



Nova Scotia 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 Nova Scotia *Pension Benefits Act* (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 (defined below) and the *Income Tax Act* (Canada).

Interpretation

1. For the purposes of this Addendum the word "Regulation" means the Nova Scotia *Pension Benefits Regulations*.
2. For the purposes of this Addendum the words used herein shall have the meaning provided in the Act or the Regulation, as applicable. 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. A "spouse" or a "common-law partner" means either of a man and woman who
 - i) are married to each other,
 - ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity, or
 - iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the twelve-month period immediately preceding the date of entitlement;

Notwithstanding the terms of this Addendum, the terms "spouse" and "common-law partner" 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 to the Fund originated directly or indirectly from a registered pension plan under section 50(1)(b) of the Act or a LIRA or a life income fund (LIF).
5. All such transfers must comply with the *Income Tax Act* (Canada).

No assignment of Fund assets and marriage breakdown

6. All assets transferred to the Fund, plus interest, shall not be assigned, charged, anticipated or given as security, except as permitted by subsection 70(3) or 71A of the Act (marriage breakdown order) and any transaction purporting to assign, charge anticipate or give the assets transferred as security is void.
7. The Fund is subject to a division of assets as between spouses, common-law partners, former spouses or former common-law partners under the Act and the Regulation.
8. Assets in the Fund are exempt from execution, seizure or attachment except as permitted by section 71A of the Act.
9. Except as provided in sections 57, 71A and 72(5) of the Act and sections 27 and 28 of the Regulation, 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 the assets of the Fund is void.

10. Subject to explicit terms of the Act or the Regulation all assets, including all investment earnings, that are subject to any transfer to or from the Fund are 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.

Shortened life expectancy financial hardship and small amount withdrawals

11. a) A document that is required to be given to the Trustee under section 27 or 28 (small amounts at age 65 and considerably shortened life expectancy) of the Regulation and that must be signed by the owner of the Fund is void if it is signed more than sixty (60) days before the Trustee receives it.
- b) When the Trustee receives a document required under section 27 or 28 of the Regulation, it will give the owner of the Fund a receipt for the document stating the date on which it was received.
12. a) The owner of the Fund may, upon application in accordance with section 27 of the Regulation, withdraw all the assets of the Fund if, when the owner signs the application,
- i) the owner is at least 65 years of age; and,
- ii) the value of all assets in all LIRAs, LIFs, and pension plans providing defined contributions benefits owned by the owner is less than 40% of the YMPE for the calendar year in which the application is made.
- b) An application to withdraw the assets of the Fund must be
- i) in Form 10: Application to a Financial Institution to Withdraw Money From a LIRA or LIF at age 65, as per the Regulation;
- ii) signed by the owner of the Fund; and,
- iii) given to the Trustee.
- c) i) the Trustee is entitled to rely upon the information provided by the owner in an application made under this paragraph of this Addendum;
- ii) an application that meets the requirements of this paragraph of this Addendum constitutes authorization to the Trustee to pay the assets of the Fund to the owner from the Fund in accordance with this Addendum;
- iii) the value of all assets in all LIRAs, LIFs, and pension plans providing defined contribution benefits owned by the owner when he or she signs the application under this paragraph of this Addendum will be determined in accordance with the most recent statement about each pension plan, LIRA or LIF given to the owner, and each statement must be dated within one (1) year before the owner signs the application; and,
- iv) the Trustee will make the payments to which the owner is entitled under this paragraph of this Addendum within thirty (30) days after the Trustee receives the completed application form and the statement referred to in this Addendum.
13. a) The owner of the Fund may, upon application in accordance with this paragraph of this Addendum, withdraw all or part of the assets of the Fund if, when the owner signs the application, he or she has a mental or physical disability that is likely to shorten considerably his or her life expectancy.
- b) An application to withdraw assets from the Fund must be
- i) in Form 11: Application to a Financial Institution to Withdraw Money from a LIRA or LIF Because of Considerably Shortened Life Expectancy, as per the Regulation;
- ii) signed by the owner of the Fund and accompanied by a statement signed by a physician who is

licensed to practise medicine in a jurisdiction in Canada that, in the opinion of the physician, the owner has a mental or physical disability that is likely to shorten considerably his or her life expectancy; and,

- iii) given to the Trustee.
- c) i) the Trustee is entitled to rely upon the information provided by the owner in an application made under this paragraph of this Addendum;
- ii) an application that meets the requirements of this paragraph of this Addendum constitutes authorization to the Trustee to pay assets of the Fund to the owner from the Fund in accordance with this paragraph of this Addendum; and,
- iii) the Trustee must make the payments to which the owner is entitled under this paragraph of this Addendum within thirty (30) days after the Trustee receives the completed application form and accompanying document.

14. Application for financial hardship must meet the requirements set-out in the Act and the Regulation.

Transfers of assets out of the Fund

15. Except as explicitly permitted by the Act or Regulations, all assets transferred to the Fund, including all investment earnings, shall not be withdrawn except,

- a) to transfer the assets to the pension fund of a registered plan that conforms with the Act and the Regulation;
- b) to transfer the money to another LIRA that conforms with the Act and the Regulation;
- c) to purchase only an immediate or deferred life annuity that meets the requirements of section 24 of the Regulation and the *Income Tax Act* (Canada), provided the annuity does not commence on a date earlier than the earliest date the former member would be entitled to receive a pension benefit under the Act as a result of termination of employment or membership in any pension plan from which money was transferred into the Fund and the date provided under any of the pension plans from which the funds have been transferred;
- d) to transfer the money to a LIF that conforms with the Act and the Regulation; or,
- e) to pay in accordance with section 27 (small amounts at age 65) or 28 (considerably shortened life expectancy) of the Regulation or 72(5) (financial hardship) of the Act,

and subject to the explicit exceptions in the Act and the Regulation, no withdrawal, commutation or surrender of money is permitted except where an amount is required to be paid to the owner to reduce the amount of tax otherwise payable under the *Income Tax Act* (Canada).

16. 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 for the benefit of the owner. If the Trustee does not receive instruction, the Trustee shall not be responsible for any losses, including administrative expenses.

17. 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.

Subsequent transfer of Fund assets

18. The Trustee shall not permit any subsequent transfer except:

- a) where such transfer would be permitted under the Act and the Regulation; and,

- b) the subsequent transferee agrees to administer the amount transferred as a pension or deferred pension in accordance with this Act and the Regulation

19. The Trustee shall advise in writing any subsequent transferee that the amount transferred must be administered as a pension or deferred pension under the Act and the Regulation.

20. If the owner receives assets that were related to the Fund from a subsequent underwriter or 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.

Death of owner

21. Within sixty (60) days after the submission to the Trustee of the relevant documents required by it following the death of the owner of the LIRA, the spouse or common law partner, or if there is no entitled spouse or common-law partner, the beneficiary or the estate of the owner, shall be entitled to the Fund assets.

Differentiation based on sex of owner

22. 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 assets of the Fund shall not differentiate on the basis of the sex of the recipient.

23. If the LIRA results from the 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

24. 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

25. 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.

26. 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.

27. 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



B2B Trust Authorized Signature

Date (mm/dd/yyyy)

Name of Annuitant (owner)

Signature of Annuitant (owner)

Date (mm/dd/yyyy)