MACKENZIE
Investments

Re: Locking-In Supplement for LIF or LRIF

We are pleased to provide you with this Locking-In Supplement which forms part of the Mackenzie Investments Multi-Plan Application and the Mackenzie Retirement Savings Plan Declaration of Trust. This Locking-In Supplement contains additional provisions that govern your B.C. and Alberta Income Fund (LIF) or Newfoundland Locked-In Retirement Income Fund (LRIF).

We ask that you review this Addendum and keep this copy for your records.

If you have any questions regarding this Addendum, please contact your Financial Advisor or Client Relations at 1-800-387-0614.

Thank you for continuing to make Mackenzie Investments a part of your long-term investment plan.

Sincerely,
MACKENZIE INVESTMENTS

Locking-in supplement for a British Columbia and Alberta or Newfoundland LRIF

1. **Definitions:** In this Locking-in Supplement:
   - (a) unless otherwise defined, terms defined in the Declaration have the same meaning in this Locking in Supplement;
   - (b) Declaration: means the declaration of trust creating your Mackenzie Retirement Income Fund;
   - (c) LIF: means a “LIF”, “life income fund” or “life income fund” contract as defined in pension legislation;
   - (d) life annuity: means a “life annuity”, “life annuity contract”, “annuity contract”, “life pension”, “immediate life annuity” and “deferred life annuity”, as defined in pension legislation, that conforms with the Tax Act and pension legislation;
   - (e) Alberta LIF Addendum: means Schedule 2 to the Employment Pension Plan Regulations (Alberta), as amended from time to time;
   - (f) LIRA/Locked-in RSP: means a “LIRA”, “locked-in retirement account” or “locked-in retirement account” contract as defined in pension legislation and where those terms are not defined, means an RRSP that satisfies the conditions under pension legislation for receiving funds that originate from an RPP, other than a RLSP;
   - (g) LRIF: means a “LRIF”, “locked-in retirement income fund” or “locked-in retirement income fund” contract as defined in pension legislation;
   - (h) Maximum Amount: means the maximum amount permitted by pension legislation to be paid to you from your Plan during a calendar year LRIF is more fully described in this Locking-in Supplement;
   - (i) Minimum Amount: means the minimum amount required by the Tax Act to be paid to you from your Plan during a calendar year;
   - (j) pension: means a “pension”, “pension benefit” or “retirement pension” as defined in pension legislation and used in the context of a LIF, LRIF as applicable;
   - (k) pension legislation: means one of the *Employment Pension Plans Act* (Alberta), the *Pension Benefits Standards Act* (British Columbia), the *Pension Benefits Act, 1997* (Newfoundland and Labrador), whichever governs assets transferred or to be transferred to your Plan directly or indirectly from an RPP and for greater certainty, the term pension legislation includes regulations made under that statute;
   - (l) PRRIF: means a “prescribed RRIF” as defined in Manitoba pension legislation or a “registered retirement income fund contract” that meets the requirements of Saskatchewan pension legislation;
   - (m) RLIF: means a “restricted life income fund” as defined in Federal pension legislation;
   - (n) RLSP: means a “restricted locked-in savings plan” as defined in Federal pension legislation;
   - (o) RPP: means a pension plan or a supplemental pension plan governed by pension legislation or established by other legislative authority and registered under the Tax Act;
   - (p) spouse: means a person recognized as your spouse or, where contemplated by pension legislation, your cohabiting partner, common-law partner or pension partner for the purposes of pension legislation in context of a LIF or LRIF, as applicable, provided however that where the context requires, a spouse refers only to a person recognized as a spouse or common-law partner for the purposes of the Tax Act; and
   - (q) YMPE: means the Year’s Maximum Pensionable Earnings as defined in the *Canada Pension Plan*.

2. **Conflict and Compliance:** The provisions of this Locking-in Supplement form part of the Declaration if your Plan is a RRIF and locked-in assets are transferred, or will be transferred to your Plan directly or indirectly Addendum from an RPP. If your Plan is an Alberta LIF, British Columbia LIF, the Alberta LIF Addendum or British Columbia LIF Addendum, as applicable, is incorporated by reference into this Locking-in Supplement and all the provisions of the Alberta LIF Addendum, British Columbia LIF Addendum, as applicable, form part of this Locking-in Supplement. If there is any inconsistency between the provisions of this Locking-in Supplement and the other provisions of the Declaration, the provisions of this Locking-in Supplement, the apply. If there is any inconsistency between the provisions of the Alberta LIF Addendum, British Columbia LIF Addendum, and the other provisions of this Locking-in Supplement, the provisions of the Alberta LIF Addendum or British Columbia LIF Addendum, as applicable, apply. We will comply with all relevant provisions of pension legislation.
3. **Purpose:** We will hold transfers accepted by us for your Plan, investments made with those amounts and any income and capital gains realized in respect of those investments in trust for the purposes of providing you with a pension in accordance with the Tax Act and pension legislation. The assets of your Plan may not be withdrawn, commuted or surrendered except as permitted by the Tax Act and pension law.
4. **Transfers to your Plan:** The only assets that may be transferred to your Plan are assets transferred directly or indirectly from an RPP a LIRA/Locked-in RSP, a RLSP; if permitted by pension legislation, a LIF or LRIF; or another source permitted by the Tax Act and pension legislation from time to time. We will not accept any amount transferred to your Plan: (a) from a source or in circumstances not permitted by the Tax Act and pension legislation; or (b) in circumstances that would require us to begin making payments from your Plan contrary to pension legislation.
5. **Investments:** The investments held in your Plan must comply with the investment rules imposed by the Tax Act for a RRIF.
6. **Retirement Income:** The assets of your Plan will be used to provide you with an income that will begin on or before December 31 of the second fiscal year of your Plan. In each calendar year, the total amount of payments to you from your Plan (including any direct transfers to the issuer of your RRSP, RRIF or life annuity as described by paragraph 15 [Transfers from your LIF or LRIF to a Non-locked-in Plan] of this Locking-in Supplement), may not be less than the Minimum Amount or more than the Maximum Amount, except as otherwise permitted by this Locking-in Supplement. For the first fiscal year of your Plan, the Minimum Amount is zero. For each calendar year you must complete the forms and declarations that we provide and indicate on those forms the amount and frequency of payments to be made during the year, including any portion of the payment to be made in accordance with paragraph 8 [Increasing the Maximum Amount paid to a Young Annuitant] of this Locking-in Supplement. The amount that you specify may vary from year to year.
7. **Calculation of Maximum Amount under a LIF or LRIF:** If your Plan is a LIF or LRIF, the Maximum Amount for a year will not be less than the Minimum Amount and will be calculated as at the beginning of each year according to the formula and other rules in pension legislation and may be recalculated from time to time during the year if permitted by pension legislation. For example:

   If your Plan is a Newfoundland and Labrador LRIF, the Maximum Amount for a year will be the greatest of: (i) the income, gains and losses earned from the time your Plan was established to the end of its last completed fiscal year and with respect to any portion of your Plan that was directly derived from a LIF, the income, gains and losses earned by the LIF in its last complete fiscal year, less all income paid to you from your Plan; (ii) the income, gains and losses earned during the immediately previous fiscal year; and (iii) in the first or second fiscal year of your Plan, 6% of the fair market value of your Plan at the beginning of that fiscal year.

   If permitted or required by pension legislation: (a) the Maximum Amount for the first fiscal year of your Plan will be pro-rated over the number of months remaining in the year, with a part month counting as a full month; (b) if the assets of your Plan are derived from assets transferred directly or indirectly from another LIF or LRIF (as the case may be) of yours, then subject to the requirement to pay the Minimum Amount, the Maximum Amount will be zero for the first fiscal year of your Plan or the fiscal year of transfer or the first fiscal year following that transfer, as required by pension legislation; and (c) the Maximum Amount for a year will be increased if you transfer assets to your Plan during that year that have never before been held in a LIF or LRIF provided the increase is not more than the Maximum Amount that would have applied if the assets had been transferred to a newly established LIF or LRIF.
8. **Increasing the Maximum Amount paid to a Young Annuitant:** Where Newfoundland pension legislation governs your Plan, we will make payments to you from your Plan which, in total, are greater than the Maximum Amount for a year after receiving your written application, in the form required by pension legislation, stipulating the number and amount of payments that you would like to receive if: (a) you were under 65 years of age at the beginning of the year in which the application is made; and (b) the amount requested is not greater than the maximum amount permitted by pension legislation. Your entitlement under this paragraph will be zero for a year if you were less than 54 years of age or more than 64 years of age at the beginning of the year unless Newfoundland and Labrador pension legislation governs your Plan, we will make the payments if: (a) your application stipulates the amount of pension income that you expect to receive from LIFs, LRIFs, life annuities and RPPs (other than Canada Pension Plan income) during the calendar year in which your application is made; (b) your expected pension income, as stated in your application, is less than 40% of the YMPE for the year; (c) your spouse has provided a waiver in the form and manner required by pension legislation; and (d) in the first fiscal year of your Plan, the maximum amount that may be paid under this paragraph is pro-rated over the number of months remaining in the year, with a part month counting as a full month.

