and Life Income Fund are currently on the list of approved contracts; and
- (b) advised the financial institution in writing that, subject to Part VI of the Act, no withdrawal, commutation or surrender of money is permitted.

Establishing the Fund

7. A contract establishing a Life Income Fund shall incorporate the applicable definitions set out in the Act and Regulations, section 1 of this Directive and shall include the following provisions:

- (a) the name and address of the financial institution providing the Fund;
- (b) description of the owner's power, respecting investment of the assets in the fund;
- (c) state that the owner agrees not to assign, charge, anticipate or give as security money payable under a Life Income Fund;
- (d) describe the method for determining the value of the Fund. This valuation method must be the one that is to be used to establish the Fund's value upon the death of a person entitled to payment, upon the establishment of a life annuity or upon a transfer of assets from the Fund; and
- (e) the fiscal year of the Fund must end on the 31st day of December and must not exceed twelve months.

Periodic Payments out of the Fund

8. A Life Income Fund specimen contract shall provide as follows:

- (a) payment out of the Life Income Fund must not begin before the earlier of age 55 or the earliest date on which the member could receive a pension benefit under the Act or the originating pension plan from which money was transferred and not later than the last day of the second fiscal year;
- (b) the owner must decide the amount to be paid out of the Fund each year, either at the beginning of the fiscal year of the Fund or at another time agreed to by the financial institution and the decision expires at the end of the fiscal year to which it relates;
- (c) if the owner does not decide the amount to be paid out of the Fund for a year, the minimum amount determined under paragraph (i) shall be deemed to be the amount paid;
- (d) the amount of income paid out of the Life Income Fund during a fiscal year must not exceed "maximum" in the following formula:

$$\text{Maximum} = C/F$$

in which

C = the balance in the Fund at the beginning of the fiscal year, and

F = the value, at the beginning of the fiscal year, of a pension of which the annuity payment is \$1 payable at the beginning of each fiscal year between that date and the 31st day of December of the year in which the purchaser reaches ninety years of age;

(e) the value F in paragraph (d) is calculated as follows:

- (i) the amount "F" must be established at the beginning of each fiscal year of the Fund using an interest rate of not more than 6%;
- (ii) for the fifteen years after the date of the valuation, the value of the pension may be determined by using a percentage that is greater than 6%, and less than or equal to the percentage obtained on long-term bonds issued by the Government of Canada for the month of November preceding the date of the valuation, as compiled by Statistics Canada and published in the Bank of Canada Review under identification number V122487 in the CANSIM System;

(f) subject to paragraph (g), an owner is entitled to receive additional temporary income where:

- (i) the total pension income received by the owner for the calendar year in which the application is made, calculated as "B" under paragraph (g), is less than 40% of the year's maximum pensionable earnings (YMPE) under the *Canada Pension Plan* (CPP) for the calendar year in which the application is made; and
- (ii) the owner has not reached his or her 65th birthday at the beginning of the fiscal year in which he or she makes application for additional temporary income.

- (g) the amount of the additional temporary income paid out of the Life Income Fund in a fiscal year must not exceed the "maximum" in the following formula:

Maximum Temporary Income = A-B

in which

A = 40% of the YMPE under the CPP for the calendar year in which an application is made.

B = the total pension income to be received by the owner for the calendar year in which the application is made from all LIFs, LRIFs, Life Annuities and pension plans governed by Newfoundland pension benefits legislation or established by or governed by an Act of Canada or a Province, except income from a pension under the *Canada Pension Plan*.

