

ADDENDUM TO THE DECLARATION OF TRUST OF THE DESJARDINS FUNDS
AND GUARANTEED INVESTMENT RETIREMENT INCOME FUND (RIF 338)
FOR LOCKED-IN PENSION (ONTARIO) TRANSFERS TO
A LIFE INCOME FUND (LIF) – SCHEDULE 1.1

In this Addendum, “Carrier” means Desjardins Trust Inc., “Fund” means the Desjardins Funds and Guaranteed Investment Life Income Fund (Ontario) and “Declaration of Trust” means the declaration of trust which sets forth the terms and conditions governing the Desjardins Funds and Guaranteed Investment Retirement Income Fund. “Annuitant” has the same meaning as this term is used in the Declaration of Trust.

Upon receipt of a locked-in pension benefit pursuant to the *Pension Benefits Act* (Ontario), the Carrier and the Annuitant agree that the presents shall form part of the terms and conditions of the Fund.

1. **Pension legislation.** For the purposes of this Addendum, the word “Act” means the *Pension Benefits Act*, R.S.O. 1990, Chapter P.8, as amended from time to time, and the word “Regulation” means the Regulation 909 under the Act, as amended from time to time.
2. **Definitions.** For the purposes of this Addendum, the words “immediate life annuity”, “life income fund”, “locked-in retirement account”, “locked-in retirement income fund”, “member”, “pension” and “pension plan” have the same meanings as are respectively given to these words in the Act and the Regulation.
3. **Spouse.** The word “Spouse” means either of two persons who:
- (a) are married to each other, or
 - (b) are not married to each other and are living together in a conjugal relationship,
 - (i) continuously for a period of not less than three years, or
 - (ii) in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the *Family Law Act*.

Notwithstanding anything to the contrary contained in the Fund, for the purposes of any provision of the *Income Tax Act* (Canada) respecting registered retirement income funds, “Spouse” does not include any person who is not recognized as a spouse or common-law partner under the *Income Tax Act* (Canada).

4. **Transfers into the Fund.** The only assets that may be transferred into the Fund are assets originating, directly or indirectly, from:
- (a) the pension fund of a registered pension plan,
 - (b) another life income fund that conforms with Schedule 1 or Schedule 1.1 of the Regulation, or
 - (c) a locked-in retirement account or a locked-in retirement income fund.

that conforms with the *Income Tax Act* (Canada), the Act and the Regulation. Any transfer into the Fund must be on a tax deferred basis under the *Income Tax Act* (Canada).

5. **Who May be an Annuitant – Consent of Spouse.** The following persons may be an Annuitant under the Fund:
- (a) a former member who is entitled to make a transfer under clause 42(1)(b) of the Act;
 - (b) a spouse or former spouse of a person who was a member who is entitled to make a transfer under clause 42(1)(b) of the Act; or
 - (c) a person who had previously transferred an amount under clause 42(1)(b) of the Act to a life income fund, a locked-in retirement account or a locked-in retirement income fund;
 - (d) a person who has previously transferred an amount under paragraph 2 of subsection 67.3 (2) of the Act into a life income fund or a locked-in retirement account; or
 - (e) an eligible spouse who is entitled to transfer a lump sum under paragraph 2 of subsection 67.3 (2) of the Act.

The Annuitant must have the written consent of his or her spouse to enter into the Fund. However, consent is not required from:

- (a) a spouse who is living separate and apart from the Annuitant on the date the Fund is entered into; and
 - (b) a spouse, if none of the assets to be transferred into the Fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.
6. **Transfers Out of the Fund.** The locked-in assets may not be transferred from the Fund in whole or in part except:
- (a) to another life income fund that conforms with the Act and Schedule 1.1 of the Regulation;
 - (b) to purchase an immediate life annuity that meets the requirements of paragraph 60(l) of the *Income Tax Act* (Canada) section 22 of the Regulation. For the purposes of the purchase of an immediate life annuity, a determination as to whether the Annuitant has a spouse is to be made on the date the annuity is purchased.

The value of the assets in the Fund is subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract.

An order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the Annuitant to the transfer of a lump sum that exceeds 50 per cent of the assets in the fund, determined as of the family law valuation date.

Payments under a life annuity are subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract as defined in Part IV of that Act.

