

## ADDENDUM TO THE CREDENTIAL SECURITIES INC. SELF-DIRECTED RETIREMENT SAVINGS PLAN

THIS ADDENDUM dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

BETWEEN:

\_\_\_\_\_  
(herein referred to as the "Annuitant")

AND: **COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company existing under the laws of Canada and having an office at 510 Burrard St – 3<sup>rd</sup> Flr., Vancouver B.C. V6C 3B9 (herein referred to as the "Trustee")

WHEREAS the Annuitant has established a Credential Securities Inc. Self-Directed Retirement Savings Plan specimen plan number 574-572 (the "RSP") and Annuitant Account number \_\_\_\_\_ with the Trustee under the relevant provisions of the Tax Act, as defined below.

AND WHEREAS the Annuitant has established by virtue of this Addendum a locked-in retirement account (the "LIRA") as a locked-in registered retirement savings plan under the Tax Act to receive certain benefits (the "Benefits"), which are subject to the locking-in provisions of the Act and the Regulations, as defined below.

AND WHEREAS the Trustee is willing to accept such transfer.

NOW THEREFORE this Addendum witnesseth, and the parties hereto agree for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, as follows:

### Definitions

1. For the purposes of this Addendum, "Tax Act" means the *Income Tax Act* (Canada) and the Regulations thereunder, "Act" means the *Pension Benefits Act* (New Brunswick), and "Regulations" means N.B. Reg. 91-195, all as amended from time to time.
2. For the purposes of this Addendum, the words "deferred pension", "designated jurisdiction", "member", "pension", "pension benefit", "pension plan", and "spouse" have the same meanings as are respectively given to these words in subsection 1(1) of the Act.
3. Notwithstanding anything to the contrary contained in the RSP and 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 Tax Act respecting registered retirement savings plans.

### Contributions

4. The Annuitant acknowledges that all of the Benefits to be transferred to the LIRA are pension benefits which are subject to the locking-in provisions of the Act.
5. Only money that is locked-in will be transferred to or held under the LIRA.
6. No money may be transferred to the LIRA except sums originating directly or indirectly from:
  - (i) the fund of a pension plan that conforms with the Act and the Regulations or similar legislation in another jurisdiction, if the Benefits are being transferred under section 36 of the Act or under a similar provision in legislation of another jurisdiction, and the Tax Act;
  - (ii) another locked-in retirement account registered as a retirement savings plan as defined in the Tax Act that conforms with the Act and the Regulations;
  - (iii) a life income fund ("LIF") registered as a retirement income fund as defined in the Tax Act that conforms with the Act and Regulations; or
  - (iv) a life or deferred life annuity contract that conforms with the Act, the Regulations, and the Tax Act.
7. Before accepting a transfer of Benefits into the LIRA under subparagraph 36(1)(a)(ii) or subsection 36(1.1) of the Act, the Trustee shall complete the appropriate section of the prescribed transfer form and shall ensure that the Annuitant and the administrator or current trustee, as applicable, have completed the appropriate portions of same in accordance with the Regulations.
8. If the information provided on the prescribed transfer form indicates that the commuted value of the Benefits transferred into the LIRA was determined in a manner that differentiated, while the Annuitant was a member of the plan, on the basis of Annuitant's sex, only assets that are differentiated on the same basis may subsequently be transferred into the LIRA.

### Life Annuity

9. Subject to the provisions of this Addendum, all Benefits, including investment earnings thereon (the "LIRA Assets"), in whole or in part, may be converted at any time only into a life or deferred life annuity that conforms with section 23 of the Regulations and meets the definition of "retirement income" contained in subsection 146(1) of the Tax Act.

### Differentiation Based on Sex

10. No LIRA Assets shall be used to purchase a life or deferred life annuity that differentiates on the basis of the Annuitant's sex unless the commuted value of the deferred pension transferred from the plan into the LIRA was determined on transfer in a manner that differentiated, while the Annuitant was a member of plan, on the basis of the Annuitant's sex.