- (h) an application for additional temporary income under paragraph (f) shall be
- (i) on a form approved by the Superintendent,
 - (ii) where the owner is a former member of a pension plan, accompanied by the written consent of the principal beneficiary of the former member, and
 - (iii) submitted to the financial institution at the beginning of the fiscal year of the Fund, unless otherwise permitted by the financial institution.
- (i) the amount of income paid out of the Life Income Fund during a fiscal year must not be less than the minimum amount prescribed for registered retirement income funds under the *Income Tax Act (Canada)*;
- (j) for the initial year of the Fund, the "maximum" in paragraphs (d) and (g) shall be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an incomplete month counting as one month; and
- (k) if a part of the Fund purchased at the beginning of a fiscal year corresponds to sums transferred directly or indirectly during the same year from another Life Income Fund or Locked-in Retirement Income Fund of the purchaser, the "maximum" in paragraphs (d) and (g) shall be deemed to be zero.

Withdrawals from the Fund

9. The contract may provide for the withdrawal of money as a lump sum or series of payments if a medical practitioner certifies that due to mental or physical disability the life expectancy of the owner is likely to be shortened considerably, but where the owner is a former member of a pension plan such payment may only be made if the principal beneficiary of the former member has waived the joint and survivor pension entitlement in a form and manner provided by the Superintendent.

10. The contract shall provide for a lump sum payment equal to the value of the entire contract on application by the owner to the financial institution for payment if, at the time the owner signs the application,

- (a) the owner has reached the earlier of age 55 or the earliest date on which the owner would have been entitled to receive a pension benefit under the plan from which money was transferred, and
- (b) the value of all assets in all LIFs, LRIFs and LIRAs owned by him or her and governed by Newfoundland pension benefits legislation is less than 40 percent of the YMPE under the CPP for that calendar year.

11. An application under section 10 shall be

- (a) on a form approved by the Superintendent, and
- (b) where the owner is a former member of a pension plan, accompanied by a waiver of the principal beneficiary of the former member of joint and survivor pension entitlement, in the form and manner required by the Superintendent.

Transferring Assets from the Fund

12. The owner of the Life Income fund may transfer any or all the assets in it,

- (a) to another Life Income Fund;
- (b) to a Locked-in Retirement Income Fund;
- (c) to purchase an immediate life annuity that meets the requirements of the Superintendent; or
- (d) before December 31st in the year in which the purchaser reaches 71 years of age, to a Locked-In Retirement Account.

13. In the contract establishing the Fund, the financial institution must agree to make such a transfer within thirty days after the owner requests it. This does not apply with respect to the transfer of assets held as securities whose term of investment extends beyond the thirty day period.

14. If the assets in the Life Income Fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

Payment of the Balance in the Fund

15. The owner of the Fund shall use any assets remaining in the Life Income Fund on the 31st day of December in the year in which he or she reaches eighty years of age to purchase an immediate life annuity that meets the requirements of the Superintendent.

16. If the owner of the Fund does not purchase the life annuity on or before the 31st day of March in the year after the year in which he or she reaches eighty years of age, the financial institution shall issue or arrange for the issuance of a life annuity contract.

Death Benefits

17. On the death of a former member who has a principal beneficiary, the surviving principal beneficiary, or where there is no surviving principal beneficiary or the surviving principal beneficiary had waived entitlement in the form and manner required by the Superintendent, a designated beneficiary, or where there is no designated beneficiary, the estate of the member or former member is entitled to receive a lump sum payment of the full value of the contract.

18. Where the owner is not a former member, the full value of the contract shall be paid to the designated beneficiary or, where there is no beneficiary, to the owner's estate.

Amending the Fund

19. Subject to section 20 the financial institution providing the Fund shall not amend the contract except where the financial institution has given the owner of the Fund at least ninety days' notice of a proposed amendment.

20. An amendment that would result in a reduction in the owner's benefits under the contract is permitted only where

- (a) the financial institution is required by law to make the amendment; and
- (b) the owner is entitled to transfer the balance in the Life Income Fund under the terms of the contract that existed before the amendment is made.

21. When making an amendment under section 20 the financial institution shall,

(a) notify the owner of the Fund of the nature of the amendment; and

(b) allow the owner at least ninety days after the notice is given to transfer all or part of the balance in the Fund.

