

ADDENDUM TO THE RETIREMENT SAVINGS PLAN DECLARATION OF TRUST ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT

Nova Scotia (LIRA)

1. What the Words Mean: Please remember that in this Addendum, “I”, “me” and “my” mean the individual who has signed the Application as the applicant for and plan owner of the Plan and who is the “annuitant” as defined in the *Income Tax Act* (Canada) and “Trustee” means the trustee for the Plan.

Please also remember that in this Addendum:

“**Declaration of Trust**” means the Retirement Savings Plan Declaration of Trust I have entered into with the Trustee;

“**Pension Act**” means the *Pension Benefits Act* of Nova Scotia, as changed or replaced from time to time;

“**Property**” means, collectively, all investment property (including all income earned on and all proceeds of that property) held under the Plan from time to time;

“**Regulations**” means the *Pension Benefits Regulations* in force under the Pension Act, as changed or replaced from time to time; and

“**Trustee**” means The Royal Trust Company or Royal Trust Corporation of Canada, as applicable, pursuant to the Declaration of Trust and having an address at Royal Trust Tower, 155 Wellington Street West, 20th Floor, Toronto, ON M5V 3K7.

As well, the words “**life annuity contract**” and “**transfer**” have the same meanings given to them in the Pension Act and the Regulations.

The other words used in this Addendum have the same meaning given to them in the Declaration of Trust. I will refer to the Declaration of Trust if I need to when reading those words. The words used in Schedule 3 which is attached to and forms a part of this Addendum have the same meanings given to them in Schedule 3.

I agree with the Trustee as follows:

2. General Terms: This Addendum will form part of the Declaration of Trust and will apply to the Plan and all Property. If there is a conflict between this Addendum and the Declaration of Trust, this Addendum will prevail.

3. LIRA: The Trustee will maintain the Plan as a LIRA according to the requirements of the Pension Act, the Regulation and the *Income Tax Act* (Canada). If there is a conflict between this Addendum and the Pension Act, the Regulations or the *Income Tax Act* (Canada), the Pension Act, the Regulations, or the *Income Tax Act* (Canada), as applicable, will prevail.

4. Reliance on Information: The Trustee is entitled to rely upon information provided by me in my application to:

- (a) purchase the Plan; and
- (b) withdraw money from the Plan, including excess amounts, as that term is defined in the Pension Act and Regulations. An application that meets the requirements of the Pension Act and Regulations constitutes an authorization to the Trustee to make the payment or transfer from the Plan in accordance with the Pension Act and Regulations, including the payment of excess amounts from the Plan. The Trustee is required to make the payment or transfer to which I am entitled no later than 30 days after it receives the completed application, and any additional information relating to the application and accompanying documents that the Trustee considers necessary to assist in understanding the documents or verifying their authenticity.

5. Investment of Property: The Property in the Plan will be invested in accordance with my instructions in a manner that complies with the rules for the investment of RRSP money contained in the *Income Tax Act* (Canada) and the regulations thereunder.

6. Amendment: The Trustee will not amend this Addendum except as provided in Schedule 3 and the Regulations.

7. Valuation: The value of the Property on the date I sign an application must be determined using the most recent statement about the Plan given to me and dated no earlier than 1 year before the date I sign the application. The methods and factors that are to be used to establish the value of the Plan for the purpose of a transfer of Property, the purchase of a life annuity contract, and a payment or transfer on my death, will be the standard methods and factors employed by the Trustee to determine the fair market value of the Plan at the time such transfer, purchase or payment is made by the Trustee.

8. Differentiation on the Basis of Sex: [Check one below]

- The commuted value of the pension benefit transferred to the Plan was determined on a basis that differentiated on the basis of sex.
- The commuted value of the pension benefit transferred to the Plan was not determined on a basis that differentiated on the basis of sex.

9. Disclosure: The Trustee agrees to provide the information described in section 4 of Schedule 3 to the persons described therein.

10. Transfers from the Plan: The Property in the Plan may be transferred as provided in Schedule 3, including to purchase an immediate or deferred life annuity, in accordance with the definition of retirement income in subsection 146(1) of the *Income Tax Act* (Canada), and provided by a person authorized under the laws of Canada or a province to sell annuities as defined in section 248 of the *Income Tax Act* (Canada) under an insurance contract, provided that the annuity does not commence on a date earlier than 10 years prior to the earliest normal retirement date provided under any of the registered pension plans from which the Property has been transferred and that commences by December 31 of the year in which the I attain the maximum age for the commencement of a retirement income as prescribed by the *Income Tax Act* (Canada), the Pension Act and the Regulations from time to time.

