

**ADDENDUM TO THE RETIREMENT SAVINGS PLAN DECLARATION OF TRUST ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT**

**Newfoundland and Labrador (LIRA)**

1. **What the Words Mean:** Please remember that in this Addendum, “I”, “me” and “my” mean the individual who has signed the Application as the applicant for and plan owner of the Plan and who is the “annuitant” as defined in the *Income Tax Act* (Canada) and “Trustee” means the trustee for the Plan, The Royal Trust Company, 155 Wellington Street W., 20<sup>th</sup> Floor, Toronto, ON, M5V 3K7. Please also remember that in this Addendum:

“Cohabiting Partner”, means:

- (i) if I have a Spouse, the individual who is not my Spouse who has cohabited continuously with me in a conjugal relationship for not less than 3 years, or
- (ii) if I do not have a Spouse, the individual who has cohabited continuously with me in a conjugal relationship for not less than one year,

and is cohabiting or has cohabited with me within the preceding year;

“Declaration of Trust” means the Retirement Savings Plan Declaration of Trust I have entered into with the Trustee;

“Directives” means the directives issued by the Superintendent under the Pension Act, as changed or replaced from time to time;

“Pension Act” means the *Pension Benefits Act, 1997* of Newfoundland and Labrador, as changed or replaced from time to time;

“Principal Beneficiary” means my Spouse, or where I have a Cohabiting Partner, my Cohabiting Partner;

“Property” means, collectively, all investment property (including all income earned on and all proceeds of that property) held under the Plan from time to time;

“Regulations” means the *Pension Benefits Act Regulations* in force under the Pension Act, as changed or replaced from time to time;

“Spouse” means the individual who is considered to be my spouse according to section 2 of the Pension Act, however, notwithstanding anything to the contrary contained in the Declaration of Trust and this Addendum, including any endorsements forming a part thereof, “spouse” does not include any person who is not recognized as my spouse or common-law partner, as the case may be, for the purposes of any provision of the *Income Tax Act* (Canada) respecting RRSPs; and

“YMPE” means the Year’s Maximum Pensionable Earnings under the *Canada Pension Plan* for a specified calendar year

As well, the words “financial institution”, “fiscal year”, “life annuity contract”, “life income fund (“LIF”)”, “locked-in retirement account (“LIRA”)”, “locked-in retirement income fund (“LRIF”)”, “owner”, “pension benefit”, “RRSP” and “Superintendent” have the same meanings given to them in the Pension Act, the Regulations and the Directives.

The other words used in this Addendum have the same meaning given to them in the Declaration of Trust. I will refer to the Declaration of Trust if I need to when reading those words.

I agree with the Trustee as follows:

- 2. **General Terms:** This Addendum will form part of the Declaration of Trust and will apply to the Plan and all Property. If there is a conflict between this Addendum and the Declaration of Trust, this Addendum will prevail.
- 3. **LIRA:** The Trustee will maintain the Plan as a LIRA according to the requirements of the Pension Act, the Regulations, the Directives and the *Income Tax Act* (Canada).
- 4. **Investment Powers:** The powers I have respecting the investment of the Property are set out in the Declaration of Trust.
- 5. **No Assignment:** I agree not to assign, charge, alienate, anticipate or give as security money payable under the Plan except as permitted under the Pension Act.
- 6. **Valuation:** The method for determining the value of the Plan, for the purposes of establishing the Plan’s value upon my death, upon the establishment of a life annuity or upon a transfer of Property, is set out in the Declaration of Trust.
- 7. **Marriage Breakdown:** This LIRA is subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Pension Act.
- 8. **Fiscal Year:** The fiscal year of the Plan ends on December 31 of each year and will not exceed 12 months.
- 9. **Form of Pension Benefit:** The pension benefit payable to me if, as a former member, I have a Principal Beneficiary at the date the pension commences, shall be a joint and survivor pension benefit with at least 60% continuing to be payable to the survivor for life after my death unless I waive the entitlement in the form and manner required by the Superintendent.
- 10. **Improper Payments:** If money is paid out contrary to the Pension Act or Directive No. 4, the Trustee will provide or ensure the provision of a pension benefit equal in value to the pension benefit that would have been provided had the money not been paid out.
- 11. **Transfers from the Plan:** Except as otherwise permitted in Directive No. 4, all money transferred, including all investment earnings, shall be used to provide a pension benefit and shall not be transferred except:
  - (a) before December 31<sup>st</sup> in the year in which I reach the age at which a pension benefit is required to begin under the *Income Tax Act* (Canada), to transfer the money to the pension fund of a registered pension plan subject to the Pension Act or to a registered pension plan subject to the pension benefits legislation of a designated province, as defined in the Pension Act, or of Canada;
  - (b) before December 31<sup>st</sup> in the year in which I reach the age at which a pension benefit is required to begin under the *Income Tax Act* (Canada), to transfer the money to another LIRA that meets the requirements of Directive No. 4;
  - (c) for the purchase of an immediate life annuity contract that meets the requirements of the Superintendent, in accordance with paragraph 60(l) of the *Income Tax Act* (Canada), provided the annuity commences no earlier than the date on which attain age 55 or the date on which I would have been entitled to receive a pension benefit under the pension plan from