22. Notice under sections 19 and 21 shall be sent by registered mail to the owner's address as set out in the records of the financial institution.

Information to be provided by the Financial Institution

23. In the arrangement establishing the Life Income Fund, the financial institution must agree to provide the information described in section 24 to the person indicated.

24. At the beginning of each fiscal year, the following information must be provided to the owner:

(a) the sums deposited, the accumulated earnings, the payments made out of the Fund and the fees charged against it during the previous fiscal year;

(b) the balance of the Fund;

(c) the minimum amount that must be paid out of the Fund to the owner during the current fiscal year; and

(d) the maximum amount that may be paid out of the Fund to the owner during the current fiscal year.

25. If the balance of the Fund is transferred as described in section 12, the owner must be given the information described in paragraph 24 determined as of the date of the transfer.

26. If the owner dies before the balance in the Fund is used to purchase an immediate life annuity, the person entitled to receive the balance must be given the information described in section 24, determined as of the date of the owner's death.

27. This Directive replaces Directive No. 5 last amended January 1, 2006 and shall take effect on January 1, 2007.

Locked-in Retirement Income Requirements

1. In this Directive,

(a) "financial institution" means the underwriter, depository or issuer of a LRIF;

(b) "fiscal year" means a fiscal year of the LRIF;

(c) "LRIF" means a registered retirement income fund established in accordance with the *Income Tax Act* (Canada), known as a Locked-in Retirement Income Fund, that is locked-in in accordance with the Regulations and meets the conditions set out in this Directive;

(d) "life annuity contract" means an arrangement made to purchase through a person authorized under the laws of Canada or a province to sell annuities as defined in the *Income Tax Act* (Canada), a non-commutable pension, in accordance with Directive No. 6, that will not commence before that person attains the age of 55 years, or, if that person provides evidence to the satisfaction of the financial institution that the plan or any of the plans from which the money was transferred provided for payment of the pension at an earlier age, that earlier age;

(e) "list" means the appropriate list established and maintained under section 18 of the Regulations;

(f) "owner" means the member or former member of a pension plan who has made a transfer pursuant to section 40 of the Act to a LRIF and, unless otherwise stated, includes the principal beneficiary or former principal beneficiary of the member or former member if the principal beneficiary or former principal beneficiary is entitled to a pension benefit as a result of the death of the member or former member or as a result of marriage breakdown;

(g) "principal beneficiary" means the spouse of a member or former member, or where the member or former member has a cohabiting partner, the member or former member's cohabiting partner as defined in the Act.

2. A financial institution must file with the Superintendent a specimen certified copy of a Locked-in Retirement Income Fund and any amendments for review and approval.

3. The Superintendent will maintain a list of financial institutions approved by the Superintendent as offering acceptable Locked-in Retirement Income Fund products.

4. The conditions on which a transfer of locked-in money to a Locked-in Retirement Income Fund under section 40 of the Act and any subsequent transfer to a financial institution of money so transferred are to be made as set out in this Directive.

5. A Locked-in Retirement Income Fund may be purchased with respect to an entitlement to a pension under a pension plan by:

(a) a member or former member of the pension plan who has obtained the written consent of his or her principal beneficiary, if any, or

(b) the principal beneficiary or former principal beneficiary of a member or former member if the principal beneficiary or former principal beneficiary is entitled to a pension benefit as a result of the death of the member or former member or as a result of marriage breakdown.

6. An administrator of a pension plan shall not effect a transfer to a financial institution unless the administrator has

(a) ascertained that the financial institution's name and Locked-in Retirement Income Fund are currently on the list of approved contracts; and

(b) advised the financial institution in writing that, subject to Part VI of the Act, no withdrawal, commutation or surrender of money is permitted.

