

**LEAGUE SAVINGS & MORTGAGE
RETIREMENT SAVINGS PLAN**

Addendum to RRSP
DNR No. 421-1
PBSA, 1985 Locked-in
RRSP (12/ 2010)

AGREEMENT UNDER
THE *PENSION BENEFITS STANDARDS ACT, 1985*
FOR LOCKED-IN PENSION TRANSFERS TO
A LOCKED-IN REGISTERED RETIREMENT SAVINGS PLAN (Locked-in RRSP)

WHEREAS the undersigned Applicant has applied for a Locked-In RRSP, as indicated above (hereinafter referred to as this Plan) carried by League Savings and Mortgage Company (the Carrier) to receive and hold funds governed by the *Pension Benefits Standards Act, 1985* (the Act) and Regulations (the Regulations) thereto.

AND WHEREAS the Carrier has agreed to apply for registration of this Plan, as a Registered Retirement Savings Plan (RRSP), with the Canada Revenue Agency (CRA) and to accept the funds referred to, and to make such payments to the Applicant as permitted by the Act and the Regulations and as requested by the Applicant.

NOW IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Applicant and the Carrier that the full amount of funds originating from

_____ Pension Plan to this Plan, inclusive of all future investment earnings and gains or losses accruing thereto, shall be governed firstly by the terms and provisions of this Agreement and thereafter by this Plan as approved by the (CRA), from time to time, effective from the time of transfer of the locked-in funds to this Plan.

1. For the purposes of this Agreement the word "Act" means the *Pension Benefits Standards Act, 1985* and the word "Regulations" means Regulations to the *Pension Benefits Standards Act, 1985*.

Numeric references throughout this Agreement refer to sections or subsections of the Regulations unless otherwise specified.

2. For the purposes of this Agreement:

"spouse" will have the same meaning as given to the word in Section 1 of the Act Includes a person who is party to a void or, in Quebec, null marriage with the individual.

"common-law partner" will have the same meaning as given to the word in Section 1 of the Act, means a person who is cohabiting with the individual in a conjugal relationship, having so cohabited for a period of at least one year.

Notwithstanding anything contrary contained in this Agreement, including any endorsement forming a part thereof, "spouse" does not include any person who is not recognized as a "spouse" or "common-law partner" for the purposes of any provision of the *Income Tax Act (Canada)* (*Income Tax Act*) respecting Registered Retirement Savings Plans.

"financial institution", "Life Income Fund (LIF)", "locked-in registered retirement savings plan (locked-in RRSP)" and "immediate life annuity contract", have the same meanings as are respectively given to these words in the subsection 2(1).

3. All money in this Plan, including all investment earnings, that is subject to any transfer shall 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 section 20.

4. Such money in this Plan may not be assigned, charged, anticipated or given as security except as permitted by subsection 25(4) of the Act and that any transaction purporting to assign, charge, anticipated or give such money transferred as security, except as permitted by the Act, is void.

5. Such money in this Plan will be invested in a manner that complies with the rules for investment of RRSP money contained in the *Income Tax Act*.

6. If such money is paid out from this Plan contrary to the Act or this Agreement, the Carrier shall provide to the Applicant or ensure the provision of a pension in a manner and in the amount that would have been provided had the money not been paid out.

7. The pension to be provided to the Annuitant with a spouse at the date when the Annuitant commences the pension is to be such joint life pension as would, if the Annuitant were a former member, be in compliance with section 22 of the Act, unless the spouse waives the entitlement in the form and manner prescribed.

8. On the death of the Annuitant with a spouse, such money in this Plan shall be paid to the surviving spouse by

- (i) transferring the funds to another Locked-in RRSP;
- (ii) using the funds to purchase an immediate life annuity,
- (iii) transferring the funds to a pension plan, or
- (iv) transferring the funds to a life income fund or restricted life income fund.

Where there is no surviving spouse, the proceeds of this Plan are payable to the designated beneficiary or, if there is no valid designation of beneficiary, the personal representative of the estate in their representative capacity.