An order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the Annuitant to a share that exceeds 50 per cent of the payments under the life annuity, determined as of the family law valuation date.

Subject to the foregoing, no withdrawal, commutation or surrender of property is permitted except where an amount is required to be paid to the Annuitant to reduce the amount of tax otherwise payable under Part X.1 of the *Income Tax Act* (Canada) in respect of the Fund.

A transfer pursuant to the present paragraph will be effected thirty (30) days after a request therefor by the Annuitant has been received by the Carrier. The foregoing does not apply with respect to the transfer of property in the form of securities whose term of investment extends beyond the thirty-day (30) period. If assets in the Fund consist of identifiable and transferable securities, the Carrier may transfer the securities with the consent of the Annuitant.

The Carrier shall not make a transfer pursuant to the present paragraph except where,

- (a) the transfer is permitted under the Act and the Regulation; and
- (b) the transferee agrees to administer the amount according to the Act and the Regulation.

The Carrier shall advise the transferee in writing that the amount transferred must be administered in accordance with the Act and the Regulation.

7. **Investment and Value of Locked-In Assets.** The locked-in assets shall be invested and re-invested on the direction of the Annuitant as provided in the Declaration of trust. The value of the locked-in assets at any time will be determined by the Carrier’s regular reporting practice.
8. **Fiscal Year of Fund.** The fiscal year of the Fund ends on December 31 of each year and will not exceed 12 months.
9. **Periodic Payments Out of the Fund.** Payments to the Annuitant from the Fund must begin no earlier than the earliest date on which the former member is entitled to receive a pension under any pension plan from which assets were transferred into the Fund directly or indirectly. Payments must begin no later than the end of the second fiscal year of the Fund.
10. **Amount and Frequency of Payments.** The Annuitant, by notice in writing to the Carrier, is to establish the amount of income to be paid during each fiscal year of the Fund at the beginning of that fiscal year after the receipt of the information specified in paragraph 27 of this Addendum. The Annuitant’s notice expires at the end of the fiscal year to which it relates. If the Annuitant does not provide such notice in writing in any given year, the minimum amount determined under paragraph 13 hereof shall be deemed to be the amount to be paid in such year.
11. **Amount of Annual Income.** The amount of income paid during a fiscal year out of the Fund must not exceed the greatest of the following amounts:
- (a) The investment earnings, including any unrealized capital gains or losses, of the Fund in the previous fiscal year.
 - (b) If the money in the Fund (the “receiving fund”) is derived from money transferred directly from another life income fund or a locked-in retirement income fund (the “transferring fund”), and if the income is being paid out of the receiving fund in the fiscal year following the fiscal year in which the receiving fund is established, the sum of,
 - (i) the investment earnings, including any unrealized capital gains or losses, of the transferring fund in the previous fiscal year, and
 - (ii) the investment earnings, including any unrealized capital gains or losses, of the receiving fund in the previous fiscal year.
 - (c) The amount calculated using the formula,
C/F
in which,
“C” is the value of the assets in the fund at the beginning of the fiscal year, and

“F” is the present value, at the beginning of the fiscal year, of an annuity of \$1 payable annually in advance over the period commencing at the beginning of the fiscal year and ending on December 31 of the year in which the Annuitant reaches 90 years of age.

If the initial fiscal year of the Fund is not 12 months long, the maximum amount determined under this paragraph 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.

This paragraph shall not be construed to prevent or limit a payment from the Fund that is permitted under paragraphs 15, 16, 17, 18, 19, 20, 22 or 23 of this Addendum.

Despite the above, if any locked-in assets are derived from money transferred directly or indirectly from another life income fund or a locked-in retirement income fund, the maximum amount that may be paid out of the Fund in the fiscal year in which the money is transferred into the Fund is zero.

12. Interest Rate Assumptions. The value of F in paragraph 11 of this Addendum shall be calculated by using:

- (a) The interest rate for each of the first 15 fiscal years of the period referred to in the definition of “F” is the greater of 6 per cent and the nominal rate of interest on long-term bonds issued by the Government of Canada for November of the year before the beginning of the fiscal year, as determined from the Canadian Socio-Economic Information Management System (CANSIM) series V122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada.
- (b) For the sixteenth and each subsequent fiscal year of the period referred to in the definition of “F”, the interest rate is 6 per cent.