11. No Assignment or Commutation: Except as provided in the Pension Act:

- (a) the Property in the Plan may not be assigned, charged, alienated, anticipated or given as security, and any transaction purporting to assign, charge, alienate, anticipate or give the Property as security is void; and
- (b) the Property in the Plan may not be commuted or surrendered during my lifetime, and any transaction purporting to surrender or commute the Property in the Plan is void, except where an amount is required to be paid to reduce the amount of tax otherwise payable under Part X.1 of the *Income Tax Act* (Canada).

Schedule 3: Nova Scotia LIRA Addendum

(Pension Benefits Regulations)

Note: This document is Schedule 3 to the *Pension Benefits Regulations* (Nova Scotia). It forms part of the regulations and must be read, construed and interpreted in conjunction with the Pension Benefits Act and its regulations.

Definitions for this Schedule

1 In this Schedule,

"Act" means the *Pension Benefits Act*;

"domestic contract", as defined in Section 2 of the regulations, means a written agreement referred to in, and for the purpose of, Section 74 of the Act, or Section 14 of the *Pooled Registered Pension Plans Act*, that provides for a division between spouses of any pension benefit, deferred pension, pension, LIRA or LIF, and includes a marriage contract as defined in the *Matrimonial Property Act*;

"federal Income Tax Act", as defined in Section 2 of the regulations, means the *Income Tax Act* (Canada) and, unless specified otherwise, includes the regulations made under that Act;

"owner" means any of the following persons, as set out in subsection 200(2) of the regulations, who has purchased a LIRA:

- (i) a former member who is entitled to make a transfer under clause 61(1)(b) of the Act,
- (ii) a spouse of a person who was a member, and who is entitled to make transfer under clause 61(1)(b) of the Act,
- (iii) a person who has previously transferred an amount under clause 61(1)(b) of the Act into a LIRA or LIF,
- (iv) a person who has previously transferred an amount into a LIRA as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act,
- (v) a spouse who is entitled to transfer a lump sum as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act;
- (vi) if the funds in the account of a pooled registered pension plan are used for the purchase, a person who transfers the amount in accordance with the *Pooled Registered Pension Plans Act* and the *Pooled Registered Pension Plans Regulations*;

"regulations" means the *Pension Benefits Regulations* made under the Act;

"spouse", as defined in the Act, means either of 2 persons 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 12-month period immediately preceding the date of entitlement,
- (iv) are domestic partners within the meaning of Section 52 of the *Vital Statistics Act*, or
- (v) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least
 - (A) 3 years, if either of them is married, or
 - (B) 1 year, if neither of them is married; and

"Superintendent", means the Superintendent of Pensions, as defined in the Act;

Note Re Requirements of the *Pension Benefits Act* and *Regulations* and the *Pooled Registered Pension Plans Act* and its regulations

Prohibitions on transactions from Section 91 of Act

Under Section 91 of the Act, money held in a LIRA must not be commuted or surrendered in whole or in part except as permitted by this Schedule and the regulations including, without limiting the generality of the foregoing, the following Sections of the regulations:

- Sections 211 through 230, respecting withdrawal in circumstances of financial hardship
- Section 231, respecting withdrawal in circumstances of considerably shortened life expectancy
- Section 232, respecting withdrawal in circumstances of non-residency
- Section 233, respecting withdrawal of small amounts at age 65
- Section 198, respecting the transfer of an excess amount, as defined in that Section.

Pursuant to subsection 91(2) of the Act and subsection 12(2) of the *Pooled Registered Retirement Savings Plans Act*, any transaction that contravenes Section 91 of the Act or subsection 12(2) of the *Pooled Registered Retirement Savings Plans Act* is void.

Value of assets in LIRA subject to division

The value of the assets in a LIRA is subject to division in accordance with all of the following:

- an order of the Supreme Court of Nova Scotia that provides for a division of a pension benefit, a deferred pension or a pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the *Pooled Registered Retirement Savings Plans Act*
- a domestic contract that provides for the division of a pension benefit, deferred pension or pension under Section 74 of the Act, or a division of the funds in pooled registered pension plan account under Section 14 of the *Pooled Registered Retirement Savings Plans Act*
- the regulations

Money held in LIRA

The following requirements are set out in the *Pension Benefits Act* and are applicable to LIRAs governed by this Schedule:

- Money held in a LIRA must not be assigned, charged, or given as security except as permitted by subsection 88(3) of the Act, Section 90 of the Act, subsection 12(3) of the *Pooled Registered Retirement Savings Plans Act* or Section 13 of the *Pooled Registered Retirement Savings Plans Act*, and any transaction purporting to assign, charge, anticipate or give the money in the LIRA as security is void.
- Money held in a LIRA is exempt from execution, seizure or attachment except for the purpose of enforcing a maintenance order as permitted by Section 90 of the Act or Section 13 of the *Pooled Registered Retirement Savings Plans Act*.

