Locked-In Retirement Account Rider

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Effective date of the rider: «Date»

Annexed and incorporated into Plan number: «Plan»
(hereinafter referred to as the "Plan")

Annuitant: «annuitant»
(hereinafter referred to as the "annuitant")

Locked-in Retirement Account Rider - Ontario

This rider will form part of the RSP declaration of trust (the "Plan") if the annuitant has requested that this Plan be registered as a locked-in retirement account (hereinafter referred to as "LIRA"). In case of contradiction between this rider and the Pension Act, the latter shall prevail.

1. In this rider, the words "annuity", "deferred life annuity", "financial institution", "former member", "life annuity", "life annuity contract", "life income fund", "locked-in retirement account", "member", "pension", "pension plan" and "spouse" shall have the same meaning as are respectively given to these words under the Ontario Pension Benefits Act and the underlying regulations (hereinafter referred to as the "Pension Act"), as amended from time to time. The words "locked-in" means a legislative or contractual requirement that the money, except as provided in the Pension Act, may only be converted into a life or a deferred life annuity that conforms with the Pension Act.

2. Notwithstanding anything to the contrary contained in the Plan, including any riders forming a part thereof, "spouse" does not include any person who is not recognized as a "spouse" or as a "common law partner" for the purposes of any provision of the *Income Tax Act* (Canada) and the underlying regulations (hereinafter referred to as the "Act").

3. The annuitant acknowledges that the money being transferred to the Plan is subject to the locking-in provisions of the Pension Act.

4. The money transferred to the Plan, including all investment earnings, shall be locked-in during the lifetime of the annuitant, and shall be used to provide or secure a pension as required by the Pension Act.

5. All investments of money in the Plan shall be qualified investments for Registered Retirement Savings Plans (hereinafter referred to as an "RRSPs") under the *Income Tax Act* (Canada).

6. Except as provided in the Pension Act, the money in the Plan may not be assigned, charged, anticipated or given as security and is exempt from execution, seizure or attachment and any transaction purporting to assign, charge, anticipate or give as security the money is void.

7. The fair market value of the assets held under the Plan as determined by the Trustee in good faith shall be used to calculate the balance of the money and assets held under the Plan.

8. Money in the Plan may not be commuted, withdrawn or surrendered in whole or in part, except as permitted by section 49 or 67 of the Pension Act, or section 22.2 or Schedule 1.1 of the Regulation. Any transaction in contravention of this paragraph is void.

9. Prior to using the balance of the Plan to receive an immediate life annuity contract, the annuitant may transfer all or part of the balance:
   a) to another LIRA;
   b) to a LIF that is governed by Schedule 1.1 of the Regulation;
   c) for the purchase of an immediate life annuity contract in accordance with paragraph 60(I) of the Income Tax Act (Canada) and that also meets the requirements of section 22 of the Regulation;
   d) to the pension fund of a pension plan registered under the pension benefits legislation in any Canadian jurisdiction or to a pension plan provided by a government of Canada.

   Any life annuity purchased may not vary according to the annuitant's sex if the commuted value of the pension benefit that was directly or indirectly transferred into the Plan was determined in a manner that did not differentiate on the basis of sex.

10. When a life annuity contract is purchased by an annuitant who has a spouse on the date when the pension commences, the pension to be provided shall be a joint pension under which no less than 60% of the pension will continue to the survivor for the survivor's lifetime following the death of the annuitant or the annuitant's spouse, unless the spouse waives the entitlement to the survivor's pension by filing the appropriate waiver forms prescribed under the Pension Act.

11. The annuity payment under the life annuity contract purchased for monies transferred from the Plan may not begin before the earliest date on which the annuitant is entitled to receive pension benefits under the Pension Act, or the earliest date on which the annuitant is entitled to receive pension benefits under any pension plan from which monies were transferred to this Plan.

12. Before transferring money to another financial institution, the Trustee shall:
    a) ensure that that transfer is permitted under the Pension Act;
    b) advise the transferee financial institution of the locked-in status of the money; and
    c) receive an undertaking from the transferee financial institution to deal with the money in accordance with the locking-in provisions of the Pension Act.