13. Minimum Amount. The amount of income paid out of the Fund during a fiscal year must not be less than the minimum amount prescribed for registered retirement income funds pursuant to the *Income Tax Act* (Canada), as amended from time to time. The minimum payment amount shall be deemed to be zero for the initial fiscal year of the Fund. If the minimum amount to be paid out of the Fund is greater than the maximum amount, determined pursuant to the Regulations, the minimum amount must be paid out of the Fund during the fiscal year.

14. Subject to *Family Law Act*. The value of the assets in the Fund and payments out of the Fund are subject to division in accordance with the terms of an order under the *Family Law Act* or a domestic contract as defined in Part IV of that Act.

15. Withdrawal of Excess Amount. In this paragraph, “excess amount” means the portion of the assets transferable under clause 42 (1) (b) of the Act into the Fund that is greater than the amount prescribed for such a transfer under the *Income Tax Act* (Canada). If an excess amount has been transferred directly or indirectly into the Fund, the Annuitant may, upon application in accordance with section 22.2 of the Regulation on a form prescribed by the Superintendent that is given to the Carrier, withdraw money from the Fund in an amount not greater than the sum of,

- (a) the excess amount; and
- (b) any subsequent investment earnings, including any unrealized capital gains or losses, attributable to the excess amount as calculated by the Carrier.

The amount is calculated as of the date on which the Carrier pays the money to the Annuitant.

The application must be made on a form approved by the Superintendent, signed by the Annuitant and accompanied by one of the following documents:

- (a) a written statement from the administrator of the pension plan from which money was transferred into the Fund setting out the excess amount that was transferred into the Fund; or
- (b) a written statement from the Canada Revenue Agency setting out the excess amount that was transferred into the Fund.

The Carrier is entitled to rely upon the information provided by the Annuitant in the application. An application that meets the requirements of section 22.2 of the Regulation constitutes authorization to the Carrier to make the payment from the Fund. The Carrier is required to make the payment within 30 days after the Carrier receives the completed application form and accompanying document.

16. An application under section 17, 18, 19, 20, 21, 22, 23 or 24 to withdraw money or transfer assets from the Fund must be made on a form approved by the Superintendent and must be given to the Carrier.

The Carrier is entitled to rely upon the information provided by the Annuitant in the application to withdraw money or transfer assets from the Fund under section 17, 18, 19, 20, 21, 22, 23 or 24, as the case may be.

An application that meets the requirements of the applicable section constitutes authorization to the Carrier to make the payment or transfer from the Fund in accordance with that section.

The Carrier is required to make the payment or transfer to which the Annuitant is entitled under the applicable section within 30 days after the Carrier receives the completed application and the accompanying documents required by that section.

17. Lump Sum Withdrawal Option. This paragraph applies if assets are transferred into the Fund from a pension fund, a locked-in retirement account, a locked-in retirement income fund or another life income fund.

The Annuitant may, upon application in accordance with section 8 of Schedule 1.1 of the Regulation, either withdraw from the Fund or transfer from it to an RRSP or RRIF an amount representing up to 50 per cent of the total market value of the assets transferred into the Fund in relation to a transfer of assets made on or after January 1, 2010.

Despite the preceding paragraph, if the assets are transferred into the Fund from another life income fund or a locked-in retirement income fund, the Annuitant cannot make a withdrawal or transfer as described above unless the transfer was made in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract as defined in Part IV of that Act.

An application for a withdrawal or transfer must be must be signed by the Annuitant and accompanied by one of the following documents:

- (a) a declaration described in paragraph 25 about a spouse.
- (b) a statement signed by the Annuitant attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

If assets in the Fund consist of identifiable and transferable securities, the Carrier may transfer the securities with the consent of the Annuitant. The total market value of the assets transferred into the Fund is to be determined as of the date the assets were transferred into the Fund.

18. Withdrawal Where Small Amount. The Annuitant may, upon application in accordance with this paragraph, withdraw all the money in the fund or transfer the assets to an RRSP or RRIF if, when the Annuitant signs the application, he or she is at least 55 years of age and the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by him or her is less than 40 per cent of the Year’s Maximum Pensionable Earnings for that calendar year.

