

**LEAGUE SAVINGS AND MORTGAGE  
RETIREMENT INCOME FUND**

Addendum to RRIF  
DNR No. 210

AGREEMENT UNDER  
THE PENSION BENEFITS STANDARDS ACT, 1985  
FOR LOCKED-IN PENSION TRANSFERS TO  
**A LIF (Life Income Fund)**

**WHEREAS** the undersigned Applicant has applied for a Retirement Income Fund, as indicated above (hereinafter referred to as the 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 the Plan as a Registered Retirement Income Fund, with Revenue Canada, Taxation 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 Owner and 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 the Plan as approved by Revenue Canada, Taxation from time to time.

Upon receipt of locked-in money the Carrier further declares as follows:

1. (a) For the purposes of this Addendum, the word "Act" means the Pension Benefits Standards Act, 1985 and the word "Regulations" means Regulations to the Pension Benefits Standards Act, 1985.  
(b) Numeric references throughout this Addendum refer to sections or sub-sections of the Regulations unless otherwise specified.
2. For the purposes of this Addendum "spouse" means either of a man and woman who
  - (i) are married to each other,
  - (ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity,
  - (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the twelve-month period immediately preceding the date of entitlement, or
  - (iv) not being married to each other and neither being married to another person have lived together as husband and wife for three years and are living together as husband and wife at the relevant time;

"pension" means a pension benefit that is in payment;

The words "financial institution", "fiscal year", "LIF", "locked-in RRSP", "life annuity contract", "list", "owner", "RRIF", "surviving spouse owner", "transfer" and "acknowledged LIF" have the same meanings as are respectively given to these words in the sub-section 2(i) of the Regulations, provided that the definition of "Life Annuity Contract" is also in compliance with the definition as stipulated in paragraph 146(1) of the Income Tax Act
3. Notwithstanding anything to the contrary contained in this Plan, including any endorsements forming a part thereof, "spouse" does not include any person who is not recognized as a spouse for the purposes of any provision of the Income Tax Act (Canada) respecting Registered Retirement Income Funds.
4. All money, 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 of the Regulations.
5. Such money may not be assigned, charged, or given as security except as permitted by sub-section 25(4) of the Act and that any transaction purporting to assign, charge or give such money transferred as security is void.
6. Such money will be invested in a manner that complies with the rules for the investment of RRIF money contained in the Income Tax Act (Canada) and the regulations thereunder and will not be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the owner of the LIF or the parent, brother, sister or child of the owner of the LIF or the spouse of any such person.
7. If such money is paid out contrary to the Act or this Agreement, the Carrier shall provide to the owner 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.
8. The Carrier shall ensure that the transferee financial institution's name and LIF are on the list for LIFS,
9. That the Carrier, before transferring money to another financial institution, shall advise the transferee financial institution in writing of the locked-in status of the money to be transferred and shall ensure that the transferee financial institution makes its acceptance of the transfer subject to the conditions provided for in this Agreement.
10. If the Carrier does not comply with clauses (8) or (9) and the transferee financial institution fails to pay the money transferred in the form of a pension or in the manner required or permitted by this Agreement, the Carrier shall not transfer such money and shall provide to the owner or ensure the provision of the pension referred to in clause (7).
11. The pension to be provided to an owner with a spouse, other than a surviving spouse owner, at the date when the owner commences the pension is to be such joint life pension as would, if the owner were a former member, be in compliance with Section 17 of the Act, unless the spouse waives the entitlement in the form and manner prescribed.
12. On the death of an owner with a spouse, such money shall be paid to the surviving spouse by
  - (i) transferring the funds to another Life Income Fund,
  - (ii) using the funds to purchase an immediate life annuity, or
  - (iii) transferring the funds to a locked-in registered retirement savings plan.
13. Money that is not locked-in shall not be transferred to or held under a LIF unless the locked-in money is to be held in a separate account which will contain only locked-in money.
14. If the owner has not provided the Carrier holding the contract with the necessary documentation to commence payment of a pension, the Carrier shall, before the end of the calendar year in which the owner attains the age of 80 years, purchase an immediate life annuity contract for the owner or provide for a pension in compliance with the Act and the Regulations.
15. Where the commuted value of a pension benefit which was transferred to a LIF was determined in a manner that did not differentiate on the basis of sex, the life annuity purchased with the funds in the LIF shall not differentiate on the basis of the sex of the recipient.
16. Subject to clause (18), prior to using the balance of the LIF to purchase an immediate life annuity contract, the owner will be allowed to transfer all or part of the balance of the LIF
  - (a) to another acknowledged LIF, on the relevant conditions specified in this Agreement,
  - (b) to an acknowledged locked-in RRSP on the relevant conditions specified in Section 21.
17. At any time prior to the date referred to in clause (18) the owner will be allowed to use all or part of the balance of the LIF to purchase an immediate life annuity contract that meets the conditions of Section 21.
18. The balance of the LIF must be used to purchase an immediate life annuity contract that meets the conditions of Section 21 not later than December 31 of the year in which the owner attained the age of 80 years.
19. On or within a period after the death of the owner, the balance in the LIF shall be paid to or for the benefit of the surviving spouse owner or, if there is no surviving spouse owner, the designated beneficiary or, if there is no valid designation of beneficiary, the personal representatives of the estate in their representative capacity.
20. The fiscal year ends on December 31 in each year and never exceeds 12 months.
21. The owner of the LIF shall be paid an income from the LIF, the amount of which may vary annually.
22. Payment of the income from the LIF to the owner will commence on a date not later than the last day of the second fiscal year.
23. The method and factors that are to be used to establish the value of the LIF or the balance of the LIF 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 owner

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the current balance, as of the date of the transaction, of all individual deposits forming part of the particular LIF are added together and the resulting total is increased by any additional interest that is payable and reduced by any interest adjustments or fees that may apply.

