

**LEAGUE SAVINGS AND MORTGAGE
RETIREMENT SAVINGS PLAN – SPECIMEN # 421-1**

**Agreement under the
Pension Benefits Standards Act, 1985
For Locked-In Pension Transfers to a
LOCKED-IN RETIREMENT SAVINGS PLAN (LRSP)**

ANNUITANT'S IDENTIFICATION

Name: _____
Address: _____
Account # _____

WHEREAS the Annuitant has applied for a Retirement Savings Plan ("the Plan") with League Savings and Mortgage Company ("the Financial Institution") to receive and hold funds governed by the *Pension Benefits Standards Act, 1985* ("the Act") and the Regulations ("the Regulations") thereto.

AND WHEREAS the Financial Institution has agreed to apply for the registration of the Plan, as a Retirement Savings Plan, with Canada Revenue Agency ("CRA"), and to accept the funds referred to.

NOW IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Annuitant and the Financial Institution, that the full amount of locked-in funds transferred from the

Locked-in RRSP ("LIRSP"), Registered Pension Plan ("RPP"), Life Income Fund ("LIF) to the Plan, inclusive of all future investment earnings and gains or losses accruing thereto, shall be governed by the terms and conditions of this Agreement and thereafter by the Plan as approved by CRA, from time to time, effective from the time of transfer of the locked-in funds to the Plan.

1. **Pension Legislation.** For the purposes of this Agreement, the word "Act" means the "*Pension Benefits Standards Act, 1985*" and the word "Regulation" means the regulation thereunder, as amended from time to time.
2. **Spouse.** The term "spouse" or "common-law partner" shall have the meaning as given to these words as defined in Section 2 of the *Pension Benefits Standards Act, 1985*, but will not include any person who is not recognized as a spouse or common-law partner for the purposes of any provisions of the *Income Tax Act* (Canada) respecting Retirement Savings Plan.
3. **Locked-in Assets Only.** No money that is not locked-in will be transferred to or held under the Plan.
4. **Transfers.** The Annuitant may transfer all or part of the balance of the Plan to:
 - (a) another locked-in Registered Retirement Savings plan (LRSP),
 - (b) a Life Income Fund (LIF) or to a Restricted Life Income Fund (RLIF),
 - (c) for the purchase of an immediate Life Annuity or to a deferred Life Annuity,
 - (d) to a pension plan including any pension plan referred to in subsection 26(5) of the Act, if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with two years of membership in the plan.
5. **Withdrawal for Financial Hardship.** The annuitant of the Locked-In Registered Retirement Savings Plan may withdraw an amount from the plan up to the lesser of the amount determined by the formula $M + N$ and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year from any Locked-in Registered Retirement Savings Plan (LRSP), Restricted Locked-in Savings Plan (RLSP), Life Income Fund (LIF), Restricted Life Income Fund (RLIF) or under paragraph 20.1(1)(m), 20.2(l)(e) or 20.3(l)(m).

M is the total amount of the expenditures that the Annuitant expects to make on medical or disability-related treatment or adaptive technology for the calendar year, and

N is the greater of zero and the amount determined by the formula.

$P - Q$

P is 50% of the Year's Maximum Pensionable Earnings, and

Q is two thirds of the Annuitant's total expected income for the calendar year determined in accordance with the *Income Tax Act* (Canada), excluding withdrawals in the calendar year for financial hardship from any Locked-in Registered Retirement Savings Plan (LRSP), Restricted

Locked-in Savings Plan (RLSP), Life Income Fund (LIF), Restricted Life Income Fund (RLIF) or under paragraph 20.1(1)(m), 20.2(l)(e) or 20.3(l)(m).

And if

(a) If the annuitant certifies that he/she has not made a withdrawal in the calendar year for financial hardship from any Locked-in Registered Retirement Savings Plan (LRSP), Restricted Locked-in Savings Plan (RLSP), Life Income Fund (LIF), Restricted Life Income Fund (RLIF) or under paragraph 20.1(1)(m), 20.2(l)(e) or 20.3(l)(m) other than within the last 30 days before this certification.

(b) If,

(A) in the event that the value of M is greater than zero.

(i) The annuitant certifies that he/she expects to make expenditures on medical or disability related treatment or adaptive technology for the calendar year in excess of 20% of his/her total expected income for that calendar year determined in accordance with the *Income Tax Act* (Canada), excluding withdrawals in the calendar year for financial hardship from any Locked-in Registered Retirement Savings Plan (LRSP), Restricted Locked-in Savings Plan (RLSP), Life Income Fund (LIF), Restricted Life Income Fund (RLIF) or under paragraph 20.1(1)(m), 20.2(l)(e) or 20.2(l)(m).