The application must be signed by the Annuitant and accompanied by one of the following documents:

- (a) a declaration described in paragraph 25 about a spouse.
- (b) a statement signed by the Annuitant attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

If assets in the Fund consist of identifiable and transferable securities, the Carrier may transfer the securities with the consent of the Annuitant.

The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the Annuitant when he or she signs the application is to be determined using the most recent statement about each fund or account given to the Annuitant. Each such statement must be dated within one year before the Annuitant signs the application.

19. Withdrawal Where Non-Resident. The Annuitant may, upon application in accordance with section 10 of Schedule 1.1 of the Regulation, withdraw all the money in the fund if:

- (a) when the Annuitant signs the application, he or she is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the *Income Tax Act* (Canada); and
- (b) the application is made at least 24 months after his or her date of departure from Canada.

The application must be signed by the Annuitant and accompanied by the following documents:

- (a) a written determination from the Canada Revenue Agency that the person is a non-resident for the purposes of the *Income Tax Act* (Canada).
- (b) a declaration described in paragraph 25 about a spouse or a statement signed by the Annuitant attesting to the fact that none of the money in the Fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

20. Withdrawal Where Shortened Life Expectancy. The Annuitant may, upon application in accordance with this section 11 of Schedule 1.1 of the Regulation, withdraw all or part of the money in the Fund if, when he or she signs the application, he or she has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

The application must be signed by the Annuitant and be accompanied by the following documents:

- (a) 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 Annuitant has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.
- (b) a declaration described in paragraph 25 about a spouse or a statement signed by the Annuitant attesting to the fact that none of the money in the Fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

21. Withdrawal for Medical Expenses. The Annuitant may, upon application in accordance with this section, withdraw all or part of the money in the fund if the Annuitant, his or her spouse, or a dependant has incurred or will incur medical expenses relating to an illness or physical disability of any of them.

Only one application may be made under this section during a calendar year in respect of a particular person. The application must specify the amount to be withdrawn from the Fund.

The minimum amount that may be withdrawn from the Fund with respect to an application is \$500 and the maximum amount is the lesser of “X” and “G” where,

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“G” is the sum of the amount of the person’s medical expenses that have been incurred and an estimate of the total amount of the person’s medical expenses for the 12 months after the date on which the application is signed.

If the maximum amount is less than \$500, no withdrawal from the fund is permitted with respect to the application.

The application form must be signed by the Annuitant and must be accompanied by the following documents:

1. Either a declaration described in section 25 about a spouse or a statement signed by the Annuitant attesting to the fact that none of the money in the Fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.
2. A statement signed by a physician or dentist, as applicable, indicating that, in his or her opinion, the expenses claimed are or were necessary for the person’s treatment. The physician or dentist must be licensed to practise medicine or dentistry, as the case may be, in a jurisdiction in Canada.
3. A copy of the receipts or the estimate to account for the total amount of the medical expenses being claimed.
4. A statement, signed by the Annuitant, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

For the purposes of this section, a person is a **dependant** if he or she was dependent on the Annuitant or the Annuitant’s spouse for support at some time during the calendar year in which the application is signed or during the previous calendar year.

For the purposes of this section, **medical expenses** include,

- (a) expenses for goods and services of a medical or dental nature; and
- (b) expenses incurred or to be incurred for renovations or alterations to the Annuitant’s or the dependant’s principal residence (as defined in subsection 11.2 (7)) and any additional expenses incurred in the construction of a principal residence made necessary by the illness or physical disability of the Annuitant, his or her spouse or a dependant.

22. Withdrawal Where Rent or Mortgage Arrears on a Principal Residence.

The Annuitant may, upon application in accordance with this section, withdraw all or part of the money in the Fund,

- (a) if the Annuitant or his or her spouse has received a written demand in respect of arrears in the payment of rent on the Annuitant’s principal residence, and the Annuitant could face eviction if the debt remains unpaid; or
- (b) if the Annuitant or his or her spouse has received a written demand in respect of a default on a debt that is secured against the Annuitant’s principal residence, and the Annuitant could face eviction if the amount in default remains unpaid.

Only one application may be made under this section during a calendar year. The application must specify the amount to be withdrawn from the Fund.

