

**Addendum to
Retirement Savings Plan Declaration of Trust
for Locked-In Pension Transfers to a
Locked-In Retirement Account (Newfoundland and Labrador)**

Upon receipt of locked-in money, The Canada Trust Company (the “**Trustee**”) further declares as follows:

1. For the purposes of this Addendum, the word “**Act**” means the *Pension Benefits Act* (Newfoundland and Labrador), the word “**Directives**” means the Directives issued under the Act, and the word “**Regulations**” means the Regulations made under the Act (the Act, Directives and Regulations collectively referred to as the “**Applicable Pension Legislation**”).
2. For the purposes of this Addendum, the words “**cohabiting partner**”, “**former member**”, “**former spouse**”, “**life income fund**”, “**locked-in retirement account**”, “**locked-in retirement income fund**”, “**member**”, “**pension**”, “**pension benefit**”, “**pension plan**”, “**principal beneficiary**”, “**spouse**” and “**Superintendent**” have the same meanings as are respectively given to these words in the Applicable Pension Legislation.
3. For the purposes of the Addendum, the word “**owner**” means the member or former member of a pension plan who is the annuitant (as defined in subsection 146(1) of the *Income Tax Act* (Canada) (“**Income Tax Act**”)) of the Plan and, unless otherwise stated, includes the principal beneficiary or former principal beneficiary of the member or former member if the principal beneficiary or former principal beneficiary 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.
4. Notwithstanding anything to the contrary contained in this Addendum, including any endorsements 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* respecting retirement savings plans registered under the *Income Tax Act*.
5. Subject to the provisions of this Addendum, all money in the Plan, including all investment earnings thereon (collectively the “**Locked-in Amount**”) that is subject to any transfer to or from the Plan is to be used to provide or secure a pension that would, but for the transfer and previous transfers, if any, be required by the Applicable Pension Legislation.
6. The Locked-in Amount shall not be transferred from the Plan, except:

- (a) on or before December 31st in the year in which the owner reaches the age at which a pension benefit is required to begin under the Income Tax Act, to transfer the money to the pension fund of a registered pension plan subject to the Act or to a registered pension plan subject to the pension benefits legislation of a designated province, as defined in the Act, or of Canada;
 - (b) on or before December 31st in the year in which the owner reaches the age at which a pension benefit is required to begin under the Income Tax Act, to transfer the money to another LIRA that meets the requirements of this Directive;
 - (c) to purchase a life annuity contract that is provided by a person authorized under the laws of Canada or a province to sell annuities as defined in subsection 146(1) of the Income Tax Act under an insurance contract that meets the requirements of Directive No. 4 and Directive No.6, commencing not before the person who is to receive the pension benefit obtains the earlier of;
 - (i) age of 55 years, or
 - (ii) the earliest date on which the owner would have been entitled to receive a pension benefit under the pension plan from which the money was transferred to the LIRA.
 - (d) to transfer the money to a LIF that meets the requirements of Directive No. 5; or
 - (e) to transfer the money to a LRIF that meets the requirements of Directive No.17.
7. The Locked-in Amount may not be assigned, charged, anticipated or given as security and any transaction purporting to assign, charge, anticipate or give as security the Locked-in Amount is void, except as permitted by section 37 of the Regulations.
 8. Except as provided in Part VI of the Act, the Locked-In Amount shall not be commuted or surrendered during the lifetime of the owner and any transaction purporting to surrender or commute the Locked-In Amount is void.
 9. The Locked-in Amount shall be invested in a manner that complies with the rules of investment pertaining to registered retirement savings plans contained in the Income Tax Act; and will not be invested directly or indirectly in any mortgage in respect of

which the mortgagor is the owner or the parent, brother, sister or child of the owner or the principal beneficiary of any of those persons.

