

**LEAGUE SAVINGS & MORTGAGE (Addendum to RRIF)  
RETIREMENT INCOME FUND (DNR No. 210)**

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

**WHEREAS** the undersigned Applicant(Holder) has applied for a Retirement Income Fund, as indicated above (hereinafter referred to as the Fund) carried by League Savings and Mortgage Company (the Carrier) to receive and hold funds governed by the Pension Benefits Standards Act, 1985 (the Act) and Regulations (the Regulations) thereto.

**AND WHEREAS** the Carrier has agreed to apply for registration of the Fund, as a Registered Retirement Income Fund, with Canada Revenue Agency and to accept the funds referred to, and to make such payments to the Applicant as permitted by the Act and the Regulations and as requested by the Applicant.

**NOW IT IS HEREBY UNDERSTOOD AND AGREED**, by and between the Applicant (Holder) and the Carrier that the full amount of funds originating from \_\_\_\_\_ Pension Plan to this Fund, inclusive of all future investment earnings and gains or losses accruing thereto, shall be governed firstly by the terms and provisions of this Agreement and thereafter by the Fund as approved by Canada Revenue Agency, from time to time.

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

1. (a) For the purposes of this Addendum the word "Act" means the Pension Benefits Standards Act, 1985 ; the word "Regulations" means Regulations to the Act, as amended, being Regulations to the Pension Benefits Standards Act, 1985; and the "Tax Act" means the Income Tax Act (Canada).
  - (b) Numeric references throughout this Addendum refer to sections or sub-sections of the Regulations unless otherwise specified.
  - (c) the words "financial institution", "life income fund", "restricted life income fund", "locked-in registered retirement savings plan", "restricted retirement savings plan". "immediate life annuity", "deferred life annuity" "owner", "RRIF", "Life Annuity Contract", "Deferred Life-Annuity Contract", "Survivor" and "Member" have the same meanings as are respectively given to these words in the Act and or Regulations.
  - (d) Spouse has the same meaning as recognized in applicable pension and tax legislation and includes a common-law partner as defined in the Tax Act .Notwithstanding anything to the contrary contained in this Plan, including any endorsements forming a part thereof, "spouse" and "common-law partner" do not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the Income Tax Act (Canada) respecting Registered Retirement Income Funds.
2. All money, including all investment earnings in the Fund may only be
    - (i) transferred to another restricted life income fund,
    - (ii) transferred to a restricted locked-in savings plan, or
    - (iii) used to purchase an immediate life annuity or a deferred life annuity;
3. Such money may not be assigned, charged, anticipated or given as security except as provided in subsection 25(4) of the Act and any transaction purporting to assign, charge anticipate or give such money as security is void.
  4. Such money will be invested in a manner that complies with the rules for the investment of RRIF money contained in the Income Tax Act (Canada) and the regulations there-under and will not be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the owner (Holder) of the restricted life

income fund or the parent, brother, sister or child of the owner (Holder) of the restricted life income fund or the spouse or common-law partner of any such person.

5. The Carrier, before transferring money to another financial institution, shall advise the transferee financial institution in writing of the locked-in status of the money to be transferred and shall ensure that the transferee financial institution makes its acceptance of the transfer subject to the conditions provided for in this agreement.
6. The Carrier shall ensure that the transferee financial institution's name and restricted life income fund are on the list for restricted life income funds.
7. On the death of the holder of the restricted life income fund, the funds in that fund shall be paid to the survivor of the holder by:
  - (i) transferring the funds to another restricted life income fund or to a life income fund,
  - (ii) transferring the funds to a locked-in registered retirement savings plan, or to a restricted locked-in savings plan, or
  - (iii) using the funds to purchase an immediate life annuity or a deferred life annuity
8. Money that is not locked-in shall not be transferred to or held under a restricted life income fund unless the locked-in money is to be held in a separate account which will contain only locked-in money.
9. Where the commuted value of a pension benefit credit which was transferred to a restricted life income fund was determined in a manner that did not differentiate on the basis of sex, any immediate or deferred life annuity subsequently purchased with the funds in the deferred life income fund shall not differentiate on the basis of the sex of the recipient.
10. In the calendar year in which the holder of the restricted life income fund reaches 55 years of age or in any subsequent year, the funds may be paid to the holder in a lump sum if:
  - (i) the holder certifies that the total value of all assets in all locked-in registered retirement savings plans, life income funds, restricted locked-in savings plans and restricted life income funds that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by these Regulations is less than or equal to 50% of the Year's Maximum Pensionable Earnings, and
  - (ii) if the holder gives a copy of Form 2 and Form 3 of schedule V to the Carrier.
11. The holder of the restricted life income fund may withdraw an amount from that fund up to the lesser of the amount determined by the formula set out in subsection 20(1.1) and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year under this paragraph from any restricted life income fund or under paragraph 20(1)(d), 20.1(1)(m) or 20.2(1)(e)
  - (i) if the holder certifies that the holder has not made a withdrawal in the calendar year under this paragraph-from any restricted life income fund- or under paragraph 20(1)(d), 20.1(1)(m) or 20.2(1)(e) other than within the last 30 days before this certification.
  - (ii) if, in the event that the value of M in subsection 20(1.1) is greater than zero,
    - (A) the holder certifies that the holder expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the holder's total expected income for that calendar year determined in accordance with the Income Tax Act, excluding withdrawals in the calendar year under this paragraph-from any restricted life income fund-or under paragraph 20(1)(d), 20.1(1)(m) or 20.2(1)(e), and
    - (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and
  - (iii) if the holder gives a copy of Form 1 and Form 2 of Schedule V to the Carrier.