The minimum amount that may be withdrawn from the Fund with respect to an application is \$500 and the maximum amount is the lesser of “X” and “H” where,

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“H” is, with respect to arrears in the payment of rent, the sum of the total amount of arrears of rent and the total amount of rent payable for a period of 12 months or, with respect to a default on a secured debt, the sum of the total amount of the payments that are in default and the total amount of payments due and interest payable on the debt for the 12 months after the date on which the application is signed.

If the maximum amount is less than \$500, no withdrawal from the fund is permitted with respect to the application.

The application form must be signed by the Annuitant and must be accompanied by the following documents:

1. Either a declaration described in section 25 about a spouse or a statement signed by the Annuitant attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.
2. A copy of the written demand in respect of arrears in the payment of rent or in respect of the default on the secured debt, as the case may be.
3. A statement, signed by the Annuitant, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

In this section,

“**principal residence**” means, in respect of an individual, a premises, including a non-seasonal mobile home, that is occupied by the individual as his or her primary place of residence.

23. Withdrawal for First and Last Month’s Rent for a Principal Residence.

The Annuitant may, upon application in accordance with this section, withdraw all or part of the money in the fund if the Annuitant or his or her spouse requires money to pay the first and last months’ rent to obtain a principal residence for the Annuitant.

Only one application may be made under this section during a calendar year. The application must specify the amount to be withdrawn from the Fund.

The minimum amount that may be withdrawn from the Fund with respect to an application is \$500 and the maximum amount is the lesser of “J” and “K” where,

“J” is 5 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“K” is the amount required for the first and last months’ rent.

If the maximum amount is less than \$500, no withdrawal from the Fund is permitted with respect to the application.

The application form must be signed by the Annuitant and must be accompanied by the following documents:

1. Either a declaration described in section 25 about a spouse or a statement signed by the Annuitant attesting to the fact that none of the money in the Fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.
2. A copy of the rental agreement, if available.
3. A statement, signed by the Annuitant, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

In this section,

“**principal residence**” means, in respect of an individual, a premises, including a non-seasonal mobile home, that is intended to be occupied by the individual as his or her primary place of residence.

24. Withdrawal Where Low Expected Income. The Annuitant of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the Fund if the Annuitant’s expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed is $66\frac{2}{3}$ per cent or less of the Year’s Maximum Pensionable Earnings for the year in which the application is signed.

Only one application may be made under this section during a calendar year. The application must specify the amount to be withdrawn from the Fund.

The minimum amount that may be withdrawn from the Fund with respect to an application is \$500 and the maximum amount is calculated using the formula,

$$X - L$$

in which,

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“L” is 75 per cent of the Annuitant’s expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.

If the maximum amount is less than \$500, no withdrawal from the Fund is permitted with respect to the application.

The application form must be signed by the Annuitant and must be accompanied by the following documents:

1. Either a declaration described in section 25 about a spouse or a statement signed by the Annuitant attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.
2. A statement, signed by the Annuitant, setting out the amount of his or her expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.
3. A statement, signed by the Annuitant, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

For the purposes of this section, an Annuitant’s expected total income from all sources, before taxes, does not include,

- (a) a withdrawal under this section;
- (b) a refund or repayment of taxes paid to a Canadian jurisdiction;
- (c) a refundable tax credit;
- (d) a refund of tax paid under the Ontario Child Care Supplement for Working Families program under section 8.5 of the *Income Tax Act*;
- (e) the payment of an Ontario child benefit under section 8.6.2 of the *Income Tax Act* or under section 104 of the *Taxation Act, 2007*;
- (f) a payment received by a foster parent under the *Child and Family Services Act*; or
- (g) child support payments received under a court order or an agreement.

25. Declaration about a Spouse and Receipt. Any of the following documents constitutes a declaration about a spouse for the purposes of a withdrawal or transfer under section 8, 9, 10, 11, 11.1, 11.2, 11.3 or 11.4 of Schedule 1.1 of the Regulation:

- (a) a statement signed by the Annuitant’s spouse, if any, that the spouse consents to the withdrawal or transfer from the fund;

(b) a statement signed by the Annuitant attesting to the fact that he or she does not have a spouse;

(c) a statement signed by the Annuitant attesting to the fact that he or she is living separate and apart from his or her spouse on the date the Annuitant signs the application to make the withdrawal or transfer from the fund.

