



Ontario Addendum to Contracts for Locked-in Pension Transfers to a Life Income Fund (LIF)

Upon receipt of locked-in money B2B Trust declares as follows:

1. For the purposes of this Addendum the word "Act" means the Pension Benefits Act (Ontario) and the word "Regulation" means Ontario Regulation R.R.O. 1990, Reg.909, being the Pension Benefits Act regulation under the Act
2. For the purposes of this Addendum the words used herein shall have the meaning provided in the Act or the Regulation, as applicable.
3. All money including all investment earnings, that is subject to any transfer to or from the contract is to be used to provide or secure a pension that would, but for the transfer and previous transfers, if any, be required or permitted by the Act and the Regulation.
4. The money on the contract will be invested in a manner that complies with the rules for the investment of RRIF money contained in the Income Tax Act (Canada) and will not be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the owner or the parent, brother, sister or child of the owner or the spouse of such a person.
5. The money in the contract may not be assigned, charged, anticipated or given as security except for a purpose described in subsection 65(3) of the Act.
6. For the purpose of valuing the fund:
 - i) Upon the death of a person entitled to payment;
 - ii) Upon the establishment of life annuity; and
 - iii) Upon a transfer of assets from the fund;the value of the fund shall be the fair market value of the fund at the relevant time.
7. The fiscal year end of the fund must end on 31st day of December and must not exceed twelve months.
8. Payments out of the Life Income Fund must begin:
 - a) no earlier than the earlier of :
 - i) the earliest date on which the former member is entitled to receive pension benefits under the Act as a result of termination of employment or termination of membership in any pension plan from which money was transferred into the Life Income Fund or
 - ii) the earliest date on which the former member is entitled to receive pension benefits under any pension plan described in sub-clause i) as a result of termination or membership in the plan and
 - b) no later than the end of the second fiscal year of the fund.
9. The purchaser must decide the amount to be paid out of the fund each year. He or she must do so either at the beginning of the fiscal year of the fund or at another time agreed to by B2B Trust. His or her decision expires at the end of the fiscal year to which it relates.

10. If the purchaser does not decide on the amount to be paid out of the fund for a year, the minimum amount determined under paragraph 13 shall be deemed to be the amount to be paid.
11. Payments out of a Life Income Fund are subject to division in accordance with the terms of a domestic contract as defined in Part IV of the Family Law Act (Ontario) or the terms of an order made under Part I of the Act.
12. Subject to paragraphs 24, 25 and 27 of this Addendum, the amount of income paid out of the Life Income Fund during fiscal year must not exceed "maximum" in the following formula:

Maximum = C/F, in which

C = the balance in the fund at the beginning of the fiscal year and

F = the value, at the beginning of the fiscal year, of a pension of which the annual payment is \$1 payable at the beginning of each fiscal year between that date and the 31st day of December of the year in which the purchaser reaches 90 years of age.
13. The amount of income paid out of the Life Income Fund during a fiscal year must not be less than the minimum amount prescribed for registered income funds under the Income Tax Act (Canada).
14. The following applies with respect to the determination of the amount "F" in paragraph 12 of this Addendum:
 - a) the amount "F" must be established at the beginning of each fiscal year of the fund using an interest rate of not more than 6% per year;
 - b) for the first 15 years after the date of the valuation, the value of the pension may be determined by using a percentage that is :
 - i) greater than 6 percent and;
 - ii) less than or equal to the percentage obtained on long term bonds issued by the Government of Canada for the month preceding the date of valuation, as compiled by Statistics Canada and published in the Bank of Canada Review under identification number B – 14013 in the CANSIM system.
15. For the initial payment from the fund, the "maximum" in paragraph 12 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.
16. If a part of the fund purchased at the beginning of a fiscal year corresponds to sums transferred directly or indirectly during the same year from another Life Income Fund of the purchaser, the "maximum" in paragraph 12 shall be deemed to be zero.
17. The owner of an Old Life Income Fund will be able to:
 - a) continue their Old Life Income Funds after they reach 80 years of age;
 - b) purchase a New Life Income Fund which conforms to Ontario Regulation 416/07;
 - c) transfer their account to a Locked-In Retirement Account until the year in which they reached 71 years of age;
 - d) utilize a one-time opportunity to withdraw in cash or transfer to an RRSP or RRIF an amount up to 50% of the value of the assets transferred into a New Life Income Fund ;
 - e) withdraw as a lump sum or transfer all or part of the assets in their accounts directly to a RRSP or RRIF, where the value of the asset in their locked-in account is less than 40% and they are age 55 or older;
 - f) apply for a withdraw of all monies from their accounts, if they have been deemed to be non-resident of Canada by Canada Revenue Agency for the purposes of the federal Income Tax Act two years after their departure from Canada.