9. **Collapsing a Small LIF or LRIF:** If the total value of your Plan and such locked-in assets in such other plans as prescribed by pension legislation does not exceed 50% of the YMPE for the year (or a lesser amount specified by pension legislation) and you have reached age 65 (or a lesser age specified by pension legislation), we will make a lump-sum payment from your Plan equal to the value of your Plan after receiving your request, signed declaration or attestation in the form and manner required by pension legislation and satisfactory evidence that all the necessary conditions stipulated by pension legislation are satisfied. We will endeavour to make the payment within 30 days after receiving satisfactory instructions and any other documentation that we consider necessary.
10. **Collapsing your LIF or LRIF after you become a Non-resident:** (a) your request; (b) any document or information required by pension legislation; and (c) satisfactory written evidence that the Canada Revenue Agency has determined that you are a non-resident of Canada for the purposes of the Tax Act.
11. **Shortened Life Expectancy:** We will make a lump-sum or series of payments to you from your Plan which, in total, may be greater than the Maximum Amount for the years in which payments are made, but only to the extent and in the manner permitted by pension legislation, after receiving: (a) a request; (b) a medical certificate signed by a physician certifying that you are subject to a physical disability or, where contemplated by pension legislation, a terminal illness or mental disability, that considerably reduces life expectancy; where Newfoundland and Labrador pension legislation governs your Plan, a waiver from your spouse in the form and manner required by pension legislation; and (e) any other document or information required by pension legislation. We will endeavour to make a payment within 30 days after receiving satisfactory instructions and any other documentation that we consider necessary.
12. **Low Income/Medical-Related Financial Hardship:** from any LIF – or under the corresponding financial hardship provisions of your LIF, LIRA/Locked-in RSP, (where applicable), if you certify that you have not made a withdrawal in the calendar year under this paragraph – from any LIF or under the corresponding financial hardship provisions of your LIF, LIRA/Locked-in RSP (where applicable) other than within the last 30 days before such certification.
13. **Spousal Payments after Relationship Breakdown:** The assets of your Plan and any life annuity established with the assets of your Plan may be subject to division under family law and pension law. After receiving satisfactory evidence of entitlement and confirmation that a payment is not prohibited by pension law, a payment or payments will be made out of your Plan but only to the extent and in the manner permitted by law: (a) to effect a division of assets provided the payment is made pursuant to applicable marital property legislation; or (b) pursuant to an execution, seizure, attachment or other process of law in satisfaction of an order for support or maintenance. Within the limits permitted by pension legislation, we may deduct from your Plan our cost of complying with an order for support or maintenance.
14. **Spousal Entitlement after Relationship Breakdown:** Your spouse's entitlement to survivor benefits under your Plan will end upon divorce or annulment (and where Québec pension governs your Plan, nullity or dissolution of a civil union) unless your spouse is named as a beneficiary of your Plan. Your spouse's entitlement to survivor benefits under your Plan may end upon separation.
15. **Transfers from your LIF or LRIF to a Non-locked-in Plan:** If your Plan is a LIF or LRIF, the maximum amount that may be transferred in any fiscal year from your Plan to the issuer of your RRSP, RRIF or life annuity that conforms with the Tax Act but does not conform with pension legislation, is the Maximum Amount for the fiscal year.
16. **Other Transfers from your Plan:** Subject to any restrictions imposed by the Tax Act or pension legislation, all or any part of the assets of your Plan may be transferred to the issuer of an RPP, LIRA/Locked-in RSP, RLSP, LIF, PRRIF, LRIF or life annuity. Before transferring assets from your Plan, we will: (a) confirm that the transfer is permitted under pension legislation and the Tax Act; (b) confirm that the issuer of the recipient plan is on the list of acknowledged financial institutions and the recipient plan is on the list of LIRAs/Locked-in RSPs, RLSPs, LIFs, RLIFs or LRIFs if such a list is maintained by the Superintendent of Pensions; (c) notify the issuer of the recipient plan of the locked-in (or, for a transfer to a PRRIF, the non-locked-in) status of the assets being transferred and the pension legislation that governs the assets; and (d) obtain the commitment of the issuer of the recipient plan to administer the transferred assets according to pension legislation. We will comply with any other requirement imposed by pension legislation.
17. **Maturity of a LIF:** If your Plan is a LIF governed by Newfoundland and Labrador pension legislation, any assets held in your Plan on December 31 of the year in which you reach the maximum age for maturity specified by pension legislation must be used to establish an immediate life annuity that conforms with the Tax Act and pension legislation. If we do not receive satisfactory instructions by September 30 of that year, you will be deemed to have instructed us to liquidate the investments of your Plan and use the proceeds on or before December 31 of that year to establish an immediate life annuity selected by us and we will not be liable for any resulting loss.
18. **Life Annuity:** Except for the life annuity referred to in paragraph 15 [Transfers from your LIF or LRIF to a Non-locked-in Plan] of this Locking-in Supplement, a life annuity established with the assets of your Plan must comply with pension legislation in addition to the rules imposed by the Tax Act. A life annuity established with the assets of your Plan must be established for your life. However, if you have a spouse on the date contemplated by pension legislation and the Tax Act, the life annuity must be established for the life of the survivor of you and your spouse unless your spouse is not entitled by virtue of a breakdown of your relationship or a spousal waiver has been provided in the form and manner required by pension legislation and has not been revoked. Your spouse's right to a life annuity as your survivor may be waived in the form and manner stipulated by pension legislation before payments under the life annuity begin. The waiver may be revoked in accordance with pension legislation. Where required by pension legislation, an insurer must guarantee payments under the life annuity but not for a period longer than 90

years minus the age of you or your spouse at the time the life annuity was acquired.

19. **Beneficiary Designation:** The designation of a person other than your spouse as the beneficiary of your Plan will not be valid if you have a spouse who is entitled to survivor benefits under your Plan because of pension legislation. Your spouse's right to be the beneficiary of your Plan may be waived (and the waiver may be revoked) in the form and manner stipulated by pension legislation.
20. **Death:** Following your death, the assets of your Plan will be paid to the person who was your spouse on the date of your death or will be used to provide that person with a pension unless that person is not entitled to survivor benefits under pension legislation. If pension legislation permits or requires that person to receive survivor benefits in a form other than a lump-sum payment, that person may instruct us to: (a) continue the payments referred to in paragraph 6 [Retirement Income] of this Locking-in Supplement to him or her provided that person is the successor annuitant of your Plan; or (b) transfer the assets of your Plan to the issuer of an RRSP, LIRA/Locked-in RSP, RLSP, RRIF, LIF, RLIF, LRIF or life annuity as permitted by pension legislation and the Tax Act. If you did not have a spouse on the relevant date or if your spouse is not entitled to survivor benefits under pension legislation, the assets of your Plan will be paid to your designated beneficiary, if that person was living at the date of your death and if not, to your legal representatives. The assets of your Plan will be paid out of your Plan within 60 days after we receive all releases and other documents that we request. If we have not received satisfactory instructions by that date, we may transfer the assets of your Plan as permitted or required by pension legislation and we will not be liable for any resulting loss.
21. **Other Payments or Transfers:** We will make a lump sum or series of payments or transfers from your Plan not otherwise provided for in this Locking-in Supplement but only in the manner and to the extent specifically permitted by pension legislation and only after receiving your request and any documents and information required by us and pension legislation.
22. **Fiscal Year:** The fiscal year of your Plan will end on December 31 of each year and may not exceed 12 months.
23. **Valuation:** On any given day, the value of your Plan will be determined based on the value of the assets owned by your Plan at the close of business on that day net of any fees or expenses properly chargeable to your Plan.
24. **Statements:** You will be sent a statement of your account together with any additional information required by pension legislation: (a) following the end of each fiscal year of your Plan; (b) as of the date of a transfer of assets out of your Plan; (c) any other time required by pension legislation; and following receipt of your request. Your spouse, designated beneficiary or legal representatives, as applicable, will be given a statement of your account as of the date of your death.
25. **Assignment and Seizure:** The assets of your Plan and payments from your Plan may not be assigned, charged, alienated, anticipated, given as security or subjected to execution, seizure or attachment except as permitted by the Tax Act and pension law. A transaction that is contrary to this paragraph is void.
26. **Amendments:** From time to time we may amend the Declaration (including this Locking-in Supplement) provided that the amendment does not disqualify your Plan as a LIF or LRIF, as applicable, and, if required by law, the amendment is approved by the authorities administering the Tax Act and pension legislation. Where Newfoundland and Labrador pension legislation governs your Plan, no amendment will be made that will reduce your benefits under your Plan unless the amendment is required to cause your Plan to comply with the law. Amendments that do not reduce your benefits but are required to ensure that your Plan continues to comply with the law will be effective without notice, unless Newfoundland and Labrador pension legislation governs your Plan. Any other amendment will be effective not less than 30 days' (or 90 days' where required by pension legislation) after notice has been provided to you. Where required by pension legislation, you will also be provided with notice of your entitlement to transfer assets out of your Plan. Where Newfoundland and Labrador pension legislation governs your Plan, notice will be sent by registered mail.