If the Annuitant is required by section 8, 9, 10, 11, 11.1, 11.2, 11.3 or 11.4 to give a document to the Carrier, the document is a nullity in the following circumstances:

1. If the document is one that must be signed by the Annuitant or by his or her spouse, it is a nullity if it is signed by either of them more than 60 days before the Carrier receives it.
2. In any other case, if the document is required by section 11.1, 11.2, 11.3 or 11.4, it is a nullity if it is signed or dated more than 12 months before the Carrier receives it.

When the Carrier receives a document required by section 8, 9, 10, 11, 11.1, 11.2, 11.3 or 11.4, the Carrier shall give the Annuitant a receipt for the document stating the date on which it was received.

26. No Commutation, Withdrawal or Surrender Except As Permitted. The locked-in assets will not be commuted, withdrawn or surrendered in whole or in part, except as permitted by section 49 or 67 of the Act or Schedule 1.1 or section 22.2 of the Regulation. Any transaction that contravenes this paragraph is void.

27. No Assignment etc. Except By Family Law Order or Domestic Contract. The Annuitant agrees not to assign, charge, anticipate or give as security money payable under the Fund with this Addendum, except as required by an order under the *Family Law Act*, a family arbitration award or a domestic contract.

28. Exemption from Execution, Seizure or Attachment. The locked-in assets and any money payable from the Fund with this Addendum are exempt from execution, seizure or attachment, except in satisfaction of an order for support enforceable in Ontario to a maximum of one-half of the money payable.

29. Annuitant's Death. Upon the death of the Annuitant, the Annuitant's spouse or, if there is none or if the spouse is otherwise disentitled, the Annuitant's named beneficiary or, if there is none, the Annuitant's estate is entitled to receive a benefit equal to the value of the assets in the Fund. The benefit may be transferred to an RRSP or an RRIF in accordance with the *Income Tax Act* (Canada).

A spouse of the Annuitant is not entitled to receive the value of the assets in the Fund unless the Annuitant was a member or former member of a pension plan from which assets were transferred directly or indirectly to purchase the Fund. A spouse who is living separate and apart from the Annuitant on the date of the Annuitant's death is not entitled to receive the value of the assets in the Fund. A determination as to whether the Annuitant has a spouse is to be made on the date of the Annuitant's death. The value of the assets in the Fund includes all accumulated investment earnings, including any unrealized capital gains and losses, of the Fund from the date of death until the date of payment.

A spouse of the Annuitant may waive his or her entitlement to receive the survivor's benefit from the Fund by delivering to the Carrier a written waiver in a form approved by the Superintendent. A spouse who has delivered a waiver may cancel it by delivering a written and signed notice of cancellation to the Carrier before the date of the death of the Annuitant of the Fund.

30. Information to be provided by Carrier. At the beginning of each fiscal year, the Carrier must provide the following information to the Annuitant:

- (a) With respect to the previous fiscal year: the sums deposited, any accumulated investment earnings, including any unrealized capital gains or losses, the payments made out of the Fund, the withdrawals taken out of the Fund and the fees charged against the Fund;
- (b) the value of the locked-in assets as of the beginning of the fiscal year;
- (c) the minimum amount that must be paid out during the current fiscal year;
- (d) the maximum amount that may be paid out during the current fiscal year.

If the locked-in assets are transferred out of the Fund as described in paragraph 6 of this Addendum, the information must be determined as of the date of transfer. Upon the death of the Annuitant, the person entitled to receive the locked-in assets must be provided the information determined as of the date of the Annuitant's death.

31. Transfers and Payments; Terms of Investments. All transfers and payments from the Fund are subject to the terms of the investments and will be subject to the withholding of any applicable tax and deduction of all reasonable expenses, costs, fees and charges. Transfers and payments may be made in cash or in kind, in accordance with the instructions of the Annuitant and subject to the terms of the investments and the requirements of the Carrier.

32. Indemnity. Should the Carrier be required to make payments or to provide an annuity or a pension as a result of any locked-in assets being paid out or transferred otherwise than in accordance with the provisions of this Addendum, the Regulation or as may be required by applicable law, the Annuitant will indemnify and hold harmless the Carrier to the extent that locked-in assets were previously received by or accrued to the benefit of any of them or the Annuitant's estate. This indemnity will be binding upon the Annuitant's legal representatives, successors, heirs and assigns.

