



## Newfoundland and Labrador Addendum to Contracts for a Locked-In Retirement Account (LIRA)

The owner (undersigned) has applied to B2B Trust (Trustee) for a locked-in retirement account (Fund) to receive and hold locked-in pension assets as per the Newfoundland and Labrador *Pension and Benefits Act, 1997* (Act). The owner and the Trustee agree that this Addendum forms part of the Declaration of Trust for the Fund as follows:

Notwithstanding any term in this Addendum or the Declaration of Trust, the Fund shall be maintained as a locked-in retirement account that conforms with the Act, the Regulation, the Directive and the *Income Tax Act* (Canada).

### **Interpretation**

1. For the purposes of this Addendum the word "Regulation" means the Newfoundland and Labrador *Pension and Benefits Act Regulations* and the word "Directive" means the directives made under the Act and issued by the Superintendent of Pensions, Newfoundland and Labrador.
2. For the purposes of this Addendum the words used herein will have the same meanings provided to these words in the Act, the Regulation and the Directive. The titles used herein are used for convenience only and do not affect any rights or liabilities under this Addendum or the Declaration of Trust.
3. The word "spouse" means, except as set out in Part VI of the Act, a person who
  - i) is married to the member or former member,
  - ii) is married to the member or the former member by a marriage that is voidable and has not been voided by a judgment of nullity, or
  - iii) has gone through a form of a marriage with the member or former member, in good faith, that is void and is cohabiting or has cohabited with the member or former member within the preceding year;

Notwithstanding the terms of this Addendum, the terms "spouse", "cohabiting partner" and "principal beneficiary" do not include any person who is not recognized as a spouse or common-law partner under the *Income Tax Act* (Canada) respecting a registered retirement savings plan (RRSP).

### **Assets transferred into the Fund**

4. The owner declares that all assets transferred into the Fund originate directly or indirectly from:
  - a) a pension fund that conforms with the Act and the Regulation;
  - b) another LIRA that conforms with Directive No. 4;
  - c) a life income fund (LIF) that conforms with Directive No. 5; or
  - d) a locked-in retirement income fund (LRIF) that conforms with Directive No. 17.

All such transfers must comply with the *Income Tax Act* (Canada).

### **Investment of Fund assets**

5. The assets of the Fund will be invested in a manner that complies with the rules for the investment of RRSP assets contained in the *Income Tax Act* (Canada) and the regulations under 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 of the

Fund or the parent, brother, sister or child of the owner or the spouse of any of those persons.

**No assignment of Fund assets and marriage breakdown**

6. Except as explicitly provided for in the Act, the Regulation or the Directive, all assets transferred to the Fund, plus interest, shall not be assigned, charged, anticipated or given as security except as permitted by section 37 of the Regulation and any transaction purporting to assign, charge, anticipate or give the money transferred as security is void.
7. Except as explicitly provided for in the Act, the Regulation or the Directive, and except as provided in Part VI of the Act, all assets transferred to the Fund, plus interest, shall not be commuted or surrendered during the lifetime of the member and any transaction purporting to surrender or commute such assets is void.
8. Assets that are not locked-in shall not be transferred to or held under a contract, other than a life annuity contract, that holds, or will hold locked-in money, unless the locked-in money is to be held in a separate account.
9. All provisions of this Addendum are subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act.

**Shortened life expectancy withdrawal**

10. A lump sum or a series of payments may be made to the owner where a medical practitioner certifies, to the satisfaction of the Trustee, that due to mental or physical disability the life expectancy of the owner is likely to be shortened considerably, but where the owner is a former member of a pension plan such payment may only be made if the principal beneficiary of the former member has waived, to the satisfaction of the Trustee, the joint and survivor pension entitlement in the form and manner required by the Superintendent.

**Small amount withdrawal**

11. A lump sum payment equal to the value of the Fund assets may be made on application, to the satisfaction of the Trustee, by the owner to the Trustee for the payment, if, at the time the owner signs the application, the following conditions are met:
  - a) the value of all assets in all LIFs, LRIFs and LIRAs owned by him or her and governed by Newfoundland and Labrador pension benefits legislation is less than 10 percent of the YMPE under the Canada Pension Plan (CPP) for the year; or
  - b)
    - i) the owner has reached the earlier of age 55 or the earliest date on which the owner would have been entitled to receive a pension benefit under the plan from which money was transferred; and
    - ii) the value of the owner's assets in all LIFs, LRIFs and LIRAs governed by Newfoundland and Labrador pension benefits legislation is less than 40 per cent of the YMPE under the CPP for that calendar year.
12. An application for small amount withdrawal shall be: (i) on a form approved by the Superintendent, and (ii) accompanied by a waiver by the principal beneficiary of a former member of a pension plan of joint and survivor pension entitlement, to the satisfaction of the Trustee, in the form and manner required by the Superintendent.