Locking-in Supplement Revised: September 2015

Alberta LIF Addendum

IMPORTANT NOTES:

If your Plan is an Alberta LIF, the Alberta LIF Addendum (which is Schedule 2 to the Employment Pension Plans Regulations (Alberta)) forms an integral part of the Declaration that governs your Plan. As required by Alberta Pension Legislation, Schedule 2 is reproduced below.

Part 1 – General Interpretation

Interpretation

1. (1) The following terms, used in this addendum, have the meanings respectively given them as indicated below, except where the context otherwise requires:
   - (a) "Act" means the *Employment Pension Plans Act* (SA 2012 cE 8.1);
   - (b) "designated beneficiary", in relation to the owner of this life income fund, means a beneficiary designated under section 71(2) of the *Wills and Succession Act;*
   - (c) "life annuity" means a non commutable arrangement to provide, on a deferred or immediate basis, a series of periodic payments for the life of the annuity holder or for the lives jointly of the annuity holder and the annuity holder's pension partner;
   - (d) "life income fund issuer" means the issuer of this life income fund;
   - (e) "life income fund maximum amount", in relation to the income that may be paid out of a life income fund to an owner in a calendar year, means the greatest of
     - (i) the life income fund minimum amount for that year,
     - (ii) the preceding year's life income fund investment returns, and
     - (iii) the amount determined by the following formula:

$$\frac{\text{life income fund balance}}{\text{withdrawal factor}}$$

where

"CANSIM rate", in relation to a period of not more than 12 months for which interest is payable, means the rate of interest on long term bonds issued by the Government of Canada for the month of November preceding the year in relation to which the withdrawal factor is being calculated, determined by reference to the Canadian Socio Economic Information Management System (CANSIM) Series V 122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada;

"life income fund balance", in relation to a life income fund, means

(i) in the calendar year in which the fund is established, the balance of the fund as at the date on which the fund is established, and

(ii) in every subsequent calendar year, the balance of the fund as at January 1 of the calendar year in which the calculation is made;

"withdrawal factor" means the actuarial present value, on January 1 of the year in which the calculation is made, of an annuity of $1 payable at the beginning of each year between that date and December 31 of the year during which the owner reaches the age of 90 years and calculated by using

(i) for the first 15 years in relation to which the actuarial present value is determined, the greater of the following:

(A) 6% per year;

(B) the CANSIM rate;

(ii) for each year after the first 15 years, 6% per year;

(f) "life income fund minimum amount", in relation to the income that may be paid out of a life income fund to an owner in a calendar year, means the minimum amount of income that, under the *Income Tax Regulations* (Canada), is required to be paid out of the member's life income fund in that year;

(g) "locked in money" means

(i) money in a pension plan the withdrawal, surrender or receipt of which is restricted under section 70 of the Act,

(ii) money transferred under section 99(1) of the Act, and

(iii) money to which clause (a), applies, that has been transferred out of the plan, and any interest on that money, whether or not that money had been transferred to one or more locked in vehicles after it was transferred from the plan,

and includes money that was deposited into this life income fund under section 135(1)(a) of the Regulation or paid to the life income fund issuer under section 135(1)(b) or (2) of the Regulation;

(h) "member owner" means an owner of a locked in vehicle if

(i) the owner was a member of a pension plan, and

(ii) the locked in vehicle contains locked in money from that plan;

(i) "owner" means a member owner or a pension partner owner;

(j) "pension partner" means a person who is a pension partner within the meaning of subsection (2);

(k) "pension partner owner" means an owner of a locked in vehicle if

(i) the locked in vehicle contains locked in money from that plan, and

(ii) the pension partner owner's entitlement to the locked in money in the locked in vehicle arose by virtue of

(A) the death of the member of a pension plan or a member owner, or

(B) a breakdown of the marriage between the pension partner owner and the member of a pension plan, or the pension partner owner and the member owner;

(l) "Regulation" means the Employment Pension Plans Regulation;

(m) "this life income fund" means the life income fund to which this addendum applies.

(2) Persons are pension partners for the purposes of this addendum on any date on which one of the following applies:

(a) they

(i) are married to each other, and

(ii) have not been living separate and apart from each other for a continuous period longer than 3 years;

(b) if clause (a) does not apply, they have been living with each other in a marriage like relationship

(i) for a continuous period of at least 3 years preceding the date, or

(ii) of some permanence, if there is a child of the relationship by birth or adoption.