24. The owner shall establish the amount of income to be paid during each fiscal year at the beginning of that fiscal year and after the receipt of the information specified in clause 33 except that if the Carrier guarantees the rate of return of the LIF over a period that is greater than one year and that ends at the end of a fiscal year, then the owner may establish the amount of income to be paid during that period at the beginning of that period.
25. The amount of income paid during a fiscal year is not less than the minimum amount required to be paid under the Income Tax Act (Canada) and does not exceed M, with that symbol being calculated in accordance with the following formula:  

$$\frac{C}{F} = M$$
where  
C = the balance of the money in the LIF on the first day of the fiscal year, and  
F = the value on January 1 of the year in which the calculation is made of an amount of which the annual payment is \$1 payable at the beginning of each fiscal year between that date and December 31 of the year during which the owner attains the age of 90 years.
26. For the initial fiscal year, the minimum amount to be paid, as referred to in clause (25) is set at zero and the limit M is adjusted in proportion to the number of months in the fiscal year divided by 12, with any part of an incomplete month counting as one month.
27. If the money in the LIF is derived from money transferred directly or indirectly during the first fiscal year from another LIF of the owner, the limit M is equal to zero except to the extent that the Income Tax Act (Canada) requires the payment of higher amount.
28. If in any fiscal year an additional transfer is made to the LIF and that additional transfer has never been under a LIF before, an additional withdrawal will be allowed in that fiscal year.
29. The additional amount of withdrawal referred to in clause (28) will not exceed the maximum amount that would be calculated under this Agreement if the additional transfer were being transferred into a separate contract and not the existing LIF with clause (26) applying.
30. The value F in clause (25) is calculated by using  
(a) an interest rate of not more than 6% per year, or  
(b) for the first 15 years after the date of valuation, an interest rate exceeding 6% per year if that rate does not exceed the interest rate obtained on long-term bonds carried by the Government of Canada for the month of November preceding the year of the valuation, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series B-14013, and using an interest rate not exceeding 6% in subsequent years.
31. Where, in the application of clause (24), the amount of income to be paid to the owner is fixed at an interval of more than one year, clauses (25), (26), (27) and (30) will apply with such modifications as the circumstances require to determine, at the date of the beginning of the first fiscal year in the interval, the amount of Income to be paid for each fiscal year in that interval.
32. Where the LIF includes identifiable and transferable securities, the transfer or purchase referred to in clauses (16), (17) and (18) may, unless otherwise stipulated, at the option of the Carrier and with the consent of the owner, be effected by remittance on the investment securities of the contract.
33. The Carrier agrees to provide:  
(a) to the owner, at the beginning of each fiscal year, information on  
(i) the sums deposited, the investment income earned, the payments made out of the LIF and the fees charged against it during the previous fiscal year,  
(ii) the balance in the LIF, and  
(iii) the minimum amount that must, and the maximum amount that may, be paid out of the LIF to the owner during the current fiscal year;  
(b) to the owner, if the balance in the LIF is transferred as described in clause (16), the information described in clause (a), as of the date of the transfer; and  
(c) to the person entitled to receive the balance, if the owner dies before the balance in the LIF is used to purchase a life annuity contract or is transferred under clause (16), the information described in clause (a) as of the date of death.
34. The LIF may provide for the withdrawal of money as a lump sum or as a series of payments where a physician certifies that due to mental or physical disability, the life expectancy of the owner is likely to be shortened considerably if the owner provides evidence to the satisfaction of the Carrier that the plan or any of the plans from which the money was transferred, provided for such withdrawal.
35. The LIF must comply with the conditions for registration under the Income Tax Act (Canada) and, once registered, must remain registered.

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

By execution of this Agreement, the Applicant (Owner) hereby agrees to abide by the provisions stated and to waive any right to request amendment of the Contract or of this Agreement to receive any funds except as expressly provided for herein.

Applicant further certifies: (Strike out if not applicable)  
I have no spouse

My spouse \_\_\_\_\_ concurs in the transfer of funds from my deferred pension benefit to this plan as signified by his/her signature below.

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

By the OWNER (APPLICANT) \_\_\_\_\_ WITNESS \_\_\_\_\_

**CERTIFICATE BY SPOUSE**

I, \_\_\_\_\_ spouse of the within applicant have been informed of the implications of this transfer and signify my agreement thereto by my signature given at the \_\_\_\_\_ of \_\_\_\_\_ in the Province of \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ A.D. 20\_\_\_\_\_.

SPOUSE \_\_\_\_\_ WITNESS \_\_\_\_\_

By: League Savings and Mortgage Company Per: \_\_\_\_\_

Per: \_\_\_\_\_

<b>OWNER IDENTIFICATION (Please Print)</b>	
Name:	_____
Address:	_____ _____
Contract #:	_____