



New Brunswick Addendum to Contracts for a Life Income Fund (LIF)

Upon receipt of the locked-in pension assets pursuant to the *Pension Benefits Act* (New Brunswick) and in accordance with the instructions of the owner to transfer the assets to a New Brunswick life income fund (LIF), B2B Trust and the owner agree that the provisions of this Addendum are appended to and form additional terms of the Contract for this retirement savings arrangement, as follows:

Definitions

1. For the purposes of this Addendum the word "Act" means the *Pension Benefits Act* (New Brunswick), as amended and the word "Regulation" means New Brunswick Regulation 91-195, being the *General Regulation – Pension Benefits Act*, 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 arrangement 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 LIF 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 owner,
 - ii. is party to a marriage with the owner that is voidable and has not been avoided by a declaration of nullity,
 - iii. is party to marriage with the owner contracted in good faith but nevertheless void and has cohabited with the owner in the preceding year, or
 - b) in the absence of any person specified in subparagraph a),
 - i. in the case of the death of the owner, a person who, not being married to the owner, was cohabiting in a conjugal relationship with the owner at the time of the death of the owner and was cohabiting in a conjugal relationship with the owner for a continuous period of at least two years immediately before the death of the owner,
 - ii. in the case of the breakdown of a common-law partnership, a person who, not being married to the owner, was cohabiting in a conjugal relationship with the owner for a continuous period of at least two years immediately before the date of the breakdown of the common-law partnership, or
 - iii. in any other case, a person who, not being married to the owner at the particular time under consideration, is cohabiting in a conjugal relationship with the owner at that time and who has so cohabited for a continuous period of at least two years immediately before that time;

Notwithstanding anything to the contrary contained in 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 In

4. The only assets that may be transferred into the account are assets originating, directly or indirectly, from:

- a) the fund of a pension plan that conforms with the Act and the Regulation or with similar legislation in another jurisdiction;
 - b) another retirement savings arrangement that conforms with the Act and the Regulation; or
 - c) a life or deferred life annuity that conforms with the Act and the Regulation.
5. If the information provided on New Brunswick Form 3.2 indicates that the commuted value transferred was determined on transfer in a manner that differentiated, while the owner was a member of the registered pension plan, on the basis of the sex of the owner, the only assets that may subsequently be transferred into the fund are assets that are also differentiated on the same basis.
6. No Locked-in assets shall be used to purchase a life or deferred life annuity that differentiates on the basis of the annuitant's sex unless the commuted value of the deferred pension transferred from the plan into the fund was determined on transfer in a manner that differentiated, while the owner of the fund was a member of the plan, on the basis of sex of the owner.

Transfers Out

7. Except as provided for in the Regulation, the Locked-in assets, in whole or in part, may be converted at any time only into a life or deferred life annuity that conforms to section 23 of the Regulation.
8. Unless the Contract provides for an early cashing-in value before the expiration of the term agreed to for the investment, the owner is entitled at any time after the term has expired, but on or before the 31st day of December in the year in which the owner reaches age 71 (or such greater age for maturity as is permitted by the *Income Tax Act* (Canada)):
- a) to transfer, before a conversion referred to in paragraph 7 of this Addendum, the Locked-in assets, in whole or in part, to the pension fund of a pension plan that conforms with the Act and the Regulation or with similar legislation in another jurisdiction or to a LIF or a LIRA that conforms with the Act and the Regulation; or
 - b) to convert the Locked-in assets, in whole or in part, into a life or deferred life annuity that conforms with section 23 of the Regulation.
9. The owner is not permitted to make a transfer under subparagraph 8a) of this Addendum, to a pension plan that is not registered in New Brunswick unless
- a) the pension plan is registered for persons employed in a designated jurisdiction; and
 - b) the owner is employed in that jurisdiction by an employer who is making contributions on behalf of the owner to the pension fund that is to receive the amount to be transferred.
10. Any transfer out of the fund must be made on a tax deferred basis under the *Income Tax Act* (Canada). Before assets are transferred out of the fund, New Brunswick Form 3.2 (with any necessary modifications) must be completed.
11. No Locked-in assets transferred shall be assigned, charged, anticipated, given as security or subjected to execution, seizure, attachment or other process of law except under and in accordance with section 44 or subsection 57(6) of the Act. Any transaction that contravenes this provision is void.
12. No Locked-in assets transferred shall be commuted or surrendered during the lifetime of the owner except under and in accordance with this Addendum, section 44 of the Act or subsection 57(6) of the Act. Any transaction that contravenes this provision is void.
13. Notwithstanding paragraph 23 of this Addendum, the owner may request that the New Brunswick Superintendent of Pensions (Superintendent) approve the transfer of an amount from the fund to a registered retirement income fund as defined in the *Income Tax Act* (Canada) that is not a LIF by filing with the Superintendent completed New Brunswick Forms 3.3 and 3.4, and the Superintendent may approve the transfer provided:
- a) an amount has never previously been transferred under this paragraph on behalf of the owner; and

