

PROVINCE OF ONTARIO
ADDENDUM TO THE LOCKED-IN RETIREMENT ACCOUNT (LIRA)

 Annuitant's Name (Please print)

 Social Insurance Number

 LIRA Account Number

Upon receipt of locked-in funds, the Trustee further agrees to, and the Annuitant acknowledges, the following:

1. **Definitions.** In this Addendum:

- (a) **Act** means the *Income Tax Act* (Canada), as amended from time to time;
- (b) **LIF** means a "LIF" or "life income fund" as defined in Pension Legislation;
- (c) **life annuity** means "life annuity contract" as defined in Pension Legislation that conforms with the Act and Pension Legislation;
- (d) **LIRA** means a "LIRA" or "locked-in retirement account" as defined in Pension Legislation and, where those terms are not defined, means a registered retirement savings plan that satisfies the conditions under Pension Legislation for receiving funds that originate from an RPP;
- (e) **LRIF** means an "LRIF" or "locked-in retirement income fund" as defined in Pension Legislation;
- (f) **Pension Legislation** means the *Pension Benefits Act* (Ontario) and its Regulations, governing locked-in funds transferred or to be transferred to the Plan directly or indirectly from an RPP;
- (g) **RPP** means a registered pension plan governed by Pension Legislation or established by other legislative authority;
- (h) **Spouse** means a "spouse" as defined in Pension Legislation; provided, however, it only includes a person recognized as a spouse or common-law partner for the purposes of the Act;
- (i) **Trustee** means Canadian Western Trust Company;
- (j) The terms "Annuitant" and "Plan" shall have the same meanings as are given to them in the Declaration of Trust; and
- (k) Words defined in Pension Legislation have the same meanings in this Addendum unless otherwise defined herein.

2. **Compliance.** If locked-in funds are transferred or will be transferred to the Plan, directly or indirectly, from an RPP, the additional provisions of this Addendum form part of the Declaration of Trust. In case of any inconsistency between this Addendum and the Declaration of Trust, this Addendum will apply. The Trustee will comply with all relevant provisions of Pension Legislation.

Subject to paragraphs 5, 6, 9, 10, 13, 14, and 15 of this Addendum, all money, including all investment earnings, that is subject to any transfer to or from the Plan as defined by the Declaration of Trust, is to be used to provide or secure a pension that would, but for the transfer and previous transfers, if any, be required by the Act and Pension Legislation.

3. **Transfers to the Plan.** Only property representing locked-in funds originating directly or indirectly from an RPP, a LIRA, a life annuity the capital of which originated from an RPP, or another source permitted by the Act and Pension Legislation from time to time, may be transferred to the Plan. The Trustee will not accept any transfers to the Plan from a source or in circumstances not permitted by Pension Legislation.

4. **Investments.** The investments held in the Plan must comply with the investment rules imposed by the Act for a registered retirement savings plan.
5. **Withdrawals.** Subject to paragraphs 6, 9, 10, 11, 13, 14, and 15 of this Addendum, no withdrawal, commutation or surrender of property is permitted except where:
 - (a) an amount is required to be paid to the Annuitant to reduce the amount of tax otherwise payable under Part X.1 of the Act in respect of this Plan; or
 - (b) as may be permitted by the Act and Pension Legislation from time to time. Any such payment may only be made after the Trustee receives a waiver from the Spouse, if required by Pension Legislation, in the form and manner required by Pension Legislation.

Any transaction that is contrary to this paragraph is void.

6. **Disability Payments.** The Annuitant may apply to have the property of the Plan withdrawn as a lump sum payment or series of payments where the life expectancy of the Annuitant is likely to be shortened to less than two years due to mental or physical disability, as evidenced by the written opinion of a qualified medical practitioner.

Such application by the Annuitant must be in the form and manner required by Pension Legislation, and, if the Annuitant has a Spouse on the date the Annuitant signs the application, must be accompanied by a waiver by the Spouse, in the form and manner required by Pension Legislation.

7. **Payments after Marriage Breakdown.** The property of the Plan may be subject to division under family law and Pension Legislation. The Trustee will make a payment or payments out of the Plan to the extent and in the manner permitted or required by applicable law:
 - (a) to effect a division of property, provided the payment is made pursuant to a court order or domestic 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. **Beneficiary Designation.** The designation of a person other than the Annuitant's Spouse as the beneficiary of the Plan will not be valid if the Annuitant has a Spouse who is entitled to survivor benefits under the Plan because of Pension Legislation.

9. **Death of Annuitant.** Following the death of the Annuitant, the property of the Plan will be paid to the surviving Spouse of the Annuitant. The surviving Spouse may instruct the Trustee to pay out the property of the Plan in cash or to transfer the property of the Plan to a registered retirement savings plan, a registered retirement income fund, or life annuity as permitted by Pension Legislation and paragraph 60(l) of the Act.

If there is no surviving Spouse, the property of the Plan will be paid to the person designated as beneficiary of the Plan, or if no such person has been designated, to the legal representative of the deceased Annuitant's estate.

10. **Transfers from the Plan.** Subject to any restrictions imposed by the Act, the property of the Plan may be transferred to the issuer of an RPP, LIRA, LIF established under Schedule 1.1, or life annuity. Before transferring property of the Plan, the Trustee will:
 - (a) confirm that the transfer is permitted under Pension Legislation and the Act;
 - (b) write to the issuer of the recipient plan to notify it of the locked-in status of the property being transferred and the pension legislation that governs the property; and

- (c) not permit the transfer unless the issuer of the recipient plan agrees to administer the transferred property according to Pension Legislation.