**Transfers of assets out of the Fund**

13. Except as explicitly provided in the Act or Regulation all assets transferred to the Fund, including all investment earnings, shall be used to provide a pension benefit and shall not be withdrawn except,
  - a) before maturity, to transfer the assets of the Fund to the pension fund of a registered pension plan that conforms with the Act and the Regulation;
  - b) before maturity, to transfer the assets of the Fund to a LIRA that conforms with Directive No. 4;
  - c) to purchase a life annuity contract that is provided by a person authorized under the laws of Canada or a province to sell annuities as provided under the *Income Tax Act* (Canada) under an insurance contract

that meets the requirements of Directives No. 4 and No. 6, issued under the Act, commencing not before the person who is to receive the pension benefit obtains the earlier of:

- i) age of 55 years, or
  - ii) the earliest date on which the former member is entitled to receive a pension benefit under a pension plan from which the money was transferred to the LIRA as a result of termination of employment or termination of the plan;
- d) to transfer the assets of the Fund to a LIF that meets the requirements of Directive No. 5; or
  - e) to transfer the assets of the Fund to an LRIF that meets the requirements of Directive No. 17.
14. The owner must commence receipt of a pension or transfer the assets of the Fund as per this Addendum before the end of the calendar year in which the owner of the contract attains the age of 71 years or greater age as per the *Income Tax Act* (Canada). If the owner does not provide instruction to the Trustee prior to the deadline set-out herein, the Trustee will transfer the assets of the Fund to a LIF or LRIF for the benefit of the owner. If the Trustee does not receive instruction regarding such transfer, the Trustee shall not be responsible for any related losses, including administrative expenses.
15. The Trustee shall not permit any subsequent transfer except: (i) where a transfer would be permitted under the Act; and, (ii) the subsequent transferee agrees to administer the amount transferred as a pension benefit in accordance with the Act.
16. If assets of the Fund are paid out contrary to the Act or Directive No. 4, issued under the Act, 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.
17. The Trustee shall advise in writing any subsequent transferee that the amount transferred must be administered as a pension benefit under the Act.
18. The Trustee reserves the right to process all payments or transfers out of the Fund subject to any withholding taxes, deductions, deduction of costs and the terms of each investment.
19. If the Fund holds identifiable and transferable securities, the transfers or purchases referred to in this Addendum 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 Fund.
20. If the owner receives assets that were related to the Fund from a subsequent transferee in violation of the Act or the Regulation, the Fund or subsequent fund or transferee has a right of action against the recipient for such assets.

#### **Joint and survivor pension payment**

21. The pension benefit payable to a former member who has 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 the death of either unless the principal beneficiary waives the entitlement in a form and manner set out in a form provided by the Superintendent.

#### **Death of owner**

22. On the death of an owner who was a former member of a pension plan who had a principal beneficiary, the surviving principal beneficiary, or where there is no surviving principal beneficiary or the surviving principal beneficiary had waived entitlement in the form and manner prescribed by the Superintendent, a designated beneficiary, or where there is no designated beneficiary, the estate of the member or former member is entitled to a lump sum payment of the Fund assets.
23. Where the owner was not a former member, the Fund assets shall be paid to the designated beneficiary or, where there is no beneficiary, to the owner's estate.

**Differentiation based on sex of owner**

24. If the commuted value of a pension benefit which was transferred to the Fund was determined in a manner that did not differentiate on the basis of sex, the immediate or deferred life annuity purchased with the funds in the arrangement shall not differentiate on the basis of the sex of the recipient.

25. If the transfer to the Fund is a result of a transfer of the commuted value of a pension benefit, the owner declares (check the box that applies):

- the commuted value was determined on a basis that differentiated on the basis of sex.
- the commuted value was determined on a basis that did not differentiate on the basis of sex.

**Amendment of this Addendum**

26. The Trustee may amend the terms of this Addendum. The Trustee will provide the owner with thirty (30) days' notice of any such amendment unless required by the Act, the Regulation or Income Tax Act (Canada) to make amendments by an earlier deadline.

**Precedence of Addendum and indemnity for the benefit of the Trustee**

27. The Trustee and the owner hereby affirm the provisions contained in the Declaration of Trust, and that the conditions of this Addendum will take precedence over other provisions in the Declaration of Trust in the case of conflicting or inconsistent provisions.

28. If the Trustee is to be required to make any payments out of the Fund under conditions not provided for under this Addendum, the owner will indemnify, release and hold harmless the Trustee. This indemnity will be binding on the owner's legal representatives, heirs, assigns and successors.

29. The owner hereby acknowledges receipt of a copy of this Addendum.

**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

www.b2btrust.com

Signature of Guarantee



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B2B Trust Authorized Signature

\_\_\_\_\_  
Date (mm/dd/yyyy)

\_\_\_\_\_  
Name of Annuitant (owner)

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Signature of Annuitant (owner)

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Date (mm/dd/yyyy)