### Joint Spousal Pension

11. In the case of an Annuitant with a spouse at the time the pension payments begin, the pension provided shall be a joint pension in the form prescribed under the Act unless a spousal waiver has been provided by the spouse on the prescribed form.

### Transfers of LIRA Assets

12. No transfer of LIRA Assets is permitted except for a transfer to:
  - (i) another locked-in retirement account registered as a retirement savings plan as defined in the Tax Act that conforms with the Act and the Regulations;
  - (ii) purchase a life annuity contract as stipulated in paragraph 60(l) of the Tax Act or that meets the definition of "retirement income" contained in subsection 146(1) of the Tax Act, and that meets the requirements of section 23 of the Regulations;

(iii) the pension fund of a pension plan that conforms with the Act and the Regulations or similar legislation in another jurisdiction, and the Tax Act, provided that if the pension plan is not registered in New Brunswick the pension plan is registered for persons employed in a designated jurisdiction and the Annuitant is employed in that jurisdiction by an employer who is making contributions on the Annuitant's behalf to the pension fund that is to receive the amount to be transferred;

(iv) to a LIF, registered as a retirement income fund that conforms with the Act, the Regulations, and the Tax Act.

Such transfer of LIRA Assets shall occur no more than thirty days after the Annuitant's application for the transfer, provided that the term agreed to for the investment has expired.

13. In the event of a transfer of LIRA Assets, the Trustee shall ensure that the name of the financial institution to which the LIRA Assets are being transferred is registered as the trustee of the locked-in retirement account, the pension plan or the LIF, as applicable, and that the prescribed transfer form is completed in accordance with the Regulations and is forwarded with the LIRA Assets to the recipient financial institution.

#### **Transferable Securities**

14. Where the LIRA holds identifiable and transferable securities, a transfer permitted by this Addendum may, unless otherwise stipulated and at the sole option of the Trustee, be effected by remittance of the investment securities of the LIRA.

#### **Withdrawal for Tax Purposes**

15. The Annuitant may withdraw an amount from the LIRA if:

- (i) the amount is withdrawn to reduce the amount of tax that would otherwise be payable under Part X.1 of the Tax Act by the Annuitant; and
- (ii) notwithstanding section 20 of the Regulations, the Trustee establishes a sub-account of the LIRA, that is not a registered retirement savings plan, and the Annuitant deposits the amount withdrawn, less any amount required to be withheld by the Trustee under the Tax Act, into the sub-account.

#### **Shortened Life Expectancy Withdrawal**

16. The Annuitant may withdraw the LIRA Assets, in whole or in part, and receive a payment or series of payments where:

- (i) a physician certifies in writing to the Trustee that the Annuitant suffers from a significant physical or mental disability that considerably reduces life expectancy; and
- (ii) if the Annuitant has a spouse, the Annuitant delivers to the Trustee a completed spousal waiver in the prescribed form.

#### **Unlocking of Small Pension Amounts**

17. The Annuitant may withdraw the balance of the LIRA where:

- (i) the total assets held by the Annuitant in all locked-in retirement accounts, LIFs and life or deferred life annuities would be commutable upon termination of employment if they were held in a pension fund under a pension plan that permitted payments of the commuted value of the pension benefit in accordance with section 34 of the Act;
- (ii) the total of the pension adjustments reported to the Annuitant by the Canada Revenue Agency for the two taxation years immediately preceding the request for withdrawal is zero;
- (iii) the Annuitant requests that the balance of the LIRA Assets be withdrawn by delivering the prescribed forms to the Trustee; and
- (iv) the Trustee is satisfied, based upon the information in the prescribed forms and any other information provided, that the reported present distribution of assets transferred from pension funds connected with employment in New Brunswick is consistent with the amounts reported to have been transferred from such pension funds and the requested withdrawal is permitted under subsection 21(16) of the Regulations.

#### **Unlocking of Assets Foreign Nationals**

18. The Annuitant may withdraw the balance of the LIRA Assets where:

- (i) the Annuitant and the Annuitant's spouse, if any, are not Canadian citizens;
- (ii) the Annuitant and the Annuitant's spouse, if any, are not resident in Canada for the purposes of the Tax Act; and
- (iii) the Annuitant's spouse, if any, waives, on the prescribed form, any rights that the spouse may have in the account under the Act, the Regulations, or this Addendum.