13. Notwithstanding paragraph 4 of this rider, the annuitant may, upon application in accordance with the Pension Act, withdraw all the money in the Plan or transfer the assets to an RRSP or a Registered Retirement Income Fund (hereinafter referred to as an "RRIF") if, when the annuitant signs the application,
    a) the annuitant is at least fifty-five (55) years of age; and
    b) the value of all assets in all life income funds, locked-in retirement income funds and LIRA owned by him or her is less than 40 per cent (%) of the Year's Maximum Pensionable Earnings for that calendar year.

14. Notwithstanding paragraph 4 of this rider, the annuitant may, upon application in accordance with the Pension Act, withdraw the money in the Plan if, 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 if the application is made at least twenty-four (24) months after his or her date of departure from Canada.

15. Notwithstanding paragraph 4 of this rider, the annuitant may, upon application in accordance with the Pension Act, withdraw all or part of the money in the Plan if, when the annuitant 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 (2) years.

16. Notwithstanding paragraph 4 of this rider, the annuitant may, upon application and in accordance with the Pension Act, withdraw all or part of the money in the Plan 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 paragraph during a calendar year in respect of a particular person.

17. For the purpose of paragraph 16 of this rider, the application must specify the amount to be withdrawn from the Plan. The minimum amount that may be withdrawn from the Plan 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.

18. If the maximum amount calculated under paragraph 17 of this rider is less than $500, no withdrawal is permitted with respect to the application.

19. Notwithstanding paragraph 4 of this rider, the annuitant may, upon application and in accordance with the Pension Act, withdraw all or part of the money in the Plan,
    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.

20. For the purpose of paragraph 19 of this rider, only one application may be made during a calendar year and the application must specify the amount to be withdrawn from the Plan.

21. For the purpose of paragraph 19 of this rider, the minimum amount that may be withdrawn from the Plan 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.

22. If the maximum amount calculated under paragraph 21 of this rider is less than $500, no withdraw from the Plan is permitted with respect to the application.

23. Notwithstanding paragraph 4 of this rider, the annuitant may, upon application and in accordance with the Pension Act, withdraw all or part of the money in the Plan 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.

24. For the purpose of paragraph 23 of this rider, only one application may be made during a calendar year and the application must specify the amount to be withdrawn from the Plan.

25. For the purpose of paragraph 23 of this rider, the minimum amount that may be withdrawn from the Plan 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.

26. If the maximum amount calculated under paragraph 25 of this rider is less than $500, no withdraw from the Plan is permitted with respect to the application.

27. Notwithstanding paragraph 4 of this rider, the annuitant may, upon application and in accordance with the Pensions Act, withdraw all or part of the money in the Plan 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 2/3 per cent or less of the Year's Maximum Pensionable Earnings for the year in which the application is signed.

28. For the purpose of paragraph 27 of this rider, only one application may be made during a calendar year and the application must specify the amount to be withdrawn from the Plan.

29. For the purpose of paragraph 27 of this rider, the minimum amount that may be withdrawn from the Plan 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.

30. If the maximum amount calculated under paragraph 29 of this rider is less than $500, no withdraw from the Plan is permitted with respect to the application.

31. On the death of the annuitant, the money in the Plan shall:
    a) if the annuitant is survived by a spouse, if he or she was a member or a former member and if on the date of his or her death, his or her spouse was not living separate and apart from him or her,
        i) be paid to the spouse;
        ii) be applied to purchase a life or a deferred annuity contract in accordance with paragraph 60(l) of the *Income Tax Act* (Canada) for the annuitant's spouse; or
        iii) be transferred to an RRSP or an RRIF in accordance with the *Income Tax Act* (Canada).

    b) if the annuitant is not survived by a spouse or if he or she was not a member or a former member or if on his or her death, his or her spouse was living separate and apart from him or her,
        i) be paid to the annuitant's designated beneficiary; or
        ii) if no beneficiary has been designated, be paid to the annuitant's estate.

32. The Trustee, on receipt of an application from an 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).

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

Denis Ricard
President

Caroline Gilbert
Director

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