(3) Terms used in this addendum and not defined in subsection (1) but defined generally in the Act or Regulation have the meanings assigned to them in the Act or Regulation.

Part 2 – Transfers In and Transfers and Payments Out of Life Income Fund

Limitation of deposits to this account

2. (1) Subject to subsection (2), the only money that may be deposited in this life income fund is

(a) locked in money from a pension plan if

(i) this life income fund is owned by a member owner, or

(ii) this life income fund is owned by a pension partner owner

(b) money deposited by the life income fund issuer under section 135(1)(a) of the Regulation or paid to by the life income fund issuer for deposit to this life income fund under section 135(1)(b) or (2) of the Regulation, or

(c) money deposited by the life income fund issuer from a locked in retirement account under section 114(2) of the Regulation or from another life income fund under section 132(1) of the Regulation.

(2) The issuer of the life income fund must not accept a transfer to the life income fund of locked in money unless the original or a certified copy of the signed waiver form in Form 7, 10, 14 or 15, as applicable, has been provided to the life income fund issuer.

Payments out

3. (1) The owner of this life income fund must, at the beginning of each calendar year, notify the life income fund issuer in writing of the amount of income that is to be paid out of the life income fund during that year, which amount must accord with subsection (5).
   (2) Subject to subsection (3), the owner of this life income fund may, at any time that money is transferred to this life income fund, notify the life income fund issuer in writing of the amount of income that is to be paid out of the life income fund during that year, which amount must accord with subsection (5).
   (3) The additional payment in subsection (2) may not be made if the money that transferred into this life income fund was previously in another life income fund or a life income type benefits account.
   (4) The owner of this life income fund may, at any time during a calendar year, change the amount of income that is to be paid out of the life income fund during that year to a different amount that accords with subsection (5).
   (5) There must be paid from a life income fund in each calendar year an amount of income that accords with the following:
      (a) not less than the life income fund minimum amount applicable to the owner for that year;
      (b) not more than the life income fund maximum amount applicable to the owner for that year.

Limitation on withdrawals from this account

4 (1) Money in this life income fund, including investment earnings, is for use in the provision of retirement income.
   (2) Despite subsection (1), money may be withdrawn from this life income fund in the following limited circumstances:
      (a) by way of a transfer to another life income fund on the relevant conditions specified in this addendum;
      (b) to purchase a life annuity in accordance with section 7(1);
      (c) by way of a transfer to a pension plan if the plan text document of the plan allows the transfer;
      (d) in accordance with Part 4 of this addendum.
   (3) Without limiting subsections (1) and (2) and in accordance with in section 72 of the Act, money in this life income fund must not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment.
   (4) The life income fund issuer must comply with any applicable requirements of the Act and the Regulation before allowing a payment or transfer of any of the money in this life income fund.

General liability on improper payments or transfers

5. If the life income fund issuer pays or transfers money from this life income fund contrary to the Act or the Regulation,
   (a) subject to clause (b), the life income fund issuer must,
      (i) if less than all of the money in this life income fund is improperly paid or transferred, deposit into this life income fund an amount of money equal to the money that had been improperly paid or transferred, or
      (ii) if all of the money in this life income fund is improperly paid or transferred, establish a new life income fund for the owner and deposit into that new life income fund an amount of money equal to the amount of money that had been improperly paid or transferred,
   or
   (b) if
      (i) the money is transferred out of this life income fund to an issuer that is authorized under the Regulation to issue life income funds,
      (ii) the act or omission that is contrary to the Act or the Regulation is the failure of the life income fund issuer to advise the transferee issuer that the money is locked in money, and
      (iii) the transferee issuer deals with the money in a manner that is contrary to the manner in which locked in money is to be dealt with under the Act or the Regulation,
   the life income fund issuer must pay to the transferee issuer, in accordance with the requirements of the Act and the Regulation relating to transfers of locked in money, an amount equal to the amount dealt with in the manner referred to in subclause (iii).

Remittance of securities

6. (1) If this life income fund holds identifiable and transferable securities, the transfers referred to in this Part may, unless otherwise stipulated in the contract to which this is an addendum, be effected, at the option of the life income fund issuer and with the consent of the owner, by the transfer of any such securities.
   (2) Subject to section 2, there may be transferred to this life income fund identifiable and transferable securities, unless otherwise stipulated in the contract to which this is an addendum, if that transfer is approved by the life income fund issuer and consented to by the owner.

Restrictions on transfers

7. (1) The money in this life income fund must not be transferred to an insurance company for the purchase of a life annuity unless
      (a) there is no differentiation amongst the annuitants on the basis of gender, and
      (b) if the member owner has a pension partner,
         (i) the life annuity is in the form of a joint and survivor pension as described in section 90(2) of the Act, or
         (ii) in the case of a life annuity that is different from the form of pension described in subclause (i), a waiver in Form 11 signed by the member owner's pension partner and provided to the life income fund issuer not more than 90 days before the transfer.
   (2) The money in this life income fund must not be transferred to a locked in retirement account.

Part 3 – Death of Owner

Transfers on death of owner who was a pension plan member

8. (1) If a member owner of a life income fund dies, the life income fund issuer must pay, by way of a lump sum payment, the money in the life income fund:
      (a) to the deceased member owner's surviving pension partner;
      (b) if the deceased member owner has no pension

partner at the time of death, or if the deceased member owner has a surviving pension partner and a waiver in Form 16, signed by the surviving pension partner has been provided to the life income fund issuer
(i) to the deceased member owner's designated beneficiary, or
(ii) if there is no living designated beneficiary, to the personal representative of the deceased member owner's estate.

(2) A payment under subsection (1) must be made within 60 days after the delivery to the issuer of the documents required to effect the payment.