#### **Investment**

19. The LIRA Assets will be invested and reinvested in accordance with the provisions of the RSP, the Act, the Regulations and the Tax Act.

#### **Death of Annuitant**

20. Where the Annuitant dies prior to the purchase of an annuity in accordance with paragraph 9 of this Addendum, the LIRA Assets shall be paid

- (i) to the Annuitant's spouse; or
- (ii) where there is no surviving spouse, to the designated beneficiary; or
- (iii) where there is no designated beneficiary, to the estate of the Annuitant.

#### **Marriage Breakdown**

21. Upon marriage breakdown, the LIRA Assets shall be divided between the spouses on the basis prescribed under section 27 to section 33 of the Regulations and section 44 of the Act, in compliance with paragraph 146(16)(b) of the Tax Act.

#### **No Surrender**

22. Subject to the provisions of this Addendum, the LIRA Assets shall not be commuted or surrendered during the lifetime of the Annuitant except under section 44 or subsection 57(6) of the Act. Any transaction in contravention of this paragraph is void.

#### **No Assignment**

23. The LIRA Assets shall not be assigned, charged, anticipated or given as security and are exempt from execution, seizure or attachment or other process of law, except under subsection 57(6) or section 44 of the Act. Any transaction in contravention of this paragraph is void.

#### **Amendments**

24. The Trustee may, from time to time, unilaterally and without other notice, amend this Addendum in order to bring it into compliance with the Act or other legislation in another jurisdiction and the Tax Act.

25. Subject to paragraph 24, no amendment that would result in a reduction of the benefits arising from the Addendum shall be made unless:
- (i) the Annuitant is entitled, before the effective date of the amendment, to transfer the balance of the LIRA Assets in accordance with this Addendum;
  - (ii) written notice is delivered to the Annuitant at least ninety days before the effective date on which the Annuitant may exercise the entitlement to transfer; and
  - (iii) the Addendum, as amended, remains in conformity with the Act and the Regulations.
- Notwithstanding the above, any and all amendments to this Addendum must be made with the concurrence of the authorities administering the Act and the Tax Act.

**Declaration of Trust Affirmed**

26. The Trustee hereby affirms the provisions contained in the RSP and this Addendum to take effect as of the date first written above.

**Interpretation**

27. The provisions of this Addendum will take precedence over the provisions of the RSP in the case of conflicting or inconsistent provisions, provided however that the LIRA at all times complies with the conditions of registration under the Tax Act.
28. This Addendum shall be governed in accordance with the laws of the province of New Brunswick and the federal laws of Canada applicable therein.
29. All references to any statute, regulations or any provision thereof or any prescribed form shall mean such statute, regulations or any provision thereof, or prescribed form as the same may be re-enacted or replaced from time to time.

**Counterparts**

30. This Addendum may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one instrument.

**IN WITNESS WHEREOF** the parties have executed this Addendum as of the date first written above and shall bind the Trustee, its agents and the Annuitant and their respective successors and assigns effective from the date of transfer of assets into the LIRA.

**TO BE COMPLETED BY THE ANNUITANT**

**YOUR CURRENT MARITAL STATUS:**

(This data is necessary in order to complete prescribed government forms.)

- |                          |            |                          |          |
|--------------------------|------------|--------------------------|----------|
| <input type="checkbox"/> | Single     | <input type="checkbox"/> | Married  |
| <input type="checkbox"/> | Common law | <input type="checkbox"/> | Divorced |
| <input type="checkbox"/> | Separated  | <input type="checkbox"/> | Widowed  |

\_\_\_\_\_  
**NAME OF ANNUITANT (PRINT)**

\_\_\_\_\_  
**SIGNATURE OF ANNUITANT**

**COMPUTERSHARE TRUST COMPANY OF CANADA**

per: \_\_\_\_\_

per: \_\_\_\_\_