12. If the fund is established in the calendar year in which the holder of the fund reaches 55 years of age or in any subsequent calendar year, the holder of the fund may transfer 50% of the funds in that fund to a registered retirement savings plan or a registered retirement income fund within 60 days after the establishment of the restricted life income fund if
  - (i) the restricted life income fund was created as the result of the transfer of a pension benefit credit under section 26 of the Act or a transfer from a locked-in registered retirement savings plan or a life income fund, and
  - (ii) if the holder gives a copy of Form 2 of Schedule V to the Carrier
13. On or within a period after the death of the owner, if there is no survivor, the balance in the restricted life income fund shall be paid to or for the benefit of the designated beneficiary or, if there is no valid designation of beneficiary, the personal representatives of the estate in their representative capacity.
14. The fiscal year ends on December 31 in each year and never exceeds 12 months.
15. The owner of the restricted life income fund shall be paid an income from the restricted life income fund, the amount of which may vary annually.
16. Payment of the income from the restricted life income fund to the owner will commence on a date not later than the last day of the second fiscal year.
17. The method and factors that are to be used to establish the value of the restricted life income fund or the balance of the restricted life income fund for the purpose of
  - (a) a transfer of assets,
  - (b) the purchase of an immediate or deferred life annuity contract, and
  - (c) a payment or transfer on death of the owner.

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

18. The owner shall establish the amount of income to be paid during each fiscal year at the beginning of that fiscal year and after the receipt of the information specified in clause 16 except that if the Carrier guarantees the rate of return of the restricted life income fund over a period that is greater than one year and that ends at the end of a fiscal year, then the owner may establish the amount of income to be paid during that period at the beginning of that period.
19. The amount of income paid during a fiscal year will not be less than the minimum amount required to be paid under the Income Tax Act (Canada) and cannot exceed M, with that symbol being calculated in accordance with the following formula:

$$C = M; \\ F$$

where

C = the balance of the money in the restricted life income fund on the first day of the fiscal year, and  
 F = the value on January 1 of the year in which the calculation is made of an amount of which the annual payment is \$1 payable at the beginning of each fiscal year between that date and December 31 of the year during which the owner attains the age of 90 years.

20. For the initial fiscal year, the minimum amount to be paid, as referred to in clause (18) is set at zero and the limit M is adjusted in proportion to the number of months in the fiscal year divided by 12, with any part of an incomplete month counting as one month.

21. For the calendar year in which the holder of the restricted life income fund reaches 90 years of age and for all subsequent years, the amount of income paid out of the fund shall not exceed the value of the funds held in the fund immediately before the time of the payment.
22. If, at the time the restricted life income fund was established, any of the money in the fund was composed of funds that had been held in another restricted life income fund of the holder earlier in the calendar year in which the fund was established, the amount determined under paragraph (18) or (19), as the case may be, is deemed to be zero in respect of that part of the fund for that calendar year except to the extent that the Tax Act requires the payment of higher amount.
23. If in any fiscal year an additional transfer is made to the restricted life income fund and that additional transfer has never been under a restricted life income fund before, an additional withdrawal will be allowed in that fiscal year.
24. The additional amount of withdrawal referred to in clause (22) will not exceed the maximum amount that would be calculated under this Agreement if the additional transfer were being transferred into a separate contract and not the existing restricted life income fund with clause (19) applying.
25. The value "F" in clause (18) is calculated by using
  - (a) an interest rate of not more than 6% per year, or
  - (b) for the first 15 years after January 1 of the year in which the restricted life income fund is valued, is less than or equal to the monthly average yield on Government of Canada marketable bonds of maturity over 10 years, as published by the Bank of Canada, for the second month before the beginning of the calendar year, and using an interest rate not exceeding 6% in subsequent years.
26. The Carrier agrees to provide:
  - (a) to the owner, at the beginning of each fiscal year, information on
    - (i) the sums deposited, the investment income earned, the payments made out of the restricted life income fund and the fees charged against it during the previous fiscal year,
    - (ii) the balance in the restricted life income fund, and
    - (iii) the minimum amount that must, and the maximum amount that may, be paid out of the restricted life income fund to the owner during the current fiscal year;
  - (b) to the owner, if the balance in the restricted life income fund is transferred as described in clause (2), the information described in clause (a), as of the date of the transfer; and
  - (c) to the person entitled to receive the balance, if the owner dies, the information described in clause (a) as of the date of death.
27. The restricted life income fund may provide for the withdrawal of money as a lump sum where a physician certifies that due to mental or physical disability, the life expectancy of the owner is likely to be shortened considerably.
28. The restricted life income fund must comply with the conditions for registration under the Income Tax Act (Canada) and, once registered, must remain registered.

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

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

Applicant /Holder further certifies: (Strike out if not applicable)

I have no spouse

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

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

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

**CERTIFICATE BY SPOUSE**

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

Spouse \_\_\_\_\_ Witness \_\_\_\_\_

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

<p><b>Owner Identification (Please Print)</b> _____</p> <p><b>Name:</b> _____</p> <p><b>Address:</b> _____</p> <p><b>Contract #:</b> _____</p>
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Commuted Value of pension benefit transferred **did / did not** differentiate on the basis of sex.