- b) the amount to be transferred is not greater than the maximum unlocking amount.
14. Unless otherwise stipulated and at the sole option of B2B Trust, where the owner holds identifiable and transferable securities in a LIF, a transfer in-kind pursuant to the instructions of the owner, may be executed by the remittance of the investment securities in the LIF.
15. Unless the Contract provides for an early cashing-in value before the expiration of the term agreed to for the investment(s) held in the LIF, transferable assets held in the LIF shall be transferred pursuant to subparagraphs 8a) or 32a) of this Addendum no more than 30 days after the owner's application for the transfer is received by B2B Trust.

Withdrawals

16. The owner may withdraw an amount from the LIF if,
- a) The amount is withdrawn to reduce the amount of tax that would otherwise be payable under Part X.1 of the *Income Tax Act* (Canada) by the owner, and
 - b) B2B Trust establishes a sub-account that is not a registered retirement savings plan of the locked-in retirement account, and the owner deposits the amount withdrawn, less any amount required to be withheld by B2B Trust under the *Income Tax Act* (Canada), into the sub-account.
17. The owner may withdraw the balance of the Locked-in assets if the owner and his or her spouse, if any, are not Canadian citizens;
- a) the owner and his or her spouse, if any, are not resident in Canada for the purposes of the *Income Tax Act* (Canada); and
 - b) the owner's spouse, if any, waives on New Brunswick Form 3.5 any rights that he or she may have in the Plan under the Act, the Regulation or the Contract.
18. The owner may withdraw the Locked-in assets, in whole or in part, and receive a payment or a series of payments if a physician certifies in writing to B2B Trust that the owner suffers from a significant physical or mental disability that considerably reduces life expectancy, and
- a) if the owner has a spouse, the owner delivers to B2B Trust a completed spousal waiver in New Brunswick Form 3.01.

Income

19. The owner of the fund shall be paid an income, the amount of which may vary annually, until the day on which the entire balance of the Locked-in assets are converted into a life annuity.
20. Payment of the income to the owner shall commence not later than the last day of the second fiscal year of the fund.
21. The fiscal year of the fund shall end at midnight on the thirty-first day of December in each year and shall not exceed 12 months in length.
22. The amount of income payable during each fiscal year of the fund shall be established by the owner once every year at the beginning of the fiscal year of the fund, or at intervals of greater than one year if
- a) B2B Trust guarantees the rate of return of the fund during each such interval, and
 - b) Such intervals end at the end of a fiscal year of the fund.
23. The amount of income payable to the owner during a fiscal year of a LIF shall not be more than the maximum amount (M) or less than the minimum amount (m), where M and m are calculated using the following formulas:

$M = C/F$, and

$m = C/H$,

And where

C = the balance of Locked-in assets on the first day of the fiscal year;

F = the value, on the first day of the fiscal year, of a guaranteed pension, the annual payment of which is one dollar payable on the first day of each fiscal year between the first day of the fiscal year and the thirty-first day of December, inclusive, of the year in which the owner attains the age of ninety years; and

H = the number of years between the first day of January of the year in which the calculation is made and the thirty-first day of December of the year in which the owner attains the age of ninety years, inclusive.