Establishing the Fund

7. A contract establishing a Locked-in Retirement Income Fund shall incorporate the applicable definitions set out in the Act and Regulations, section 1 of this Directive and shall include the following provisions:

(a) the name and address of the financial institution providing the Fund;

(b) description of the owner's power, respecting investment of the assets in the fund;

(c) state that the owner agrees not to assign, charge, anticipate or give as security money payable under a Locked-in Retirement Income Fund;

(d) describe the method for determining the value of the Fund. This valuation method must be the one that is to be used to establish the Fund's value upon the death of a person entitled to payment, upon the establishment of a life annuity or upon transfer of assets from the Fund; and

(e) the fiscal year of the Fund must end on the 31st day of December and must not exceed twelve months.

Periodic Payments out of the Fund

8. A Locked-in Retirement Income Fund specimen contract shall provide as follows:

- (a) payment out of the Locked-in Retirement Income Fund must not begin before the earlier of age 55 or the earliest date on which the member could receive a pension benefit under the Act or the originating pension plan from which money was transferred and not later than the last day of the second fiscal year;
- (b) the owner must decide the amount to be paid out of the Fund each year, either at the beginning of the fiscal year of the Fund or at another time agreed to by the financial institution and the decision expires at the end of the fiscal year to which it relates;
- (c) if the owner does not decide the amount to be paid out of the Fund for a year, the minimum amount determined under paragraph (h) shall be deemed to be the amount paid;
- (d) the amount of income paid out of the Locked-in Retirement Income Fund during a fiscal year must not exceed "maximum", being the greatest of:
 - (i) the income, gains and losses earned from the time the contract was established to the end of the most recently completed fiscal year and, with respect to any money in the contract that is derived directly from money transferred from a LIF, the income, gains and losses earned in the final complete fiscal year of the LIF under the LIF, less the sum of all income paid to the owner from the contract;
 - (ii) the income, gains and losses earned in the immediately previous fiscal year, and
 - (iii) if the payment is being made in the fiscal year in which the contract was established or in the fiscal year immediately following its establishment, 6% of the fair market value of the contract at the beginning of that fiscal year.
- (e) subject to paragraph (f), an owner is entitled to receive additional temporary income where:
 - (i) the total pension income received by the owner for the calendar year in which the application is made, calculated as "B" under paragraph (f), is less than 40% of the year's maximum pensionable earnings (YMPE) under the *Canada Pension Plan* (CPP) for the calendar year in which the application is made; and
 - (ii) the owner has not reached his or her 65th birthday at the beginning of the fiscal year in which he or she makes application for additional temporary income.
- (f) the amount of additional temporary income paid out of the LRIF in a fiscal year must not exceed the "maximum" in the following formula:
 Maximum Temporary Income = A-B
 in which
 A = 40% of the YMPE under the CPP for the calendar year in which an application is made.
 B = The total pension income to be received by the owner from all LIFs, LRIFs, Life Annuities and pension plans governed by Newfoundland pension benefits legislation or established by or governed by an Act of Canada or a Province, except income from a pension under the *Canada Pension Plan*.
- (g) An application for additional temporary income under paragraph (e) shall be:
 - (i) on a form approved by the Superintendent,
 - (ii) where the owner is a former member of a pension plan, accompanied by the written consent of the principal beneficiary of the former member, and
 - (iii) submitted to the financial institution at the beginning of the fiscal year of the Fund, unless otherwise permitted by the financial institution.
- (h) the amount of income paid out of the Locked-in Retirement Income Fund during a fiscal year must not be less than the minimum amount prescribed for registered retirement income funds under the *Income Tax Act* (Canada);
- (i) for the initial year of the Fund, the "maximum" in paragraphs (d) and (f) shall be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an incomplete month counting as one month; and
- (j) if a part of the Fund purchased at the beginning of a fiscal year corresponds to sums transferred directly or indirectly during the same year from another Locked-in Retirement Income Fund or Life Income Fund of the purchaser, the "maximums" in paragraphs (d) and (f) shall be deemed to be zero.

