



# Plan Application

Account Number: \_\_\_\_\_

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

## 1. Annuitant Information (please ensure that each item is completed.)

Last Name \_\_\_\_\_ S.I.N. \_\_\_\_\_  
 First Name \_\_\_\_\_ Initial \_\_\_\_\_ Date of Birth \_\_\_\_\_ Month / Day / Year \_\_\_\_\_  
 Address \_\_\_\_\_ Residence Telephone Number \_\_\_\_\_  
 City \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_ Business Telephone Number \_\_\_\_\_  
 Fax Number \_\_\_\_\_ Cellular Number \_\_\_\_\_  
 Email \_\_\_\_\_

## 2. Plan Information

- A. Plan Type** (check one):  RSP  Spousal RSP  LRSP/LIRA  RIF  Spousal RIF  Prescribed RIF  LRIF  
 New LIF (ONT)  RLIF  RLSP
- B. For Locked-In Plans – Applicable Pension Legislation (check one).**  
 BC  AB  SK  MB  ON  Quebec  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. Contributor Information (Must be completed for a spousal plan)

Last Name \_\_\_\_\_ S.I.N. \_\_\_\_\_  
 First Name \_\_\_\_\_ Initial \_\_\_\_\_ Date of Birth \_\_\_\_\_ Month / Day / Year \_\_\_\_\_

## 4. RIF/LIF/LRIF Withdrawal

- A. Amount:**  Minimum  Maximum (LRIF/LIF only)  Other (subject to allowable limits) \_\_\_\_\_
- B.**  Cash or  In-Kind (Processed only on an annual basis)
- C. Frequency:**  Quarterly (\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_)  Semi-Annually (months of \_\_\_\_\_ & \_\_\_\_\_)  
 Annually
- D. Payment Date**  1<sup>st</sup> of the Month  15<sup>th</sup> of the Month
- E.**  Base the RIF payouts on spouse's age:

Name \_\_\_\_\_ S.I.N. \_\_\_\_\_ Date of Birth \_\_\_\_\_ Month / Day / Year \_\_\_\_\_

- F.**  Direct Deposit (attach VOID cheque) Bank Name: \_\_\_\_\_ Institution Number:     
 Transit #      Account # \_\_\_\_\_

## 5. 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: \_\_\_\_\_  
 Relationship to Me: \_\_\_\_\_ Initials of Annuitant \_\_\_\_\_

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.

---

## 6. Canadian Public Issuers Mailings

Under Canadian provincial securities laws, you are entitled to receive a copy of all security holder materials from Canadian public issuers whose securities you hold. You can choose not to receive certain types of securityholder materials. This includes financial statements and proxy related materials for meetings where "routine" business is conducted. However, it excludes proxy-related materials for meetings where "non-routine" business is conducted.

I have read and understand the "Shareholder Communication Information" that you have provided to me and the choices indicated by me apply to securities of all Canadian reporting issuers held in this account.

### PART 1 – DISCLOSURE OF BENEFICIAL OWNERSHIP INFORMATION

Please mark the corresponding box to show whether you DO NOT OBJECT or OBJECT to us disclosing your name, address, electronic mail address, securities holdings and preferred language of communication to Canadian issuers of securities you hold with us and to other persons or companies in accordance with Canadian provincial securities law.

- I DO NOT OBJECT to you disclosing the information described above.
- I OBJECT to you disclosing the information described above.

### PART 2 – RECEIVING SECURITY HOLDER MATERIALS

Please mark the corresponding box to show whether you WANT to receive ALL materials sent to beneficial owners of securities or whether you DECLINE to receive certain materials

- I WANT to receive ALL security holder materials sent to beneficial owners of securities.
- I DECLINE to receive all of the following materials: (a) proxy-related materials that are sent in connection with a securityholder meeting at which only "routine business" is to be conducted; (b) financial statements and annual reports that are not part of proxy-related materials; and (c) materials sent to securityholders that are not required by corporate or securities law to be sent. (Even if I decline to receive these types of materials, I understand that a reporting issuer or other person or company is entitled to send these materials to me at its expense).