Transfers on death of pension partner owner

9. (1) If a pension partner owner of a life income fund dies, the life income fund issuer must pay, by way of a lump sum payment, the money in the life income fund,
(a) to the pension partner owner's designated beneficiary, or
(b) if there is no living designated beneficiary, to the personal representative of the pension partner owner's estate.

(2) A payment under subsection (1) must be made within 60 days after the delivery to the issuer of the documents required to effect the payment.

Part 4 – Withdrawal, Commutation and Surrender

YMPE based lump sum payment

10. The life income fund issuer will, on application, provide to the owner of the life income fund the lump sum amount referred to in section 71(2) of the Act if, at the time of the application,
(a) the balance of the life income fund does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the calendar year in which the application is made, or
(b) the owner is at least 65 years of age and the balance of the life income fund does not exceed 40% of the YMPE for the calendar year in which the application is made.

Splitting of contract

11. If this life income fund is not eligible for a lump sum payment option referred to in section 10, assets in the life income fund must not be divided and transferred to 2 or more, life income funds, pension plans or annuities or any combination of them if that transfer would make any one or more of those vehicles eligible for a lump sum payment under section 71(1) or (2) of the Act.

Shortened life payments

12. On application by the owner of this life income fund referred to in section 71(4)(a) of the Act, the life income fund issuer will pay, to the owner, a payment, or series of payments for a fixed term, of all or part of the assets held in the life income fund if
(a) a medical practitioner certifies that the owner has a disability or illness that is terminal or to likely shorten the owner's life considerably, and
(b) at the time of the application, if the owner is a member owner and has a pension partner, a waiver in Form 13 signed by the pension partner has been provided to the life income fund issuer.

Non residency for tax purposes

13. The life income fund issuer will, on application, provide to the owner of the life income fund the lump sum amount referred to in section 71(4)(b) of the Act if,
(a) the owner includes in the application written evidence that the Canada Revenue Agency has confirmed that the owner is a non resident for the purposes of the *Income Tax Act* (Canada), or
(b) at the time of the application, if the owner is a member owner and has a pension partner, a waiver in Form 13 signed by the pension partner has been provided to the life income fund issuer.

Financial hardship

14. The life income fund issuer will, on application made in accordance with section 140(3) of the Regulation, provide to the owner of the life income fund a lump sum amount, up to the amount prescribed under section 140(5) of the Regulation, if, at the time of the application, the owner meets the requirements of the financial hardship exception set out in section 140(4) of the Regulation.

Alberta LIF Addendum
Revised: October 2014

British Columbia LIF Addendum to Retirement Income Fund Trust Agreement

SCHEDULE 2 *(Section 116)* PENSION BENEFITS STANDARDS REGULATION LIFE INCOME FUND ADDENDUM

PART 1 – DEFINITIONS AND INTERPRETATION

Definitions and interpretation

1 (1) Subject to subsection (3), the following terms, used in this addendum, have the meanings given to them below, except where the context otherwise requires:

"Act" means the Pension Benefits Standards Act, S.B.C. 2012, c. 30;

"annuity" means a non-commutable life annuity contract that is issued of issuable by an insurance company to provide, on a deferred or immediate basis, a series of periodic payments for the life of the annuity holder or for the lives jointly of the annuity holder and the annuity holder's spouse;

"designated beneficiary" has the same meaning as in the Wills, Estates and Succession Act;

"life income fund issuer" means the issuer of this life income fund;

"life income fund maximum amount", in relation to the income that may be paid out of a life income fund to an owner in a calendar year, means the greatest of

(a) the investment returns for the most recently completed calendar year for the owner's life income fund,

(b) the minimum amount of income that, under the *Income Tax Act* (Canada) or the *Income Tax Regulations* (Canada), is required to be paid out of the owner's life income fund that year, and

(c) the amount determined by dividing the life income fund balance by the withdrawal factor where

"CANSIM rate", in relation to a period of not more than 12 months for which interest is payable, means the rate of interest on long-term bonds issued by the government of Canada for the month of November preceding the calendar year in relation to which the withdrawal factor is being calculated, determined by reference to the Canadian Socio-Economic Information Management System (CANSIM) Series VI22487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada;

"life income fund balance", in relation to a life income fund, means

(a) in the calendar year in which the fund is established, the balance of the owner's life income fund as at the date on which the fund is established, and

(b) in every subsequent calendar year, the balance of the owner's life income fund as at January 1 of the calendar year in which the calculation is made;

"withdrawal factor" means the actuarial present value on January 1 of the calendar year in which the calculation is made of an annuity of $1, payable at the beginning of each calendar year between that date and December 31 of the calendar year during which the owner reaches the age of 90 years, and calculated by using

(a) for the first 15 calendar years in relation to which the actuarial present value is determined, the greater of the following:

(i) 6% per year;

(ii) the CANSIM rate, and

(b) for each calendar year after the first 15 calendar years, 6% per year;

"locked-in money" means

(a) money the withdrawal, surrender or receipt of which is restricted under section 68 of the Act,

(b) money to which paragraph (a) applies that has been transferred out of a pension plan

(i) to one or more locked-in retirement accounts or life income funds, and any interest on that money, or

(ii) to an insurance company to purchase an annuity that is permitted under the Act,

(c) money in a locked-in retirement account that was deposited into the locked-in retirement account under section 105 (1) of the Regulation or paid to the locked-in retirement account issuer under section 105 (2) or (3) (b) of the Regulation, and

(d) money in a life income fund that was deposited into the life income fund under section 124 (1) of the Regulation or paid to the life income fund issuer under section 124 (2) or (3) (b) of the Regulation;

"member owner" means the owner of this life income fund if

(a) the owner was a member of a pension plan, and

(b) this life income fund contains locked-in money from that plan;