(ii) A physician certifies that such a medical or disability related treatment or adaptive technology is required, or

(iii) (B) The Annuitant's expected income for the calendar year determined in accordance with the *Income Tax Act* (Canada), other than any amount withdrawn for financial hardship during that year from any Locked-in Registered Retirement Savings Plan (LRSP), Restricted Locked-in Savings Plan (RLSP), Life Income Fund (LIF), Restricted Life Income Fund (RLIF) or under paragraph 20.1(1)(m), 20.2(l)(e) or 20.2(l)(m) within the last 30 days before the day on which the certification is made, is less than 75% of the Year's Maximum Pensionable earnings, and

(c) The Annuitant gives a copy of Form 1 and Form 2 of Schedule V to the Financial Institution.

6. **Payment to Non-Resident.** The Annuitant of the Locked-in Registered Retirement Savings Plan who has ceased to be a resident of Canada for at least two years may withdraw any amount from the plan.

7. **Payment due to Small Amount.** In the calendar year in which the Annuitant of the Locked-in Registered Retirement Savings Plan reaches 55 years of age or in any subsequent calendar years, the funds may be paid to the Annuitant in a lump sum if:

(a) The Annuitant certifies that the total value of all assets in all Locked-in Registered Retirement Savings Plan (LRSP), Restricted Locked-in Savings Plan (RLSP), Life Income Fund (LIF), Restricted Life Income Fund (RLIF) that were created as a result of a transfer of pension benefit credits under section 16.4 or 26 of the Act, a transfer under these Regulations or a transfer under section 50, 53, or 54 of the *Pooled Registered Pension Plans Act* or *Pooled Registered Pension Plans Regulations*, is less than or equal to 50% of the Year's Maximum Pensionable Earnings, and

(b) The Annuitant gives a copy of Form 2 and Form 3 of Schedule V to the Financial Institution.

(c) Any payment claimed as a result of a right under this paragraph shall be subject to the maturity of investments held in the Plan.

8. **Payment due to Shortened Life Expectancy.** A Locked-in Registered Retirement Savings Plan shall provide that, where a physician certifies that owing to mental or physical disability the life expectancy of the annuitant of the plan is likely to be shortened considerably, the funds may be paid to the Annuitant in a lump sum. Any payment claimed as a result of a right under this paragraph shall be subject to the maturity of investments held in the Plan.

9. **Death of Annuitant.** On the death of the Annuitant, if the Annuitant is a member or former member of the pension plan from which the locked-in assets originate and is survived by a Spouse or Common-law Partner, the funds shall be paid to the survivor of the Annuitant by:

(a) transferring the funds to another locked-in Registered Retirement Savings plan (LRSP),

(b) transferring the funds to a Life Income Fund (LIF) or to a Restricted Life Income Fund (RLIF),

(c) using the funds to purchase an immediate Life Annuity or a deferred Life Annuity,

(d) transferring the funds to a plan, including any pension plan referred to in subsection 26(5) of the Act, if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with two years' membership in the plan.

Where the Annuitant has no entitled Spouse or Common-Law Partner, the designated beneficiary or, if there is no valid designation, the personal representatives of the estate of the Annuitant in their capacity shall be entitled to a benefit equal to the value of the funds in the Plan.

- Annuitant is the original RPP member
- Annuitant is not the original RPP member

10. **No Assignment, etc.** Subject to subsection 25(4) of the Act and subsection 53(3) of the *Pooled Registered Pension Plans Act*, the funds in the plan or any interest or right in those funds may not be transferred, assigned, charged, anticipated or given as security and any transaction purporting to assign, transfer, charge, anticipate or give the funds as security is void.

11. **Restriction on Type of Annuity.** Where the commuted value of the pension benefit credit transferred to the Plan was determined in a manner that did not differentiate on the basis of sex, the life annuity purchased with the funds with the funds shall not differentiate on the basis of the sex of the beneficiary. For purposes of this specific Plan, the pension benefit transferred:

Differentiated on the basis of the sex of the Annuitant

Did not differentiate on the basis of the sex of the Annuitant

12. **Valuation of Locked-in Assets.** The locked-in assets shall be invested and re-invested on the direction of the Annuitant as provided by the Declaration of Trust. The value of the locked-in assets at any time will be determined by the Financial Institution according to regular practice.

13. **Amendment.** This Agreement may be amended by the Financial Institution as permitted by and in accordance with the Act.

By execution of this Agreement the Annuitant hereby agrees to abide by the provisions stated in this Agreement and to waive the right to request amendment of the Plan to receive any funds except as expressly provided for herein.

ANNUITANT'S ACKNOWLEDGEMENT

Annuitant's Signature: _____

Witness: _____

Date: _____

By execution of the Agreement the Financial Institution hereby undertakes to administer the transferred locked-in funds and all subsequent earnings on such funds in accordance with the provisions of this Agreement.

League Savings and Mortgage (or agent)

Authorized Signature: _____