33. Amendment. No amendment shall be made to the Fund unless the Fund as amended remains in conformity with the Act and the Regulation and with section 146.3 of the *Income Tax Act* (Canada).

No amendment shall be made if the amendment would result in a reduction of the Annuitant's rights under the Fund, unless:

- (a) the Carrier is required by law to make the amendment; and
- (b) the Annuitant is entitled to transfer the locked-in assets under the terms of the Fund that exist before the amendment is made.

The Carrier will give the Annuitant at least 90 days notice of any proposed amendment; except that where the amendment would result in a reduction of the Annuitant's rights, the Carrier must notify the Annuitant of the nature of the amendment and allow the Annuitant at least 90 days after notice is given to transfer all or part of the locked-in assets. Notices under this paragraph must be in writing and must be sent to the Annuitant's address as set out in the records of the Trustee.

34. Determination of Commuted Value on the Basis of Sex. Was the commuted value of the pension benefit that was transferred into the Fund determined in a manner that differentiated on the basis of sex?

☐ Yes ☐ No

If the commuted value of the pension benefit that was transferred into the Fund was not determined in a manner that differentiated on the basis of sex, then an annuity purchased with funds from the Fund shall not differentiate on the basis of sex.

35. Type of Annuitant. The Annuitant represents to the Carrier that the Annuitant is:

- ☐ a member or former member of the pension plan from which the locked-in assets originate;
- ☐ a spouse or former spouse of a member or former member of the pension plan from which the locked-in assets originate.

36. Annuitant's Spousal Status and Requirement for Spouse's Consent. The Annuitant represents to the Carrier that the Annuitant:

- ☐ has a spouse as defined in paragraph 3 of this Addendum. If the Annuitant is a former member of the pension plan from which the locked-in assets originated and has a spouse, the Annuitant's spouse must sign the **Consent of Spouse**;
- ☐ does not have a spouse as defined in paragraph 3 of this Addendum.

37. Source of Assets. The assets are being transferred from the following:

- ☐ Pension Plan
- ☐ Locked-in Retirement Account (LIRA)
- ☐ Life Annuity
- ☐ Life Income Fund that conforms with Schedule 1 (Old LIF)
- ☐ Life Income Fund that conforms with Schedule 1.1 (New LIF)

38. The conditions of this Addendum will take precedence over the provisions in the Declaration of Trust in the case of conflicting or inconsistent provisions.

39. The Carrier and the Annuitant hereby agree to be bound by the provisions contained in the Declaration of Trust and this Addendum.

SPOUSAL CONSENT TO THE TRANSFER TO THE LIF

If you are the Annuitant’s spouse, and you are being asked to consent to the transfer of funds to the LIF, you should get advice from a lawyer about your rights and the legal consequences of signing the Consent below. You are not obligated to sign the Consent.

I am the spouse of the LIF Annuitant, as of the date the LIF is being entered into.

I understand that:

- (a) the Annuitant is opening the LIF account in order to transfer money or securities from a pension fund account or another locked-in plan to the LIF;
- (b) once the LIF is opened and the transfer has been made, regular payments (at least one payment per year) will be made to the Annuitant from the LIF;
- (c) if there is a breakdown in our relationship or if the Annuitant dies, I may have a right at that time to share in any money or securities that remain in any of the Annuitant's pension fund accounts, other locked-in plans or this LIF or LRIF; and
- (d) as payments are made from this LIF to the Annuitant, the value of the LIF (in which I may share if there is a breakdown of our relationship or if the Annuitant dies) will be reduced.

By signing and dating below, in the presence of a witness (other than the Annuitant), I consent to the Annuitant transferring funds into the LIF.

| | | | |
|--|-------------|--|-------------|
| Date the Spouse Signed this Consent in the Presence of the Witness | | | |
| Signature of Spouse | | Signature of Witness (Annuitant cannot be the witness) | |
| Name of Spouse (print) | | Name of Witness (print) | |
| Address of Spouse | | Address of Witness | |
| City | | City | |
| Province | Postal Code | Province | Postal Code |