which the money was transferred to the LIRA if earlier;

(d) to transfer the money to a LIF that meets the requirements of Directive No. 5; or

(e) to transfer the money to another LRIF that meets the requirements of Directive No. 17.

12. **Shortened Life Expectancy:** Notwithstanding paragraph 10 (Transfers from the Plan), I may withdraw Property as a lump sum or series of payments if a medical practitioner certifies that due to mental or physical disability my life expectancy is likely to be shortened considerably, but where I am a former member of a registered pension plan, such payment may only be made if my Principal Beneficiary has waived the joint and survivor pension entitlement in a form and manner required by the Superintendent.

13. **Small Pension:** Notwithstanding paragraph 10 (Transfers from the Plan), I am entitled to withdraw a lump sum payment equal to the value of the Property on application to the Trustee if, at the time I sign the application:

(a) either:

(i) the value of all assets in all LIRAs, LIFs, and LRIFs owned by me and subject to the Pension Act is less than 10% of the YMPE for the calendar year in which the application is made; or

(ii) where I have reached the earlier of age 55 or the earliest date on which I would have been entitled to receive a pension benefit under the registered pension plan from which the Property was transferred, the value of all assets in all LIFs, LRIFs and LIRAs owned by me and subject to the Pension Act is less than 40% of the YMPE for that calendar year in which the application is made;

and

(b) I have not, within the same fiscal year, made a withdrawal due to financial hardship under paragraph XXX from the Plan or, where part of the Plan corresponds to amounts transferred directly or indirectly from another LIRA, LIF, or LRIF, I have not made a withdrawal due to financial hardship from the original retirement savings arrangement.

14. **Small Pension Application:** An application under paragraph 12 (Small Pension) shall be:

(a) on a form approved by the Superintendent; and

(b) if I am a former member of a registered pension plan, accompanied by a waiver of the joint and survivor pension entitlement, in the form and manner required by the Superintendent.

15. **Financial Hardship:** Notwithstanding paragraph 10 (Transfers from the Plan), I am entitled to withdraw a lump sum payment due to financial hardship, subject to the following:

(a) an application for a withdrawal due to financial hardship must be made directly to the Trustee;

(b) I may apply for withdrawal due to financial hardship once within a calendar year for each category of financial hardship described in subparagraph 14(c)(i) in respect of each LIRA, LIF, or LRIF;

(c) subject to any requirements outlined in this paragraph, I am eligible to complete an application to withdraw an amount not greater than the sum of the following amounts:

(i) an amount with respect to one of the following categories:

(A) **Low Income:** Where my expected total income for the one-year period following the date on which the application is signed, from all sources other than the withdrawal amount, is not more than 66.66% of the YMPE for the calendar year in which the application is signed, the amount determined by subtracting 75% of the expected total income from 50% of the YMPE for the calendar year in which the application for the withdrawal is signed;

(B) **Medical Expenses:** Where I am unable to pay for medical expenses incurred or to be incurred by me, my Principal Beneficiary, or a dependent of either and the medical expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these medical expenses;