Transferring assets from LIRAs

2 (1) An owner of a LIRA may transfer all or part of the assets in the LIRA to any of the following:

- (a) the pension fund of a pension plan registered under the pension benefits legislation in any Canadian jurisdiction or to the pension fund of a pension plan provided by a government in Canada;
- (b) a LIRA held by another financial institution;
- (c) a LIF;
- (d) a life annuity.
- (e) a pooled registered pension plan.

- (2) The date of a transfer under subsection (1) must not be later than 30 days after the owner requests it, unless any of the following apply:
 - (a) the financial institution providing the LIRA does not have all the information necessary to complete the transaction, in which case the 30-day period begins to run from the date the financial institution has all the necessary information;
 - (b) the transfer is in respect of assets held as securities whose term of investment extends beyond the 30-day period.
- (3) If assets in a LIRA consist of identifiable and transferable securities, the financial institution providing the LIRA may transfer the securities with the consent of the owner of the LIRA.
- (4) A financial institution providing a LIRA must advise the financial institution to which the assets of the LIRA are transferred
 - (a) that the assets were held in a LIRA in the current year; and
 - (b) whether the assets were determined in a manner that differentiated on the basis of sex.
- (3) For the purposes of subsection (1), the value of the assets in a LIRA includes all accumulated investment earnings, including any unrealized capital gains and losses, of the LIRA from the date of death until the date of payment.
- (4) A spouse is not entitled to receive the value of the assets in a LIRA under clause (1)(a) if the owner of the LIRA was not
 - (a) a member or former member of a pension plan from which the assets were transferred, directly or indirectly, to purchase the LIRA.
 - (b) a member of a pooled registered pension plan from which the assets were transferred, directly or indirectly, to purchase the LIRA.
- (5) A spouse who, as of the date the owner of a LIRA dies, is living separate and apart from the owner without a reasonable prospect of resuming cohabitation, is not entitled to receive the value of the assets in the LIRA under clause (1)(a) if any of the following conditions apply:
 - (a) the spouse delivered a written waiver to the financial institution in accordance with Section 6 of this Schedule;
 - (b) the terms of a written agreement respecting the division of the LIRA that was entered into before the date of the owner's death disentitle, or do not expressly or impliedly entitle, the spouse to receive an amount under the LIRA;
 - (c) the terms of a court order issued before the owner's death disentitle, or do not expressly or impliedly entitle, the spouse to receive an amount under the LIRA.

Information to be provided by financial institution on transfers of assets of LIRAs

- 3 If the assets in a LIRA are transferred, the financial institution providing the LIRA must give the owner the information required by Section 4 of this Schedule, determined as of the date of the transfer.

Information to be provided annually by financial institution

- 4 At the beginning of each fiscal year of a LIRA, a financial institution providing the LIRA must provide all of the following information to the owner about their LIRA as of the end of the previous fiscal year:
- (a) with respect to the previous fiscal year,
 - (i) the sums deposited,
 - (ii) any accumulated investment earnings, including any unrealized capital gains or losses,
 - (iii) the payments made out of the LIRA,
 - (iv) any withdrawals from the LIRA,
 - (v) the fees charged against the LIRA;
 - (b) the value of the assets in the LIRA at the beginning of the fiscal year of the LIRA.

Death benefits

- 5 (1) If the owner of a LIRA dies, the following are entitled to receive a benefit equal to the value of the assets in the LIRA, subject to subsections (4) and (5):
- (a) the owner's spouse;
 - (b) if there is no spouse or if the spouse is disentitled under subsection (4) or (5), the owner's named beneficiary;
 - (c) if there is no named beneficiary, the personal representative of the owner's estate.
- (2) For the purposes of subsection (1), a determination as to whether an owner of a LIRA has a spouse must be made as of the date the owner dies.

- (6) The benefit described in subsection (1) may be transferred to a registered retirement savings arrangement in accordance with the federal *Income Tax Act*

Waiver of entitlement to death benefits by spouse

- 6 (1) A spouse of an owner of a LIRA may waive their entitlement to receive a benefit described in Section 5 of this Schedule from the LIRA, by delivering, any time before the death of the owner, a written waiver in an approved form to the financial institution providing the LIRA.
- (2) A spouse who delivers a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date the owner of the LIRA dies.

Information to be provided by financial institution on death of owner

- 7 If the owner of LIRA dies, the financial institution providing the LIRA must give the information required by Section 4 of this Schedule, determined as of the date of the owner's death, to any person who is entitled to receive the assets in the LIRA under subsection 5(1) of this Schedule.

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