

Effective date of rider: «Date»

Annexed and incorporated into Plan number:

Annuitant: "Annuitant"

Locked-In Registered Retirement Savings Plan Contract Provisions – PBSA Federal

This rider will form part of the RSP declaration of trust (the "Plan") if the annuitant has requested that the Plan be registered as a locked-in retirement savings plan (hereinafter referred to as "Locked-in RRSP"). The Plan will be modified as such:

1. For the purpose of this rider, the term "Act" means the *Pension Benefits Standards Act, 1985* (Canada) and the word "Regulation" means the *Pension Benefits Standards Regulations, 1985* under the Act.
2. For the purpose of this rider, the terms "LIF", "immediate life annuity", "deferred life annuity", "Locked-in RRSP", "restricted LIF", "restricted Locked-in RSP", "transfer" and "financial institution" have the same meanings as are respectively given to these terms in the Regulation, and the terms "spouse" and "common-law partner" have the same meanings as given to these terms in the Act.
3. Notwithstanding anything to the contrary contained in the Plan, including any amendments forming a part thereof, the terms "spouse" and "common-law partner" do not include any person who is not recognized as such for the purpose of any provision of the *Income Tax Act* (Canada) respecting registered retirement savings plans.
4. Subject to paragraph 5 of this rider, all funds invested in the Plan, including all investment earnings, that are subject to any transfer to or from the Plan, as defined by this rider, 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.
5. No transfer of the sums invested in the Plan is permitted except:
 - a) to transfer to another Locked-in RRSP;
 - b) to transfer to a plan if the plan permits such a transfer and if the plan administers the benefits attributed to the transferred funds as if the benefits were those of a plan member with two years' membership in the plan;
 - c) to purchase an immediate life annuity or a deferred life annuity in accordance with subsection 146(1) of the *Income Tax Act* (Canada);
 - d) to transfer to a LIF or to a restricted LIF.
6. A lump sum may be paid to the annuitant where a physician certifies that due to mental or physical disability, the life expectancy of the annuitant is likely to be shortened considerably.
7. Except as provided in subsection 25(4) of the Act, the sums invested in the Plan may not be assigned, charged, anticipated or given as security and any transaction purporting to assign, charge, anticipate or give as security is void.
8. The Trustee hereby affirms that the sums invested in the Plan will be invested in a manner that complies with the rules for the investment of money in a RRSP, as stipulated in the *Income Tax Act* (Canada).
9. The Trustee, on receipt of an application from the annuitant, will refund an amount in order to reduce the amount of tax otherwise payable under Part X.I of the *Income Tax Act* (Canada).
10. No part of the funds shall be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the annuitant or the parent, brother, sister or child of the annuitant or the spouse of any such person.
11. Before transferring the sums invested in the Plan to another financial institution, the Trustee will advise the transferee financial institution in writing of the locked-in status of the funds and shall make its acceptance of the transfer subject to the conditions provided for in the Act.
12. The annuitant will be permitted, subject to the conditions set out in paragraph 20(1)(d)(i) to (iii) of the Regulation, to withdraw, in a calendar year, an amount up to the lesser of the amount determined by the formula set out in paragraph 13 and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year under this paragraph or under paragraph 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation.

13. The amount referred to in paragraph 12 is determined by the following formula:

$M + N$

where:

M= the total amount of the expenditures that the annuitant expects to make on medical or disability-related treatment or adaptive technology for the calendar year; and

N= the greater of zero and the amount determined by the formula $P - Q$, where P is 50% of the Year's Maximum Pensionable Earnings, and Q is two thirds of the annuitant's total expected income for the calendar year determined in accordance with the *Income Tax Act* (Canada), excluding withdrawals in the calendar year under paragraph 12.

14. The annuitant may, upon application in accordance with this paragraph, withdraw all the sums invested in the Plan if:

- (i) when the annuitant signs the application, he/she is a non-resident of Canada;
- (ii) the application is made at least 24 months after his/her date of departure from Canada; and
- (iii) the annuitant provides a written determination from the Canada Revenue Agency that he/she is a non-resident for the purposes of the *Income Tax Act* (Canada).

15. On the death of the annuitant, the balance in the Plan is to be paid:

- a) to the surviving spouse of the annuitant by:
 - i) transferring the funds to another Locked-in RRSP;
 - ii) transferring the funds to a plan, if the plan permits such a transfer and if the plan administers the benefits attributed to the transferred funds as if the benefits were those of a plan member with two years' membership in the plan;
 - iii) using the funds to purchase an immediate life annuity or a deferred life annuity in accordance with paragraph 60 (l) of the *Income Tax Act* (Canada); or

- iv) transferring the funds to a LIF or to a restricted LIF.
- b) if there is no surviving spouse, by way of a lump sum payment to the designated beneficiary; or
- c) if there is no valid designation of beneficiary, to the annuitant's estate.

16. No money that is not locked-in will be transferred to or held under the Plan.

17. The method and factors that are to be used to establish the value of the Plan, or the balance of the Plan for the purpose of:

- a) a transfer of assets;
- b) the purchase of a life annuity contract; and
- c) a payment or transfer on death of the annuitant

are set out in the Plan's provisions.

18. If the annuitant has not provided the Trustee with the necessary documentation to start a pension, the Trustee will, before the end of the calendar year in which the annuitant reaches 71 years of age:

- a) purchase an immediate life annuity contract, as stipulated in the *Income Tax Act* (Canada), for the annuitant; or
- b) transfer the funds to an acknowledged LIF, which is registered as a RIF under the *Income Tax Act* (Canada).

19. Where pension benefit credit transferred to the Plan was not varied according to the sex of the plan member, an immediate life annuity or a deferred life annuity purchased by the funds accumulated in the Plan shall not differentiate as to sex.

20. The Trustee hereby affirms the provisions contained in the Plan.

21. The conditions of this rider will take precedence over the provisions in the Plan in the case of conflicting or inconsistent provisions.



**Locked-In Registered Retirement Savings Plan
(Locked-in RRSP) Rider**

A handwritten signature in black ink, appearing to read 'Denis Ricard', written over a light grey circular stamp.

Denis Ricard
President

A handwritten signature in black ink, appearing to read 'Caroline Gilbert'.

Caroline Gilbert
Director

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