(C) **Disability-related Expenses:** Where I am unable to pay for disability-related expenses incurred or to be incurred by me, my Principal Beneficiary, or a dependent of either and the expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these disability-related expenses;

(D) **Mortgage Payments:** Where I have, or my Principal Beneficiary has, received a written notice in respect of a default on a mortgage that is secured against my principal residence or the principal residence of my Principal Beneficiary which will result in foreclosure or power of sale if the default is not rectified, the amount required to rectify the default;

(E) **Rental Arrears:** Where I have, or my Principal Beneficiary has, received a written notice in respect of arrears in the payment of rent for my principal residence or the principal residence of my Principal Beneficiary and I or my Principal Beneficiary could be evicted if the arrears remain unpaid, the amount required to pay the rental arrears; or

(F) **First Month's Rent and Security Deposit:** Where I am unable to pay the first month's rent and the security deposit required to rent a principal residence for me or my Principal Beneficiary, the amount required to pay the first month's rent and the security deposit;

and

(ii) the amount of any applicable tax required to be withheld by the Trustee.

16. **Financial Hardship Application:** An application for withdrawal under paragraph 14 (Financial Hardship) shall be:

(a) on a form approved by the Superintendent and shall include any supporting documentation required by the Regulations, which are specified on the form; and

(b) where I am a former member of a pension plan, accompanied by the written consent of my Principal Beneficiary, in the form

and manner required by the Superintendent.

- 17. **Non-Residency:** Notwithstanding paragraph 10 (Transfers from the Plan), I am entitled to withdraw a lump sum payment equal to the value of the Property where I provide the Trustee with:
  - (a) a statutory declaration in accordance with the *Evidence Act* (Newfoundland and Labrador) confirming that I have resided outside Canada for at least 2 consecutive calendar years and are residing outside of Canada on the date of signing the declaration; and
  - (b) where I am a former member of a pension plan, the written consent of my Principal Beneficiary, in the form and manner required by the Superintendent.
- 18. **No Withdrawals:** Subject to this Addendum, no withdrawal, commutation or surrender of Property is permitted, except where an amount is required to be paid to the taxpayer to reduce the amount of tax otherwise payable under Part X.I of the *Income Tax Act* (Canada).
- 19. **Survivor's Benefits if Former Member:** Where I am a former member, upon my death, my surviving Principal Beneficiary, or where I have no surviving Principal Beneficiary or my surviving Principal Beneficiary had waived entitlement in the form and manner required by the Superintendent, my designated beneficiary, or where there is no designated beneficiary, my estate, is entitled to receive a lump sum payment of the value of the Property.
- 20. **Survivor's Benefits if Not Former Member:** Where I am not a former member, upon my death, the value of the Property shall be paid to my designated beneficiary or, where there is no designated beneficiary, to my estate.
- 21. **Notice of Amendments:** Subject to paragraph 21 (Permitted Amendments), the Trustee will not amend the Plan except where the Trustee gives me at least 90 days' notice and an explanation of the proposed amendment.
- 22. **Permitted Amendments:** An amendment to the Plan that would result in the reduction of my benefits under the Plan is only permitted where:
  - (a) the Trustee is required by law to make the amendment; and
  - (b) I am entitled to transfer the balance in the Plan under the terms of the Plan that existed before the amendment is made;
 and, when making such a reducing amendment, the Trustee must notify me in writing of the nature of the amendment and allow me at least 90 days after the notice is given to transfer all or part of the balance in the Plan.
- 23. **Procedure for Notices:** Notices under paragraphs 20 (Notice of Amendments) and 21 (Permitted Amendments) shall be sent by registered mail to my address, as set out in the Trustee's records or, subject to receiving my authorization, be delivered to me by electronic means provided that the e-communication is accessible by me and capable of being retained to be usable for subsequent reference.

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Plan Account Number

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Signature of Witness

\_\_\_\_\_  
Signature of Plan Owner

\_\_\_\_\_  
Print First and Last Name of Witness

\_\_\_\_\_  
Print First and Last Name of Plan Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Social Insurance Number

Value Partners Investments Inc.

By:   
\_\_\_\_\_  
Authorized Signing Officer