9. The Carrier will not accept any funds into this Plan that are not locked-in under the provisions of the Act.

10. If the Annuitant has not provided the Carrier with the necessary documentation to commence payment of a pension, the Carrier shall, before the end of the calendar year in which the Annuitant attains the age of 71 years, purchase an immediate life annuity contract for the Annuitant or provide for a pension in compliance with the Act and the Regulations.

11. Where the commuted value of a pension benefit which was transferred to this Plan was determined in a manner that did not differentiate on the basis of sex, the life annuity purchased with the funds in this Plan shall not differentiate on the basis of the sex of the Annuitant.

12. The Annuitant will be allowed to transfer all or part of the balance of this Plan to:
- (a) another locked-in RRSP on the relevant conditions specified in this Agreement,
 - (b) a registered pension plan,
 - (c) an immediate life annuity, or
 - (d) a life income fund or restricted life income fund.
13. As provided in paragraph 20(1)(d), the Annuitant of this Plan may withdraw an amount determined in subsection 20(1.1) minus any amount withdrawn in the calendar year from any locked-in RRSP or under paragraph 20.1(1)(m) life income fund, paragraph 20.2(1)(e) restricted locked-in savings plan and 20.3(1)(m) restricted life income fund; provided
- a) the Annuitant certifies that he/she has not made a withdrawal that year from any locked-in RRSP or under paragraph 20.1(1)(m) life income fund, paragraph 20.2(1)(e) restricted locked-in savings plan and 20.3(1)(m) restricted life income fund, other than within 30 days before this certification, and
 - b) in the event the value of M in subsection 20(1.1) is greater than zero,
 - i. the Annuitant certifies the he/she expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Annuitant's total expected income for that calendar year determined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year under paragraph 20(1)(d) from any locked-in RRSP or under paragraph 20.1(1)(m) life income fund, paragraph 20.2(1)(e) restricted locked-in savings plan and 20.3(1)(m) restricted life income fund, and
 - ii. a physician certifies that such medical or disability-related treatment or adaptive technology is required, and,
 - iii. the Annuitant provides the Carrier with a copy of Form 1 and Form 2 of Schedule V.

14. The amount referred to clause 13 of the Agreement is determined by the following formula:

$$M + N$$

Where:

M is the total amount of expenditures that the Annuitant expects to make on medical or disability-related treatment or adaptive technology for the calendar year, and

N is the greater of zero and the amount determined by the formula:

$$P - Q$$

Where:

P is 50% of the Year's Maximum Pensionable Earnings (YMPE), and

Q is two thirds of the Annuitant's total expected income for the calendar year determined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year under paragraph 20(1)(d) locked-in RRSP or under paragraph 20.1(1)(m) life income fund, paragraph 20.2(1)(e) restricted locked-in savings plan and 20.3(1)(m) restricted life income fund.

15. The funds in this Plan may be paid out to the Annuitant as a lump-sum where a physician certifies that owing to mental or physical disability the life expectancy of the Annuitant is likely to be shortened considerably
16. Where the Annuitant has ceased to be a resident of Canada for at least 2 calendar years, the funds in this Plan may be paid to the Annuitant in a lump sum. An Annuitant is deemed to have been a resident of Canada if he/she sojourned in Canada in the year for a period of, or periods the total of which is, 183 days or more.
17. Where this Plan includes identifiable and transferable securities, the transfer or purchase referred paragraph 12 to this Agreement may, unless otherwise stipulated, at the option of the Carrier and with the consent of the owner, be effected by remittance of the investment securities of the contract.
18. This Plan must comply with the conditions for registration under the *Income Tax Act* and, once registered, must remain registered.

By execution of this Agreement the Carrier undertakes to administer the transferred locked-in funds and all subsequent earnings on these funds in accordance with the provisions of this Agreement.

By execution of this Agreement the Applicant hereby agrees to abide by the provisions stated and to waive any right to request amendment of this Locked-in RRSP or of this Agreement to receive any funds except as expressly provided for herein.

Executed at the _____ of _____ in the Province of _____
 this _____ day of _____, A.D. 20_____.

APPLICANT _____ WITNESS _____

By: League Savings and Mortgage Per: _____
 Per: _____

ANNUITANT IDENTIFICATION (Please Print) NAME: _____ ADDRESS: _____ _____ CONTRACT NUMBER _____
--