"owner", in relation to this life income fund, means

(a) the member owner of this life income fund, or

(b) the spouse owner of this life income fund;

"Regulation" means the Pension Benefits Standards Regulation enacted under the Pension Benefits Standards Act, S.B.C. 2012, c. 30;

"spouse" means a person who is a spouse within the meaning of subsection (2);

"spouse owner" means the owner of this life income fund if this life income fund contains locked-in money from a pension plan and the owner is

(a) the spouse or former spouse of a member of the pension plan or member owner whose entitlement to the locked-in money in this life income fund arose by virtue of a breakdown of the marriage or marriage-like relationship between the owner and the member or member owner, or

(b) the surviving spouse of a deceased member of the pension plan or member owner whose entitlement to the locked-in money in this life income fund arose by virtue of the death of the member or member owner;

"this life income fund" means the life income fund to which this addendum applies.

(2) Persons are spouses for the purposes of this addendum on any date on which one of the following applies:

(a) they

(i) are married to each other, and

(ii) have not been living separate and apart from each other for a continuous period longer than 2 years;

(b) they have been living with each other in a marriage-like relationship for a period of at least 2 years immediately preceding the date.

(3) Terms used in this addendum that are not defined in subsection (1) but are defined in the Act or the Regulation have the meanings given to them in the Act or the Regulation.

PART 2 – TRANSFERS IN AND TRANSFERS AND PAYMENTS OUT OF LIFE INCOME FUND

Limitation on deposits to this life income fund

2 (1) Subject to subsection (2), the only money that may be deposited in this life income fund is
(a) locked-in money transferred from a pension plan if
(i) this life income fund is owned by a member owner, or
(ii) this life income fund is owned by a spouse owner, or
(b) money deposited by the life income fund issuer under section 124 (1) of the Regulation or paid to the life income fund issuer for deposit to this life income fund under section 124 (2) or (3) (b) of the Regulation.
(2) The life income fund issuer must not accept a transfer of locked-in money to this life income fund unless
(a) a copy of the consent required by section 103 (2) (c) or confirmation required by section 121 (1) (b) (ii) of the Regulation has been provided to the issuer, and
(b) if the locked-in money is coming from a pension plan by way of a transfer by a member of the plan or from a locked-in retirement account by way of a transfer by the owner of the account, the member or member owner or spouse owner, within the meaning of paragraph (a) of the definition of "spouse owner", is at least 50 years of age.
(3) For the purpose of subsection (2) (a), the spouse's consent or confirmation is valid for each successive transfer of money in this life income fund to another life income fund or a life income type benefits account in a pension plan.

Payment of retirement income

3 (1) The owner of this life income fund must, at the beginning of each calendar year, notify the life income fund issuer in writing of the amount of income that is to be paid out of the life income fund during that year, which amount must accord with subsection (5).
(2) If the owner of this life income fund fails to notify the life income fund issuer in accordance with subsection (1) in any calendar year, the life income fund issuer must, subject to subsection (4), pay to the owner, in that year, the minimum amount of income that, under the *Income Tax Act* (Canada) or the *Income Tax Regulations* (Canada), is required to be paid out of the owner's life income fund in that year.
(3) The owner of this life income fund must, at any time that money is transferred to this life income fund, other than from another life income fund or a life income type benefits account in a pension plan, notify the life income fund issuer in writing of the amount of income that is to be paid out of the life income fund during that year, which amount must accord with subsection (5).
(4) The owner of this life income fund may, at any time during a calendar year, change the amount of income that is to be paid out of this life income fund during that year to a different amount that accords with subsection (5).
(5) There must be paid from a life income fund in each calendar year an amount of income that is
(a) not less than the minimum amount of income that, under the *Income Tax Act* (Canada) or the *Income Tax Regulations* (Canada), is required to be paid out of the owner's life income fund in that year, and
(b) not more than the life income fund maximum amount applicable to the owner's life income fund for that year.

Limitation on payments and transfers from this life income fund

4 (1) Money in this life income fund, including investment earnings, is for use in the provision of retirement income.
(2) Despite subsection (1), money may be paid or transferred from this life income fund in the following circumstances:
(a) by way of a transfer to another life income fund on the applicable conditions set out in this addendum;
(b) by way of a transfer to a locked-in retirement account;
(c) by way of a transfer to an insurance company to purchase an annuity in accordance with section 7;
(d) by way of a transfer to a pension plan if the plan text document of the plan allows the transfer;
(e) in accordance with Part 4 of this addendum.
(3) Without limiting subsections (1) and (2) of this section and in accordance with section 70 of the Act, money in this life income fund must not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment.
(4) The life income fund issuer must comply with any applicable requirements of the Act and the Regulation before allowing a payment or transfer of any of the money in this life income fund.

General liability for improper payments or transfers

(5) If the life income fund issuer pays or transfers money from this life income fund contrary to the Act or the Regulation,
(a) subject to paragraph (b), the life income fund issuer must,
(i) if less than all of the money in this life income fund is improperly paid or transferred, deposit into this life income fund an amount of money equal to the amount of money that was improperly paid or transferred, or
(ii) if all of the money in this life income fund is improperly paid or transferred, establish a new life income fund for the owner and deposit into that new life income fund an amount of money equal to the amount of money that was improperly paid or transferred, or
(b) if
(i) the money is transferred out of this life income fund to an issuer (the "transferee issuer") that is authorized under the Regulation to issue life income funds,
(ii) the transfer is contrary to the Act or the Regulation in that the life income fund issuer failed to advise the transferee issuer that the money is locked-in money, and
(iii)the life income fund issuer deals with the money in a manner that is contrary to the manner in which locked-in money must be dealt with under the Act or the Regulation,

the life income fund issuer must pay to the transferee issuer, in accordance with the requirements of the Act and the Regulation relating to transfers of locked-in money, an amount equal to the amount dealt with in the manner referred to in subparagraph (iii).