18. The purchaser of a New Life Income Fund will be able to:
 - a) transfer any or all of the asset in it to a new Life Income Fund which conforms to Ontario Regulation 416/07;
 - b) transfer any or all of the asset in it to a Locked-In Retirement Account, before December 31 in the year in which the purchaser reached 71 years of age;
 - c) transfer the survivors benefits directly to an RRSP or RRIF where permitted by the Federal Income Tax Act, if the spouse of a deceased LIF owner;
 - d) utilize a one-time opportunity to withdraw in cash or transfer to an RRSP or RRIF an amount up to 50% of the value of the assets transferred into a New Life Income Fund within 60 days of opening the New LIF.
19. If the purchaser of a new LIF was a member of a pension plan who has terminated employment and is entitled to an immediate pension, or is a former spouse of a member, the purchaser may transfer the commuted value of an old LIF, LIRA or LRIF to a new LIF, subject to the terms of the pension plan.
20. B2B Trust agrees to make such transfer referred in paragraph 17 above, within thirty (30) days after B2B Trust has received such request from the owner. Such transfer does not apply in respect to the transfer of asset held as securities whose term investment extends beyond the thirty (30) day period.
21. If the assets in the Life Income Fund consist of identifiable and transferable securities, B2B Trust may transfer the securities with the consent of the purchaser.
22. Before transferring money to another financial institution, B2B Trust will advise the transferee financial institution in writing of the locked-in status of the money and make its acceptance of the transfer subject to the conditions provided for in Regulation 909, schedule 1.
23. If the Financial Institution does not ensure that the transferee financial institution is appropriately acknowledged or complies with paragraph 18 of this Addendum 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 Regulation 909, B2B Trust will provide or secure the provision to the owner of the pension referred to in paragraph 9 of this Addendum.
24. A spouse living separate and apart from the purchaser on the date of the purchaser's death is not entitled to receive the balance of the fund.
25. For the purpose of paragraph 24, a person's spousal status is determined on the date of death of the purchaser.
26. The spouse of the purchaser of a Life Income Fund may waive survivor's benefits under the fund before the balance of the fund is used to purchase a life annuity.
27. A waiver of survivor's benefits may be revoked before the balance of the fund is used to purchase a life annuity.
28. The waiver or revocation in paragraph 27 is made by giving notice to B2B Trust of same.
29. B2B Trust must give the purchaser of the fund at least ninety (90) days notice of a proposed amendment, other than an amendment described in paragraph 30.
30. B2B Trust must not amend the arrangement if the amendment would result in a reduction in the purchaser's benefits under the arrangement unless:
 - a) B2B is required by law to make the amendment; and
 - b) The purchaser is entitled to transfer the balance of the Life Income Fund under the terms of the arrangement that existed before the amendment is made.

31. When making an amendment described in paragraph 30, B2B Trust must:
 - a) notify the purchaser of the Life Income Fund of the nature of the amendment; and
 - b) allow the purchaser at least ninety (90) days after the notice is given to transfer all or part of the balance in the Life Income Fund.
32. Notice under paragraphs 29 and 31 must be sent by registered mail to the purchaser's address as set out in the records of B2B Trust.
33. At the beginning of each fiscal year, B2B Trust must provide the following information to the purchaser:
 - a) the sum deposited, the accumulated earnings, the payments made out of the Life Income Fund and the fees charged against it during the previous fiscal year;
 - b) the balance in the Life Income Fund;
 - c) the minimum amount that must be paid out of the Life Income Fund to the purchaser during the current fiscal year and each subsequent year; and
 - d) the maximum amount that may be paid out of the Life Income Fund to the owner during the current fiscal year and each subsequent year.
34. If the balance of the Life Income Fund is transferred as described in paragraph 18, the purchaser must be given the information described in paragraph 33 determined as the date of the transfer.
35. If the purchaser dies before the balance of the Life Income Fund is used to purchase a life annuity, the person entitled to receive the balance must be given the information described in paragraph 33 determined as the date of the purchaser's death.
36. B2B Trust hereby affirms that provisions contained in the Contract, and the conditions of the Addendum will take precedent over other provisions in the Contract in the case of conflicting or inconsistent provisions.

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

Signature Guarantee

 Annuitant Signature

 Date (mm/dd/yyyy)