10. If money is paid out contrary to the Applicable Pension Legislation, the Trustee will provide or ensure the provision of a pension benefit equal in value to the pension benefit that would have been provided had the money not been paid out.
11. The Trustee shall not permit any subsequent transfer of the Locked-in Amount, except,
 - (a) where the transfer would be permitted under the Act or the Income Tax Act;
and
 - (b) the transferee financial institution agrees to administer the amount transferred as a pension benefit in accordance with the Act.
12. The Trustee will advise any transferee financial institution in writing that the Locked-in Amount transferred must be administered as a pension benefit under the Applicable Pension Legislation.
13. The pension benefit payable to a former member who has a principal beneficiary at the date the pension commences shall be a joint and survivor pension benefit with at least 60% continuing to be payable to the survivor for life after the death of either unless the principal beneficiary waives the entitlement in the form and manner prescribed by the Superintendent.
14. On the death of a former member of a pension plan who has a principal beneficiary, the surviving principal beneficiary, or where there is no surviving principal beneficiary or the surviving principal beneficiary 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 member or former member is entitled to a lump sum payment of the full value of the Plan.
15. On the death of an owner who is not a former member of a pension plan, the full value of the Plan shall be paid to the designated beneficiary or, where there is no designated beneficiary, to the owner's estate.
16. Money that is not locked-in will not be transferred to or held under the Plan.
17. The Plan is subject, with necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act. Any division of the Locked-in Amount shall be effected in compliance with paragraph 146(16)(b) of the Income Tax Act.

18. Notwithstanding any provision contained herein, the Trustee shall upon receipt of the annuitant's written request, refund to the taxpayer any amount paid to reduce the amount of tax otherwise payable under Part X.1 of the Income Tax Act.
19. Notwithstanding any provision contained herein, the owner may withdraw money as a lump sum or series of payments if a medical practitioner certifies that due to mental or physical disability the life expectancy of the owner is likely to be shortened considerably, but where the owner is a former member of a pension plan such payment may only be made if the principal beneficiary of the former member has waived the joint and survivor pension entitlement in a form and manner prescribed by the Superintendent.
20. Notwithstanding any provision contained herein, on application by the owner to the Trustee for payment, a lump sum payment equal to the value of the Plan may be made to the owner if, at the time that the owner signs the application, the following conditions are met,
 - (a) either:
 - (i) the value of all assets in all LIRAs, LIFs and LRIFs owned by him or her and governed by the Applicable Pension Legislation is less than 10% of the year's maximum pensionable earnings ("YMPE") under the *Canada Pension Plan* ("CPP") for that calendar year; or
 - (ii) the owner has reached the earlier of age 55 or the earliest date on which the owner would have been entitled to receive a pension benefit under a pension plan from which money was transferred, and the value of the owner's assets in all LIRAs, LIFs and LRIFs governed by the Applicable Pension Legislation is less than 40% of the YMPE under the CPP for that calendar year.

and

- (b) within the same calendar year, the owner has not made a withdrawal due to financial hardship under section 22 of this Addendum or, where part of the LIRA corresponds to amounts transferred directly or indirectly from another LIRA, LIF, or LRIF, the owner has not made a withdrawal under section 22 from the original retirement savings arrangement.
21. An application for payment under section 20 of this Addendum shall be
 - (a) on a form approved by the Superintendent, and

- (b) accompanied by a waiver by the principal beneficiary of a former member of a pension plan of joint and survivor pension entitlement, in the form and manner required by the Superintendent.

22. Notwithstanding any provision contained herein, money in the Plan may be withdrawn as a lump sum payment in case of financial hardship, subject to the following:

- (a) an application for a withdrawal due to financial hardship under this section must be made directly to the Trustee;
- (b) the owner may apply for withdrawal due to financial hardship once within a calendar year for each category of financial hardship described in subsection 22(c)(i) in respect of each LIRA, LIF, or LRIF;
- (c) subject to any requirements outlined in this section, an owner is eligible to complete an application to withdraw an amount not greater than the sum of the following amounts:
 - (i) an amount with respect to one of the following categories:
 - (A) Low Income: Where the owner's expected total income for the one-year period following the date on which the application is signed from all sources other than the withdrawal amount, is not more than 66.66% of the YMPE for the calendar year in which the application is signed, the amount determined by subtracting 75% of the expected total income from 50% of the YMPE for the calendar year in which the application for the withdrawal is signed;
 - (B) Medical Expenses: Where the owner is unable to pay for medical expenses incurred or to be incurred by the owner, the owner's principal beneficiary, or a dependent of either of them and the medical expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these medical expenses;
 - (C) Disability-related Expenses: Where the owner is unable to pay for disability-related expenses incurred or to be incurred by the owner, the owner's principal beneficiary, or a dependent of either of them and the expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these disability-related expenses;