Notwithstanding the above formula for the Minimum Amount, the Minimum Amount for a fiscal year may not be less than the minimum amount required to be paid by the fund for the year under section 146.3 of the Income Tax Act (Canada). If the Maximum Amount is less than the Minimum Amount, the Minimum Amount shall be paid.

24. For the purposes of paragraph 23 of this Addendum, in the first fiscal year of the fund, m shall be equal to zero.
25. If the Locked-in assets are derived from assets transferred directly or indirectly during the first fiscal year of the fund from another LIF of the owner. "M" shall be equal to zero.
26. The value of F in the calculation under paragraph 23 shall be established by the parties to the contract at the beginning of each fiscal year of the fund using
 - a) an interest rate of not more than 6 % per year, or
 - b) for the first 15 years after the date of the valuation, an interest rate exceeding 6% per year if that rate does not exceed the interest obtained on Government of Canada marketable bonds of maturity over 10 years for the month of November preceding the year of the valuation, as compiled by Statistics Canada and published by the Bank of Canada as CANSIM Series V-122487 (formerly B-14013) and using an interest rate not exceeding 6% in subsequent years.
27. If the amount of income payable to the owner is established under paragraph 22 of this Addendum at intervals that are greater than one year
 - a) Paragraphs 23 to 26 of this Addendum apply with the necessary modifications to the establishment of the amount of income payable in each fiscal year in the interval, and
 - b) the amount shall be established at the beginning of the first fiscal year in the interval.

Marriage Breakdown Provisions

28. The commuted value of the owner's benefits provided under the Contract shall be determined in accordance with the Act and the Regulation if it is divided on an application to divide marital property under section 44 of the Act.
29. Sections 27 to 33 of the Regulation apply with the necessary modifications to the division on marriage breakdown of the Locked-in assets.

Account Statements

30. At the beginning of the fiscal year of each life income fund, until the date on which all the Locked-in assets are converted into a life or deferred life annuity or transferred to another LIF or LIRA that conforms to the Act and the Regulation or to similar legislation in another jurisdiction, B2B Trust shall provide to the owner of the fund a statement indicating
 - a) the amount of assets deposited, their source, the accumulated earnings of the fund and the withdrawals from the fund during the immediately preceding fiscal year,

- b) any fees deducted since the preparation of the previous such statement and the balance of the Locked-in assets at the beginning of the fiscal year of the fund,
- c) the maximum amount that may be paid to the owner as income during the fiscal year, and
- d) the minimum amount that must be paid to the owner as income during the fiscal year.

If the owner dies before the conversion of the balance of the Locked-in assets into a life annuity, B2B Trust shall provide the owner's spouse, beneficiary, administrator or executor, as the case may be, with a statement containing the information above.

If the balance of the Locked-in assets are converted to a life or deferred life annuity or transferred to another retirement savings arrangement that conforms to the Act and the Regulation or to similar legislation in another jurisdiction, B2B Trust shall provide the owner with a statement containing the information listed above.

Death of Owner

31. If the owner dies before signing a contract under which an annuity is purchased pursuant to paragraph 7 of this Addendum, the balance of the Locked-in assets shall be paid:
- a) to the owner's spouse, unless the spouse waives on New Brunswick Form 3.02 all rights that he or she may have in the fund under the Act, the Regulation or the Contract;
 - b) if the owner has a spouse who has waived all rights under subparagraph a) or if the owner does not have a spouse to a beneficiary on death designated by the owner; or
 - c) if the owner does not have a spouse and has not designated a beneficiary on death, to the estate of the owner.

Amendment

32. An amendment to the Contract shall not be made:
- a) that would result in a reduction of the benefits arising from the Contract unless the owner is entitled, before the effective date of the amendment, to transfer the balance of the Locked-in assets in accordance with paragraph 8 of this Addendum and, unless a notice is delivered to the owner at least ninety (90) days before the effective date, describing the amendment and the date on which the owner may exercise the entitlement to transfer;
 - b) unless the Contract as amended remains in conformity with the Act and the Regulation; or
 - c) except to bring the Contract into conformity with requirements under a statute of the New Brunswick Legislature or legislation in another jurisdiction.

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 Owner

 Signature of Owner

 Date (mm/dd/yyyy)

Signature Guarantee
