

**PROVINCE OF QUEBEC
LOCKED-IN RETIREMENT ACCOUNT (LIRA)
ADDENDUM AGREEMENT
CANADIAN WESTERN TRUST COMPANY, TRUSTEE**

Annuitant's Name (Please print)

Social Insurance Number

LIRA Account Number

Upon receipt of locked-in funds, the Trustee further agrees to, and the Annuitant acknowledges, the following:

1. **Definitions.** In this Addendum:
 - (a) **Act** means the *Income Tax Act* (Canada), as amended from time to time;
 - (b) **LIF** means a "LIF" or "life income fund" as defined in Pension Legislation;
 - (c) **life annuity** means an annuity contract, as referred to in Pension Legislation that conforms with the Act and Pension Legislation;
 - (d) **LIRA** means a "LIRA" or "locked-in retirement account" as defined in Pension Legislation and, where those terms are not defined, means a registered retirement savings plan that satisfies the conditions under Pension Legislation for receiving funds that originate from an RPP;
 - (e) **Pension Legislation** means the *Supplemental Pension Plans Act* (Quebec) and the Regulations governing locked-in funds transferred or to be transferred to the Plan directly or indirectly from an RPP;
 - (f) **RPP** means a registered pension plan governed by Pension Legislation or established by other legislative authority;
 - (g) **Spouse** means a "spouse" as defined in Pension Legislation; provided, however, it only includes a person recognized as a spouse or common-law partner for the purposes of the Act;
 - (h) **Trustee** means Canadian Western Trust Company;
 - (i) The terms "Annuitant" and "Plan" shall have the same meanings as are given to them in the Declaration of Trust; and
 - (j) Words defined in Pension Legislation have the same meanings in this Addendum unless otherwise defined herein.
2. **Compliance.** If locked-in funds are transferred or will be transferred to the Plan, directly or indirectly, from an RPP, the additional provisions of this Addendum form part of the Declaration of Trust. In case of any inconsistency between this Addendum and the Declaration of Trust, this Addendum will apply. The Trustee has filed the Declaration of Trust (including this Addendum) with and caused it to be accepted by the appropriate pension authorities in Canada. The Trustee will comply with all relevant provisions of Pension Legislation.

Subject to paragraphs 6, 7, 10, 11, 12, 14 and 15 of this Addendum, all money, including all investment earnings, that is subject to any transfer to or from the Plan as defined by the Declaration of Trust, is to be used to provide or secure a pension that would, but for the transfer and previous transfers, if any, be required by the Act and Pension Legislation.

3. **Transfers to the Plan.** Only property representing locked-in funds originating directly or indirectly from an RPP, a LIRA, a LIF, a locked-in account of a voluntary retirement savings plan (if the plan is governed by a legislative authority other than the Quebec Parliament, the member must have joined the plan as part of their employment, a life annuity the capital of which originated from an RPP, or another source permitted by the Act and Pension Legislation from time to time, may be transferred to the Plan. The Trustee will not accept any transfers to the Plan from a source or in circumstances not permitted by Pension Legislation.
 4. **Statement of Account.** The Trustee shall provide the Annuitant, at least once a year, a statement of account, indicating the amounts deposited, their source, the accumulated earnings, the fees debited since the last statement, and the balance of the Annuitant's account.
 5. **Investments.** The investments held in the Plan must comply with the investment rules imposed by the Act and Pension Legislation for a registered retirement savings plan.
 6. **Withdrawals.** Subject to paragraphs 7, 10, 11, 12, 14 and 15 of this Addendum, no withdrawal, commutation or surrender of property is permitted except where:
 - (a) an amount is required to be paid to the Annuitant to reduce the amount of tax otherwise payable under Part X.1 of the Act in respect of this Plan; or
 - (b) as may be permitted by the Act and Pension Legislation from time to time. Any such payment may only be made after the Trustee receives a declaration from the Annuitant in the form and manner required by Pension Legislation.
- Any transaction that is contrary to this paragraph is void.
7. **Disability Payments.** The property of the Plan may be withdrawn as a lump sum payment or series of payments where the life expectancy of the Annuitant is likely to be shortened due to mental or physical disability, as evidenced by the written opinion of a qualified medical practitioner.
 8. **Payments after Marriage Breakdown.** The Spouse ceases to be entitled to amounts described in paragraph 10 and 13 herein upon separation from bed and board, divorce, nullity of marriage, or, in the case of a spouse who is not married, upon cessation of conjugal relationship except as otherwise provided for in Section 89 of the Act respecting Pension Legislation., The seizable portion of the balance of the Plan may be paid in a lump sum payment in execution of a judgment rendered in favour of the Spouse that gives entitlement to a seizure for unpaid alimony.
 9. **Beneficiary Designation.** The designation of a person other than the Annuitant's Spouse as the beneficiary of the Plan will not be valid if the Annuitant has a Spouse who is entitled to survivor benefits under the Plan because of Pension Legislation.
 10. **Death of Annuitant.** Following the death of the Annuitant, the property of the Plan will be paid to the surviving Spouse of the Annuitant unless the surviving Spouse is not entitled to survivor benefits under

Pension Legislation. The surviving Spouse may instruct the Trustee to pay out the property of the Plan in cash or to transfer the property of the Plan to a registered retirement savings plan, a registered retirement income fund, or life annuity as permitted by Pension Legislation and paragraph 60(1) of the Act.

If there is no surviving Spouse or the surviving Spouse waives spousal entitlement in the manner required by Pension Legislation, the property of the Plan will be paid to the person designated as beneficiary of the Plan, or if no such person has been designated, to the legal representative of the deceased Annuitant's estate.