### PART 3 – CONSENT TO MAILING COST

This section must be completed only if you have marked the "I OBJECT" box in PART 1 of this form. If this section is not completed you will be DEFAULTED to "I DO NOT WISH TO PAY". If you have marked the "I DO NOT OBJECT" box in PART 1 of this form, you are NOT subject to any mailing costs and are not required to complete this section.

- I WISH TO PAY for the delivery to me of any securityholder materials that I may be entitled to receive under Canadian provincial securities legislation IF the Canadian reporting issuer or other party initiating the mailing has refused to pay the cost of delivery.
- I DO NOT WISH TO PAY for the delivery to me of any securityholder materials that I may be entitled to receive under Canadian provincial securities legislation IF the Canadian reporting issuer or other party initiating the mailing has refused to pay the cost of delivery. I understand that I will not receive mailings for which the Canadian reporting issuer or other party initiating the mailing has refused to pay the cost of delivery. This could include non-routine and significant corporation action related mailings. **(DEFAULT CHOICE)**

---

## 7. Confirmation of Application

To: Olympia Trust Company

Please 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 Retirement Savings Plan if I have selected RSP, Spousal RSP, or locked-in RSP/LIRA, as my plan type; or (b) a Retirement Income Fund if I have selected RIF, Spousal RIF, Prescribed RIF, LIF or LRIF 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.

X \_\_\_\_\_

Annuitant Signature

\_\_\_\_\_ Date

\_\_\_\_\_  
Authorized Olympia Trust Company Signing Officer

---

## 8. Terms and Conditions

In consideration of the Trustee accepting this account, I agree that:

- The Trustee has the right to reject an order if the proper documentation is not in place or if the investment is not RSP-eligible.
- I am responsible for all commissions payable in respect of my orders.
- I will pay the Trustee any amounts owing to them and any fees as outlined in the Olympia Trust Company Fee Schedule. In addition, the Trustee can sell securities in my account or otherwise deduct from my account any amounts owing to them.
- I will notify Olympia Trust Company in writing about any errors or omissions within the time limits specified on confirmations, statements or other notices.
- I will advise Olympia Trust Company of any changes to my account in writing.
- I understand that Olympia Trust Company is a non-deposit taking Trust Company. Any cash held in Trust is non-interest bearing.

X \_\_\_\_\_

Annuitant Signature

\_\_\_\_\_ Date

**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)*.
4. **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.
5. **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. 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 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 endeavour 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.
6. **Annuitant's Responsibility:** You alone 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; and (iii) monitoring the amounts of foreign property held in your Plan. You acknowledge and accept sole responsibility for the above-mentioned matters.
7. **Foreign Property and 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.
8. **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.
9. **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.
10. **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.
11. **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.
12. **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.
13. **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.
14. **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.
15. **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 a semi-annual statement of your account. Before April of each year, the Trustee will provide any applicable tax reporting required to be relied 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.
16. **No Advantage:** Except as generally permitted under the Act, no advantage that is conditional in any way on the existence of your Plan may be extended to you or a person with whom you do not deal at arm's length. Neither the assets of your Plan or retirement income under your Plan may be pledged, assigned or otherwise encumbered. The Trustee will not make any payments from your Plan except those specifically permitted under the provisions of this declaration or the Act.
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 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.
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 date 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 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.
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 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.
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 authorized domestic or foreign depository.
22. **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. The Trustee is entitled to reimbursement from your Plan for all 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 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.

23. **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.
24. **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.
25. **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.
26. **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.
27. **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.
28. **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.
29. **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.
30. **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) or the *Pension Benefits Act, 1992* (Saskatchewan), 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.
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) permitted by section 146(2)(c.1) of the Act or any other relevant section of the Act and applicable pension legislation from time to time.
 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 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 a spousal waiver must be signed by both the annuitant and the spouse. Where Quebec pension legislation governs your plan, disability payments are not permitted.
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.
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.
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 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 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 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 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 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.
18. **Non-Residency Status:** Where BC, Federal, Ontario and Quebec 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.
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 RRSFs, 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.
20. **Shortened Life Expectancy:** Where BC, Ontario, Manitoba 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.