If the Trustee does not comply with the above, and the issuer of the recipient plan fails to pay the money transferred in the form of a pension or in the manner required by Pension Legislation, the Trustee will provide or ensure the provision of the pension benefit credit equal to the pension benefit credit that was paid out.

If the Plan holds identifiable and transferable securities, the transfer or purchase referred to in paragraphs 10 and 11 may, unless otherwise stipulated, at the option of the issuer of the recipient plan and with the consent of the owner, be effected by remittance of the investment securities of the Plan.

The Trustee will make the transfer within 30 days of the later of the receipt from the Annuitant of the properly documented transfer request and the maturity of the investment to be transferred.

11. **Maturity.** On or before December 31 of the year in which the Annuitant reaches age 71 (or such other date or age specified by the Act for commencement of a retirement income), the property of the Plan must be used to purchase a life annuity that conforms with subsection 146(1) of the Act and Pension Legislation. If the Annuitant fails to provide satisfactory written instructions to the Trustee, by December 31 of that year, for the purchase of the annuity, the Trustee shall transfer the property of the Plan into a life income fund opened and registered by the Trustee for such purpose in the name of the Annuitant. It is the sole responsibility of the Annuitant to ensure that any such property is a qualified investment for a LIF and to convert any unqualified investment into cash. Upon transfer of such property or cash to the LIF:
 - (a) if the Annuitant has a Spouse, the Spouse will be the beneficiary upon the Annuitant's death; otherwise, the Annuitant shall be deemed not to have elected to designate any beneficiary upon death; and
 - (b) the Annuitant shall be subject to all the terms and conditions of the LIF as stated in the documents pertaining thereto as if the Annuitant had at that time instructed the Trustee, to purchase the LIF and had signed the appropriate documents to effect such transfer, and had refrained from making the designation referred to herein.
12. **Life Annuity.** In addition to the rules imposed by the Act, a life annuity purchased with the property of the Plan must comply with Pension Legislation and must be established for the Annuitant's life. However, if the Annuitant has a Spouse on the date payments under the life annuity begin, the life annuity must be established for the lives jointly of the Annuitant and the Annuitant's Spouse, unless the Spouse has provided a waiver in the form and manner required by Pension Legislation. Where the surviving Spouse is entitled to payments under the life annuity after the Annuitant's death, those payments must be at least 60 percent of the amount to which the Annuitant was entitled prior to the Annuitant's death. The life annuity may not differentiate based on gender except to the extent permitted by Pension Legislation.
13. **Option to Withdraw Small Balances.** The Annuitant may apply to the Trustee for a lump sum payment equal to the value of the entire contract if the Annuitant is at least 55 years old and the value of the Annuitant's assets in all LIRAs, LIFs, and LRIFs governed by Pension Legislation is less than 40 percent of the year's maximum pensionable earnings under the Canada Pension Plan for that calendar year. Such application by the Annuitant must be in the form and manner required by Pension Legislation, and, if the Annuitant has a Spouse on the date the Annuitant signs the application, must be accompanied by a waiver by the Spouse, in the form and manner required by Pension Legislation.
14. **Option to Withdraw Due to Financial Hardship.** The Annuitant may apply to the Trustee for a lump sum payment of not less than \$500 in cases of financial hardship as specified in Pension Legislation. Such application by the Annuitant must be in the form and manner required by Pension Legislation, and,

if the Annuitant has a Spouse on the date the Annuitant signs the application, must be accompanied by a waiver by the Spouse, in the form and manner required by Pension Legislation.

15. **Option to Withdraw due to Non-Residency (Permanent Departure from Canada).** The Annuitant may apply to the Trustee for a lump sum withdrawal if the Annuitant has moved away from Canada permanently and has been absent from Canada for at least 2 years. The Annuitant must provide written evidence that Canada Revenue Agency has determined that the Annuitant has become a non-resident for the purposes of the Act.

Such application by the Annuitant must be in the form and manner required by Pension Legislation, and, if the Annuitant has a Spouse on the date the Annuitant signs the application, must be accompanied by a waiver by the Spouse, in the form and manner required by Pension Legislation.

16. **Payments or Transfers Contrary to Pension Legislation.** If property is transferred or paid out of the Plan contrary to Pension Legislation, the Trustee will ensure that the Annuitant receives a life annuity in an amount and, if required by Pension Legislation, in a manner that would have been provided if the property had not been transferred or paid out of the Plan.
17. **Prohibition.** The property of the Plan may not be assigned, charged, alienated, anticipated or given as security or subjected to execution, seizure or attachment, except as permitted by Pension Legislation. A transaction that is contrary to this paragraph is void.
18. **Amendments.** From time to time, the Trustee may amend the Declaration of Trust (including this Addendum), if the amendment does not disqualify the Plan as a LIRA and if the amendment is filed with and approved by Canada Revenue Agency and applicable provincial authorities. The Trustee will provide the Annuitant with 90 days written notice (including notice of the Annuitant's entitlement to transfer the property out of the Plan) of any amendment that reduces benefits under the Plan.

Signature of Annuitant

Date

Accepted by:
Canadian Western Trust Company
600 – 750 Cambie Street
Vancouver, BC V6B 0A2

Authorized Signature

TO BE COMPLETED BY THE ANNUITANT:

CURRENT MARITAL STATUS:

(This data is necessary in order to complete prescribed government forms.)

☐ Single ☐ Married ☐ Common law ☐ Divorced ☐ Separated

Spousal Information:

Name: _____

SIN: _____ Birth Date: _____