Remittance of securities

6 (l) If this life income fund holds identifiable and transferable securities, the transfers referred to in this Part may, unless otherwise stipulated in the contract to

which this is an addendum, be made, at the option of the life income fund issuer and with the consent of the owner, by the transfer of those securities.

(2) There may be transferred to this life income fund identifiable and transferable securities, unless otherwise stipulated in the contract to which this is an addendum, if that transfer is approved by the life income fund issuer and consented to by the owner.

Retirement income from annuity

7 (l) The money in this life income fund must not be transferred to an insurance company to purchase an annuity unless

(a) payments under the annuity do not begin until the member owner or spouse owner, within the meaning of paragraph (a) of the definition of "spouse owner", as the case may be, has reached 50 years of age,

(b) payments under the annuity begin on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to begin receiving a pension from a registered pension plan,

(c) there is no differentiation among the annuitants on the basis of gender, and

(d) if the owner is a member owner who has a spouse,

(i) the annuity is in the form of a joint and survivor pension referred to in section 80 (2) of the Act, or

(ii) one of the following has been provided to the life income fund issuer:

(A) a waiver in Form 2 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member not more than 90 days before the date that payments are to begin;

(B) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the Family Law Act applies.

(2) A transfer under subsection (1) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the transfer.

PART 3 – DEATH OF OWNER

Payment on death of member owner

8 (1) Subject to subsection (2), if this life income fund is owned by a member owner who has died and he or she is survived by a spouse, the life income fund issuer must pay the money in this life income fund to the surviving spouse.

(2) If this life income fund is owned by a member owner who has died and

(a) he or she is not survived by a spouse, or

(b) he or she is survived by a spouse and one of the following has been provided to the life income fund issuer:

(i) a waiver in Form 4 of Schedule 3 of the Regulation signed by the spouse before the member owner's death in the presence of a witness and outside the presence of the member owner;

(ii) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the Family Law Act applies,

the life income fund issuer must pay the money in this life income fund to the member owner's designated beneficiary or, if there is no living designated beneficiary, to the personal representative of the member owner's estate.

(3) A payment under subsection (1) or (2) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

Payment on death of spouse owner

9 (1) If this life income fund is owned by a spouse owner who has died, the life income fund issuer must pay the money in this life income fund to the spouse owner's designated beneficiary, or, if there is no living designated beneficiary, to the personal representative of the spouse owner's estate.

(2) A payment under subsection (1) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

PART 4 – APPLICATIONS TO UNLOCK ALL OR PART OF LIFE INCOME FUND

Lump-sum payment of small account balance

10 (1) On application by the owner of this life income fund, the life income fund issuer will pay to the owner the lump-sum amount referred to in section 69 (2) of the Act and section 126 of the Regulation if, on the date of the application,

(a) the balance of this life income fund does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the calendar year in which the application is made, or

(b) the owner is at least 65 years of age and the balance of this life income fund does not exceed 40% of the YMPE for the calendar year in which the application is made.

(2) A payment under subsection (1) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

No splitting of contract

11 If this life income fund is not eligible for the lump-sum payment option referred to in section 10 of this addendum, the money in this life income fund must not be divided and transferred to 2 or more locked-in retirement accounts, life income funds, pension plans or annuities or any combination of them if that transfer would make the money in anyone or more of them eligible for a lump-sum payment option under section 10 of this addendum or section 69 (1) or (2) of the Act.

Shortened life

12 (1) On application by the owner of this life income fund, the life income fund issuer will pay to the owner the payment, or series of payments for a fixed term, referred to in section 69 (4) (a) of the Act of all or part of the money held in this life income fund if

(a) a medical practitioner certifies that the owner has an illness or a disability that is terminal or likely to shorten the owner's life considerably, and

(b) this life income fund is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the life income fund issuer:

(i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;

(ii) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the Family Law Act applies.

(2) A payment under subsection (1) must be made, or a series of payments under subsection (1) must begin, within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment or begin the series of payments.

Non-residency for tax purposes

13 (1) On application by the owner of this life income fund, the life income fund issuer will pay to the owner the lump-sum amount referred to in section 69 (4) (b) of the Act and section 128 of the Regulation if

(a) the owner includes in the application

(i) a statement signed by the owner that the owner has been absent from Canada for 2 or more years, and

(ii) written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the *Income Tax Act* (Canada), and

(b) this life income fund is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the life income fund issuer:

(i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;

(ii) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the Family Law Act applies.

(2) A payment under subsection (l) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

Financial hardship

14 (1) On application by the owner of this life income fund in accordance with section 129 of the Regulation, the life income fund issuer will pay to the owner the lump-sum amount referred to in section 69 (4) (c) of the Act, up to the amount prescribed under section 129 (5) of the Regulation, if

(a) the owner meets the requirements of the financial hardship exception set out in section 129 (4) of the Regulation, and

(b) this life income fund is owned by a member owner and the member owner does not have a spouse, or, if the member owner does have a spouse, one of the following has been provided to the life income fund issuer:

(i) a waiver in Form 1 of Schedule 3 of the Regulation signed by the spouse in the presence of a witness and outside the presence of the member owner not more than 90 days before the date of the withdrawal;

(ii) confirmation, in a form and manner satisfactory to the life income fund issuer, that section 145 of the Family Law Act applies.

(2) A payment under subsection (1) must be made within 60 days after the receipt by the life income fund issuer of all records that are necessary for the issuer to make the payment.

British Columbia LIF Addendum
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