Effective date of the rider:

Annexed and incorporated into Plan number:

Annuitant:

Locked-in Retirement Income Fund Rider – Newfoundland and Labrador

This rider will form part of the RIF declaration of trust (the “Plan”) if the Annuitant has requested, or where the Annuitant has attained age 71 on a registered contract and has not selected another option, that the Plan be registered as a locked-in retirement income fund (hereinafter referred to as “LRIF”). The Plan will be modified as such:

1. For purposes of this rider, the words:
   - "Act" means the *Pension Benefits Act* (Newfoundland and Labrador), as amended from time to time;
   - "Regulations" means the *Pension Benefits Act Regulations* passed under the Act, as amended from time to time;
   - “financial institution” means the underwriter, depository or issuer of a LRIF;
   - “fiscal year” means a fiscal year of the LRIF;
   - “LRIF” means a registered retirement income fund established in accordance with the *Income Tax Act* (Canada), known as a Locked-in Retirement Income Fund, that is locked-in in accordance with the Regulations and meets the conditions set out in Directive No.17 issued under the Act;
   - “life annuity contract” means an arrangement made to purchase through a person authorized under the laws of Canada or a province to sell annuities as defined in the *Income Tax Act* (Canada), a non-commutable pension, in accordance with Directive No.6 issued under the Act, that will not commence before that person attains the age of 55 years, or, if that person provides evidence to the satisfaction of the financial institution that the plan or any of the plans from which the money was transferred provided for payment of the pension at an earlier age, that earlier age;
   - “list” means the appropriate list established and maintained under section 18 of the Regulations;
   - “Annuitant” refers to the term “owner” in the Directive No.17 issued under the Act which means the member or former member of a pension plan who has made a transfer pursuant to section 40 of the Act to a LRIF and, unless otherwise stated, includes the spouse or former spouse of the member or former member if the spouse or former spouse is entitled to a pension benefit as a result of the death of the member or former member or as a result of marriage breakdown;
   - “spouse” refers to the term “principal beneficiary” in the Directive No.17 issued under the Act which means the spouse of a member or former member, or where the member or former member has a cohabiting partner, the member or former member’s cohabiting partner; and
   - “Superintendent” means the Superintendent of Pensions (Newfoundland and Labrador).

2. Notwithstanding anything to the contrary contained in this rider, including the Plan forming a part thereof, “spouse” does not include any person who is not recognized as a spouse or common-law partner for the purpose of any provision of the *Income Tax Act* (Canada) respecting a registered retirement income funds (“RRIF”).

3. Subject to paragraph 21 of this rider, all money, including all investment earnings, that is subject to any transfer to or from the LRIF is 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 Regulations.

4. The money in the LRIF will be invested in a manner that complies with the rules for the investment of registered retirement income fund (“RRIF”) money pursuant to the *Income Tax Act* (Canada) and the regulations thereunder, and the money will not 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 a such person.

5. The money in the LRIF may not be assigned, charged, anticipated or otherwise given as security and is exempt from execution, seizure or attachment and any transaction purporting to assign, charge, anticipate or otherwise give the money as security is void.

6. The value of the LRIF shall be the fair market value of the LRIF, at the relevant time, for the purpose of :
   i. the death of a person entitled to payment;
   ii. the establishment of a life annuity; and
   iii. the transfer of assets from the LRIF.

7. The fiscal year of the LRIF ends on December 31 of each year and shall not exceed twelve (12) months.

8. Payment out of the LRIF must not begin before the earlier of age 55 or the earliest date on which the Annuitant could receive a pension benefit under the Act or the originating registered pension plan from which money was transferred and not later than the last day of the second fiscal year.

9. The Annuitant must decide the amount to be paid out of the LRIF each year, either at the beginning of the fiscal year or at another time agreed to by the Trustee, and the decision expires at the end of the fiscal year to which it relates.

10. If the Annuitant does not decide the amount to be paid out of the LRIF for a year, the minimum amount determined in paragraph 15 of this rider shall be deemed to be the amount paid.

11. The amount of income paid out of the LRIF during a fiscal year must not be exceed "maximum", being the greatest of:
    i. the income, gains and losses earned from the time the LRIF was established to the end of the most recently completed fiscal year and, with respect to any money in the LRIF that is derived directly from money transferred from a life income fund ("LIF"), the income, gains and losses earned in the final complete fiscal year of the LIF under the LIF, less the sum of all income paid to the Annuitant from the LRIF;
    ii. the income, gains and losses earned in the immediately previous fiscal year; and
    iii. if the payment is being made in the fiscal year in which the LRIF was established or in the fiscal year immediately following its establishment, 6% of the fair market value of the LRIF at the beginning of that fiscal year.

12. Subject to the following paragraph of this rider, the Annuitant is entitled to receive additional temporary income where:
    i. the total pension income received by the Annuitant for the calendar year in which the application is made, calculated as "B" under the following paragraph of this rider, is less than 40% of the year's maximum pensionable earning ("YMPE") under the *Canada Pension Plan* ("CPP") for the calendar year in which the application is made; and
    ii. the Annuitant has not reached his or her 65th birthday at the beginning of the fiscal year in which he or she makes application for additional temporary income.

13. The amount of the additional temporary income paid out of the LRIF in a fiscal year must not exceed the "maximum temporary income" in the following formula:

    Maximum Temporary Income = A – B

    in which

    A = 40% of the YMPE under the CPP for the calendar year in which an application is made; and

    B = the total pension income to be received by the Annuitant from all LIFs, LRIFs, life annuities and pension plans governed by Newfoundland and Labrador pension benefits legislation or established by or governed by an act of Canada or a Province, except income from a pension under the *Canada Pension Plan*.