- (D) Mortgage Payments: Where the owner or the owner's principal beneficiary has received a written notice in respect of a default on a mortgage that is secured against the principal residence of the owner or the owner's principal beneficiary which will result in foreclosure or power of sale if the default is not rectified, the amount required to rectify the default;
- (E) Rental Arrears: Where the owner or the owner's principal beneficiary has received a written notice in respect of arrears in the payment of rent for the principal residence of the owner or the owner's principal beneficiary and the owner or the principal beneficiary could be evicted if the arrears remain unpaid, the amount required to pay the rental arrears; or
- (F) First Month's Rent and Security Deposit: Where the owner is unable to pay the first month's rent and the security deposit required to rent a principal residence for the owner or the owner's principal beneficiary, the amount required to pay the first month's rent and the security deposit;

and

- (ii) the amount of any applicable tax required to be withheld by the Trustee providing the LIRA.

23. An application for withdrawal under section 22 shall be:

- (a) on a form approved by the Superintendent and shall include any supporting documentation required by the Applicable Pension Legislation, which are specified on the form; and
- (b) where the owner is a former member of a pension plan, accompanied by the written consent of the principal beneficiary of the former member, in the form and manner required by the Superintendent.

24. Notwithstanding any provision contained herein, money in the Plan may be withdrawn as a lump sum payment equal to the value of the entire contract where the owner provides the Trustee with:

- (a) a statutory declaration in accordance with the *Evidence Act* confirming they have resided outside Canada for at least 2 consecutive calendar years and are residing outside of Canada on the date of signing the declaration; and

- (b) where the owner is a former member of a pension plan, the written consent of the principal beneficiary of the former member, in the form and manner required by the Superintendent.
25. If the owner has not provided the Trustee with the necessary documentation to commence a pension, the Trustee will, before the end of the calendar year in which the owner attains the age of 71 years, or such other age as prescribed by the Income Tax Act:
- (a) purchase an immediate life annuity contract for the owner which meets the requirements set out in paragraph 6(c) of this Addendum; or
 - (b) transfer the balance of the Plan to a LIF under which the owner is the annuitant,
- and the owner hereby appoints the Trustee as its attorney in fact to execute all such documents and to make all such elections as are necessary to effect the foregoing.
26. Where the commuted value of a pension benefit which was transferred to the Plan was determined in a manner that did not differentiate on the basis of sex, the immediate or deferred life annuity purchased with the funds in the arrangement shall not differentiate on the basis of the sex of the recipient.
27. The Trustee may, from time to time at its discretion or if required by the Applicable Pension Legislation and/or the Income Tax Act, amend the terms of the Plan with the concurrence of the Superintendent and the Minister of National Revenue if required, and, if applicable, the concurrence of the applicable provincial tax authority, by giving 90 days' notice and explanation of the proposed amendment in writing to the owner; provided, however that any such amendment shall not have the effect of disqualifying the Plan as a registered retirement savings plan within the meaning of the Income Tax Act and any applicable provincial income tax legislation (the "**Applicable Tax Legislation**") and further provided that no amendment that would have the effect of reducing benefits under the Plan will be made unless the owner has the right to transfer the value of the Plan in accordance with section 6 of this Addendum and receives, no less than 90 days before the date on which the owner may exercise that right, a notice indicating the nature of the amendment and the date from which the owner may exercise that right.
28. Notice under section 27 of this Addendum shall either be sent by mail to the owner's address as set out in the Trustee's records or, subject to receiving the authorization of the owner, be delivered to the owner by electronic means provided that the e-communication is accessible by the owner and capable of being retained to be usable for subsequent reference.

29. Notwithstanding the provision of section 27 of this Addendum, the Plan may be amended from time to time without notice to the owner in order that the Plan complies with the Applicable Pension Legislation and the Applicable Tax Legislation.
30. The Trustee hereby affirms the provisions contained in the Declaration of Trust.
31. The conditions of this Addendum will take precedence over the provisions in the Declaration of Trust, in the case of conflicting or inconsistent provisions.
32. The Plan, as amended by this Addendum, shall be governed and construed in accordance with the laws of the Province of Newfoundland and Labrador.

The Trustee requires that the following section be completed prior to issuing the Plan:

I hereby confirm that the commuted value of my pension benefits transferred to my Plan was determined in a matter that **did/did not** (circle as appropriate) differentiate on the basis of sex.

Owner's Signature

Name of Owner (please print)

Newfoundland and Labrador LIRA approved May 2022