



Federal Addendum to Contracts for a Locked-in Registered Retirement Savings Plan (Locked-in-RRSP)

Upon receipt of the locked-in pension assets pursuant to the *Pension Benefits Standards Act, 1985* (Canada) and in accordance with the instructions to transfer the assets to a Locked-in Registered Retirement Savings Plan (Locked-in-RRSP), B2B Trust and the Locked-in-RRSP-holder agree that the provisions of this Addendum are appended to and form additional terms of the Contract for this retirement savings plan, as follows:

Definitions

1. For the purposes of this Addendum, the word "Act" means the Pension Benefits Standards Act, 1985 (Canada), as amended and the word "Regulation" means Canada Regulation SOR/87-19, being the *Pension Benefits Standards Regulations* 1985, as amended.
2. All the terms in this Addendum which are used in the Act or the Regulation have the same meaning as in the Act or the Regulation. In this Addendum, "Contract", means the above-named retirement savings plan governed by the terms contained in the application form including the Declaration of Trust, as well as the additional terms contained in this Addendum. "Locked-in assets" means all the assets in the Locked-in-RRSP at any time and includes any interest or other earnings realized or accrued to that time.
3. The word "spouse" means a person who,
 - a) at the relevant time,
 - i. is married to the Locked-in-RRSP-holder, or
 - ii. is party to a void marriage with the Locked-in-RRSP-holder; or
 - b) if there is no person in subparagraph a),
 - i. is cohabiting with the Locked-in-RRSP-holder in a conjugal relationship,
 - ii. having cohabited with the Locked-in-RRSP-holder for at least one (1) year.

Notwithstanding anything to the contrary contained in the plan or this Contract, for the purposes of any provision of the Income Tax Act (Canada) respecting registered retirement savings plans, "spouse" does not include any person who is not recognized as a spouse or common-law partner under the *Income Tax Act* (Canada).

Transfers

4. Subject to this Addendum, the Locked-in assets may only be:
 - a) transferred to another Locked-in-RRSP;
 - b) transferred to a pension plan, if the pension plan permits such a transfer and if the pension plan administers the benefit attributed to the transferred assets as if the benefit were that of the plan member with two (2) years' membership in the registered pension plan.
 - c) used to purchase an immediate or deferred life annuity; or
 - d) transferred to a restricted life income fund (RLIF) or a life income fund (LIF).
5. All transfers and payments from the Locked-in-RRSP are subject to:
 - a) the terms of the investments held;
 - b) the withholding of any applicable tax; and
 - c) the deduction of all fees, charges and disbursements in connection with the Locked-in-RRSP.

Withdrawals

Financial Hardship

6. The Locked-in-RRSP-holder may withdraw assets in an amount up to the lesser of the amount determined by the formula $M + N$ and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year for financial hardship (under any of paragraphs 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, from any Locked-in-RRSP, LIF, RLSP or RLIF of the holder),

where

M is the total amount of the expenditures that the holder expects to make on medical or disability-related treatment or adaptive technology for the calendar year, and

N is the greater of zero and the amount determined by the formula

$P - Q$

where

P is 50% of the Year's Maximum Pensionable Earnings, and

Q is two thirds of the holder's total expected income for the calendar year determined in accordance with the *Income Tax Act* (Canada), excluding withdrawals in the calendar year for financial hardship (under any of paragraphs 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, from any Locked-in-RRSP, LIF, RLSP or RLIF of the holder)

if

- a) the holder certifies that he/she has not made a withdrawal in the calendar year for financial hardship (under any of paragraphs 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, from any Locked-in-RRSP, LIF, RLSP or RLIF of the holder) other than within the last 30 days before this certification;
- b) in the event that the value of M is greater than zero,
 - (A) the holder certifies that he/she 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* (Canada), excluding withdrawals in the calendar year for financial hardship (under any of paragraphs 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, from any Locked-in-RRSP, LIF, RLSP or RLIF of the holder), and
 - (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required; and
- c) the holder gives a copy of Form 1 and Form 2 of Schedule V of the Regulation to B2B Trust.

Shortened Life Expectancy

7. If a physician certifies that owing to mental or physical disability the life expectancy of the holder is likely to be shortened considerably, the Locked-in assets may be paid to the holder in a lump sum.

Death of the Locked-in-RRSP-Holder

8. On the death of the Locked-in-RRSP-holder, the Locked-in assets shall:
- a) if, prior to death, the Locked-in-RRSP-holder was a member or former member of the registered pension plan from which the Locked-in assets originated and is survived by a spouse, be:
 - i. applied to purchase an immediate or deferred life annuity for the holder's spouse in accordance with paragraph 60(l) of the *Income Tax Act* (Canada);
 - ii. transferred to a Locked-in-RRSP for the spouse; or,
 - iii. transferred to a LIF or to a RLIF for the spouse; or

- iv. transferred to a registered pension plan for the spouse, if the registered pension plan permits such a transfer and if the registered pension plan administers the benefit attributed to the transferred assets as if the benefit were that of a plan member with 2 years' membership in the registered pension plan; or
- b) if, as of the Locked-in-RRSP-holder's date of death, there is no spouse entitled to the Locked-in assets pursuant to paragraph 8a), be:
 - i. paid to the Locked-in-RRSP-holder's designated beneficiary, or,
 - ii. if, no beneficiary has been designated in accordance with the Plan, paid to the Locked-in-RRSP-holder's estate.

Payment to Non-Resident

- 9. Locked-In Assets may be paid to the Locked-in-RRSP-holder if, according to information provided in a form and content satisfactory to B2B Trust, the following conditions are met:
 - a) the Locked-in-RRSP-holder is a non-resident of Canada;
 - b) the Locked-in-RRSP-holder has been a non-resident of Canada for at least two calendar years; and
 - c) the Locked-in-RRSP-holder has ceased employment with the employer who was contributing to the pension plan which gave rise to the locked-in pension benefit credits.

Prohibition

- 10. Except as provided for in subsection 25(4) of the Act, the Locked-in assets shall not be assigned, charged, anticipated or given as security and any transaction purporting to assign, charge, anticipate or give the Locked-in assets as security is void.

Valuation

- 11. For the purpose of determining the value of the Locked-in-RRSP, including the valuation method used to establish its value on the death of the Locked-in-RRSP-holder or on the transfer of the Locked-in assets, the value of the contract shall be the fair market value of the contract at the relevant time.

Differentiation on the Basis of Sex

- 12. The pension benefit credit transferred pursuant to section 26 of the Act:
 - was varied according to the sex of the plan member;
 - was not varied according to the sex of the plan member.
- 13. Where a pension benefit credit transferred into the plan was not varied according to the sex of the Locked-in-RRSP-holder, an immediate life annuity or a deferred life annuity purchased with the Locked-in assets shall not differentiate as to sex.

Amendment

14. B2B Trust may from time to time in its discretion amend this Addendum by giving 30 days notice to the Locked-in-RRSP-holder. No amendment shall be made to the Contract unless the Contract, as amended, remains in conformity with the Act and the Regulation and with section 146 of the *Income Tax Act* (Canada).

Please send completed Addendum to :

B2B Trust

130 Adelaide Street West, Suite 200, Toronto, Ontario M5H 3P5

Toll Free: 1.800.263.8349 or locally at 416.947.7427

b2btrust.com



B2B Trust Authorized Signature

Name of the Locked-in-RRSP-Holder

Signature of Locked-in-RRSP-Holder

Date (mm/dd/yyyy)

Signature Guarantee