14. An application for additional temporary income under paragraph 13 of this rider shall be:
    i. on a form approved by the Superintendent;
    ii. where the Annuitant is a former member of a pension plan, accompanied by the written consent of the spouse of the former member; and
    iii. submitted to the Trustee at the beginning of the fiscal year of the LRIF, unless otherwise permitted by the Trustee.

15. The amount of income paid out of the LRIF during a fiscal year must not be less than the minimum amount prescribed for registered retirement income funds under the *Income Tax Act* (Canada) and where the maximum amount is less than the minimum amount required by the *Income Tax Act* (Canada), the minimum amount will be paid.

16. For the initial year of the LRIF, the "maximums" in paragraphs 11 and 13 of this rider 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.

17. If a part of the LRIF purchased at the beginning of a fiscal year corresponds to sums transferred directly or indirectly during the same year from another LRIF or life income fund of the Annuitant, the "maximum" in paragraphs 11 and 13 of this rider shall be deemed to be zero, except to the extent that the *Income Tax Act* (Canada) requires payment of a higher amount.

18. Notwithstanding any provision in this rider, a lump sum or a series of payments may be made to the Annuitant from the sums invested in the LRIF if a medical practitioner certifies that, due to a mental or physical disability, the life expectancy of the Annuitant is likely to be shortened considerably, but where the Annuitant is a former member of a pension plan, such payment may only be made if the spouse of the former member has waived the joint and survivor pension entitlement in a form and a manner provided by the Superintendent.

19. A lump sum payment equal to the value of the entire LRIF may, on application by the Annuitant to the Trustee, be made if, at the time the Annuitant signs the application,
    i. he or she has reached the earlier of age 55 or the earliest date on which he or she would have been entitled to receive a pension benefit under the registered pension plan from which money was transferred; and
    ii. the value of all assets in all LIFs, LRIFs and Locked-In Retirement Accounts ("LIRAs") owned by him or her and governed by Newfoundland and Labrador pension benefits legislation is less than 40% of the YMPE under the CPP for that calendar year.

20. An application under the preceding paragraph of this rider shall be:
    i. on a form approved by the Superintendent; and
    ii. where the Annuitant is a former member of a pension plan, accompanied by a waiver of the spouse of joint and survivor pension entitlement, in the form and manner required by the Superintendent.

21. The Annuitant of the LRIF may transfer, to the extent permitted by the *Income Tax Act* (Canada), all or part of the assets in it:
    i. to another locked-in retirement income fund;
    ii. to a life income fund;
    iii. to purchase an immediate life annuity pursuant to paragraph 60(l) of the *Income Tax Act* (Canada) and that meets the requirements of the Superintendent; or
    iv. before December 31st in the year in which the Annuitant reaches 71 years of age, to a locked-in retirement account.

22. Prior to transferring property from the LRIF under any provision of this rider, the Trustee shall withhold an adequate amount to satisfy the minimum amount payable to the Annuitant in the particular fiscal year, as required, and in accordance with paragraph 146.3(2)(e) of the *Income Tax Act* (Canada).

23. The Trustee agrees to make such transfer referred in paragraph 21 of this rider within thirty (30) days after receipt of the Annuitant's request. Such transfer does not apply with respect to the transfer of assets held as securities whose term of investment extends beyond the thirty (30) day period.

24. If the assets in the LRIF consist of identifiable and transferrable securities, the Trustee may transfer the securities with the consent of the Annuitant.

25. On the death of the Annuitant who has a spouse, the surviving spouse, or where there is no surviving spouse or the surviving spouse had waived entitlement in the form and manner required by the Superintendent, a designated beneficiary, or where there is no designated beneficiary, the estate of the Annuitant is entitled to receive a lump sum payment of the full value of the LRIF.

26. Where the Annuitant is not a former member, the full value of the LRIF shall be paid to the designated beneficiary or, where there is no beneficiary, to the Annuitant's estate.

27. Subject to paragraph 28 of this rider, the Trustee shall not amend the LRIF except where the Trustee has given the Annuitant of the LRIF at least ninety (90) days notice of a proposed amendment.

28. An amendment that would result in a reduction in the Annuitant's benefits under the LRIF is permitted only where:
    i. the Trustee is required by law to make the amendment; and
    ii. the Annuitant is entitled to transfer the balance in the LRIF in accordance with the terms of the LRIF that existed before the amendment is made.

29. When making an amendment under paragraph 28 of this rider, the Trustee shall:
    i. notify the Annuitant of the LRIF of the nature of the amendment; and
    ii. allow the Annuitant at least ninety (90) days after the notice is given to transfer all or part of the balance in the LRIF.

30. Notice under paragraphs 27 and 29 of this rider shall be sent by registered mail to the Annuitant's address as set out in the records of the Trustee.

31. At the beginning of each fiscal year, the Trustee shall provide the following information to the Annuitant:
    i. the sums deposited, the accumulated earnings, the payments made out of the LRIF and the fees charged against it during the previous fiscal year;

ii. the balance in the LRIF;
iii. the minimum amount that must be paid out of the LRIF to the Annuitant during the current fiscal year; and
iv. the maximum amount that may be paid out of the LRIF to the Annuitant during the current fiscal year.

32. If the balance of the LRIF is transferred as described in section 21 of this rider, the Annuitant must be given the information described in section 31 of this rider determined as of the date of the transfer.

33. If the Annuitant dies before the balance of the LRIF is used to purchase an immediate life annuity, the person entitled to receive the balance in the LRIF must be given the information described in section 31 of this rider, determined as of the date of the Annuitant's death.

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

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

Denis Ricard
President

Caroline Gilbert
Director

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