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. **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 paragraph 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.
5. **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 endeavour 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.
6. **Annuitant's Responsibility:** You alone are responsible for ensuring that the investments held in your Plan are qualified investments for your Plan under the Act and monitoring the amounts of foreign property held in your Plan. You acknowledge and accept sole responsibility for the above-mentioned matters.
7. **Foreign Property and 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.
8. **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.
9. **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.
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 (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.
11. **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.
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 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.
13. **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.
14. **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 semi-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.
15. **No Benefit or Loan:** Except as generally permitted under the Act, no benefit or loan that is conditional in any way on the existence of the fund can be extended to the annuitant or to a person with whom the annuitant was not dealing at arm's length, other than: (a) a benefit which is required to be included in computing the annuitant's income; (b) an amount referred to in the Act; and (c) the benefit derived from the provision of administrative or investment services in respect of the fund.
16. **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.
17. **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.
18. **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.
19. **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.

20. **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.
21. **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. The Trustee is entitled to reimbursement from your Plan for all 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 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.
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) or the *Pension Benefits Act* (Ontario) 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 or 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 RRIF 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.

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.

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 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 Manitoba 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 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.

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.
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 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 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.
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 (or where Manitoba pension legislation governs your Plan, 66 2/3 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 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 & 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, Quebec 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.
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 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.
23. **Shortened Life Expectancy:** Where BC 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 considerable 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.
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 Superintendent and receive written consent from the applicants' spouse or common-law partner.
25. **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 one 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.

**26. 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* (Manitoba), or 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 the 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. Where Manitoba pension legislation governs your Plan, your Plan may not directly or indirectly hold any mortgage if you, your spouse or your common-law partner is the mortgagor or if the mortgagor is your parent, sibling or child or the spouse 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 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.

Where Manitoba pension legislation governs, the maximum withdrawal is the greatest of :

    - (a) the market value at Jan 1<sup>st</sup> minus the net value of all transfers into the fund;
    - (b) the investment income earned in the immediately preceding fiscal year;
    - (c) for the first two years, 6 % of the fund, and
    - (d) in the year following a transfer from a LIF, the investment income in the previous year from the LIF and 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 Manitoba and 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: (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.
  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 Manitoba and 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. 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, 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 Manitoba pension legislation governs your plan, the Financial Institution shall not provide for or permit

    - (a) different pensions, annuities or benefits, or
    - (b) different options as to pensions, annuities or benefits, based on differences in sex.

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. Where Manitoba pension legislation governs your Plan, both you and your spouse or common law partner must sign the spousal waiver.
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. **50 % Unlocking:** Where Manitoba pension legislation governs your Plan, a LRIF 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 LRIFs to a Prescribed RRIF. The owner must receive approval from the Superintendent and receive written consent from the applicants' spouse or common-law partner.
21. **Shortened Life Expectancy:** Where Ontario and Manitoba 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.
22. **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.
23. **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.

#### **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.

#### **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.

#### **Locking in**

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

#### **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.

#### **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.

#### **Splitting of contract**

8 This LIRA, if not eligible for the payment allowed by paragraph 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.

#### **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.

#### **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).

### **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.

##### **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.

##### **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.

##### **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.

##### **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.

### 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*.

### 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.

## 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.

## 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.

#### 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.

#### 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.

#### 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.

#### 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 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),  
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.

#### **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.

#### **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.

#### **Locking in**

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

#### **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.

#### **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.

#### **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.

#### **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.

## **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.

#### **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.

#### **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.

#### **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.

#### **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.

#### **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*.

#### **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.

### **Part 3**

#### **Payment Calculations**

##### **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.

##### **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).

##### **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.

##### **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.

##### **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.

##### **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.

### **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.

##### **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.

## 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.

#### 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.

#### 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.

#### 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.

#### 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 practise 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, 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;
- (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.