Withdrawals from the Fund

9. The contract may provide for the withdrawal of money as a lump sum or series of payments if a medical practitioner certifies that due to mental or physical disability the life expectancy of the owner is likely to be shortened considerably, but where the owner is a former member of a pension plan such payment may only be made if the principal beneficiary of the former member has waived the joint and survivor pension entitlement in a form and manner provided by the Superintendent.

10. The contract shall provide for a lump sum payment equal to the value of the entire contract on application by the owner to the financial institution for payment if, at the time the owner signs the application,

- (i) the owner has reached the earlier of age 55 or the earliest date on which the owner would have been entitled to receive a pension benefit under the plan from which money was transferred, and
- (ii) the value of all assets in all LIFs, LRIFs and LIRAs owned by him or her and governed by Newfoundland pension benefits legislation is less than 40 percent of the YMPE under the CPP for that calendar year.

11. An application under section 10 shall be

- (a) on a form approved by the Superintendent, and
- (b) where the owner is a former member of a pension plan, accompanied by a waiver of the principal beneficiary of joint and survivor pension entitlement, in the form and manner required by the Superintendent.

Transferring Assets from the Fund

12. The owner of the Locked-in Retirement Income Fund may transfer any or all the assets in it,

- (a) to another Locked-in Retirement Income Fund;
- (b) to a Life Income Fund;
- (c) to purchase an immediate life annuity that meets the requirements of the Superintendent; or
- (d) before December 31st in the year in which the purchaser reaches 71 years of age, to a Locked-In Retirement Account.

13. In the contract establishing the Fund, the financial institution must agree to make such a transfer within thirty days after the owner requests it. This does not apply with respect to the transfer of assets held as securities whose term of investment extends beyond the thirty day period.

14. If the assets in the Locked-in Retirement Income Fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

Death Benefits

15. On the death of a former member who has a principal beneficiary, the surviving principal beneficiary, or where there is no surviving principal beneficiary or the surviving principal beneficiary had waived entitlement in the form and manner required by the Superintendent, a designated beneficiary, or where there is no designated beneficiary, the estate of the member or former member is entitled to receive a lump sum payment of the full value of the contract.

16. Where the owner is not a former member, the full value of the contract shall be paid to the designated beneficiary or, where there is no designated beneficiary, to the owner's estate.

Amending the Fund

17. Subject to section 18 the financial institution providing the Fund shall not amend the contract except where the financial institution has given the owner of the Fund at least ninety days' notice of a proposed amendment.

18. An amendment that would result in a reduction in the owner's benefits under the contract is permitted only where

- (a) the financial institution is required by law to make the amendment; and
- (b) the owner is entitled to transfer the balance in the Locked-in Retirement Income Fund under the terms of the contract that existed before the amendment is made.

19. When making an amendment under section 18 the financial institution shall,

- (a) notify the owner of the Fund of the nature of the amendment; and
- (b) allow the owner at least ninety days after the notice is given to transfer all or part of the balance in the Fund.

20. Notice under sections 17 and 19 shall be sent by registered mail to the owner's address as set out in the records of the financial institution.

Information to be provided by the Financial Institution

21. In the arrangement establishing the Locked-in Retirement Income Fund, the financial institution must agree to provide the information described in section 22 to the person indicated.

22. At the beginning of each fiscal year, the following information must be provided to the owner:

- (a) the sums deposited, the accumulated earnings, the payments made out of the Fund and the fees charged against it during the previous fiscal year;
- (b) the balance of the Fund;
- (c) the minimum amount that must be paid out of the Fund to the owner during the current fiscal year; and
- (d) the maximum amount that may be paid out of the Fund to the owner during the current fiscal year.

23. If the balance of the Fund is transferred as described in section 12, the owner must be given the information described in section 22 determined as of the date of the transfer.

24. If the owner dies, the person entitled to receive the balance in the Fund must be given the information described in section 22, determined as of the date of the owner's death.

25. This Directive replaces Directive No. 17 last amended December 13, 2001 and shall take effect on January 1, 2007.