11. **Transfers from the Plan.** Subject to any restrictions imposed by the Act, the property of the Plan may be transferred to the issuer of an RPP, LIRA, life annuity, a locked-in account of a voluntary retirement savings plan (if the plan is governed by a legislative authority other than the Quebec Parliament, the member must have joined the plan as part of their employment) or a LIF. Before transferring property of the Plan, the Trustee will:
- (a) confirm that the transfer is permitted under Pension Legislation and the Act;
 - (b) write to the issuer of the recipient plan to notify it of the locked-in status of the property being transferred and the pension legislation that governs the property;
 - (c) not permit the transfer unless the issuer of the recipient plan agrees to administer the transferred property according to Pension Legislation;
 - (d) confirm that the issuer of the recipient plan is on the list of financial institutions maintained by the Regie des rentes du Quebec; and
 - (e) confirm that the recipient plan is on the list of LIRAs or LIFs maintained by the Regie des rentes du Quebec.

Where the property is being transferred to a LIF, the Annuitant's Spouse must provide a consent or waiver in the manner required by Pension Legislation.

If the Plan holds identifiable and transferable securities, the transfer or purchase referred to in paragraphs 11 and 12 may, unless otherwise stipulated, at the option of the Trustee, be effected by remittance of the investment securities of the Plan.

The Trustee will make the transfer within 30 days of the later of the receipt from the Annuitant of the properly documented transfer request and the maturity of the investment to be transferred.

12. **Maturity.** On or before December 31 of the year in which the Annuitant reaches age 71 (or such other date or age specified by the Act for commencement of a retirement income), the property of the Plan must be used to purchase an immediate life annuity that conforms with subsection 146(1) of the Act and Pension Legislation. If the Annuitant fails to provide satisfactory written instructions to the Trustee, by December 31 of that year, for the purchase of the annuity, the Trustee shall transfer the property of the Plan into a life income fund opened and registered by the Trustee for such purpose in the name of the Annuitant. It is the sole responsibility of the Annuitant to ensure that any such property is a qualified investment for a LIF and to convert any unqualified investment into cash. Upon transfer of such property or cash to the LIF:

- (a) if the Annuitant has a Spouse, the Spouse will be the beneficiary upon the Annuitant's death; otherwise, the Annuitant shall be deemed not to have elected to designate any beneficiary upon death; and
 - (b) the Annuitant shall be subject to all the terms and conditions of the immediate life annuity contract as stated in the documents pertaining thereto as if the Annuitant had at that time instructed the Trustee, to purchase the immediate life annuity and had signed the appropriate documents to effect such transfer, and had refrained from making the designation referred to herein.
13. **Life Annuity.** With the exception of the cases referred to in paragraphs 7, 10, 11, 14 and 15, the balance of the Plan may only be converted into a life pension guaranteed by an insurer and established for the duration of the life of the Annuitant alone or, if applicable, for the duration of the life of the Annuitant and the life of his Spouse where upon the death of the Annuitant, a pension of at least 60% of the amount of the pension to which the Annuitant would have been entitled is granted, unless waived by the Spouse. The periodic payments paid under that pension must be equal, unless each amount to be paid is uniformly increased by reason of an index or a rate provided for in the contract or uniformly adjusted by reason of a seizure effected on the benefits of the Annuitant, a redetermination of the Annuitant's pension, or the partition of the Annuitant's benefits with the Spouse, or by election provided for in subparagraph 3 of the first paragraph of Section 93 of the Act respecting Pension Legislation.
14. **Option to Withdraw Small Balances.** The entire balance of the Plan may be paid in a lump sum to the Annuitant on application to the Trustee accompanied with a declaration which conforms to the one prescribed in schedule 0.2 under the Regulations respecting Pension Legislation, on the following conditions:
- (a) the Annuitant was at least 65 years of age at the end of the year preceding the application; and
 - (b) the total of the sums credited to the Annuitant in the retirement savings instruments mentioned in schedule 0.2 does not exceed 40% of the year's maximum pensionable earnings under the Quebec Pension Plan, for the year in which the Annuitant applies for payment.
15. **Option to Withdraw due to Non-Residency.** A lump sum withdrawal may be made if the Annuitant applies to the Trustee with written evidence that the Canada Revenue Agency has confirmed that he / she has become a non-resident for the purposes of the Act, provided that the terms of any investments have expired and that he / she has not resided in Canada for at least two years.
16. **Payments or Transfers Contrary to Pension Legislation.** If property is transferred or paid out of the Plan contrary to Pension Legislation, unless the payment or transfer is attributable to a false declaration by the Annuitant, the Trustee will pay the Annuitant, as a penalty, an amount equal to the irregular payment or transfer out of the Plan.
17. **Spousal Waiver.** The Annuitant's Spouse may waive the right to a life annuity as the surviving Spouse and may revoke the waiver. The Annuitant's Spouse must give the waiver before payments under the life annuity begin in the manner stipulated by Pension Legislation.

18. **Prohibition.** The property of the Plan may not be assigned, charged, alienated, anticipated or given as security or subjected to execution, seizure or attachment, except as permitted by Pension Legislation. A transaction that is contrary to this paragraph is void.
19. **Amendments.** From time to time, the Trustee may amend the Declaration of Trust (including this Addendum), if the amendment does not disqualify the Plan as a LIRA and if the amendment is filed with and approved by Canada Revenue Agency and the Regie des rentes du Quebec. The Trustee will provide the Annuitant with 90 days written notice (including notice and effective date of the Annuitant's entitlement to transfer the property out of the Plan) of any amendment that reduces benefits under the Plan.

Signature of Annuitant

Date

Accepted by:

Canadian Western Trust Company

6285 Northam Drive, Suite 100,
Mississauga, ON L4V 1X5



Authorized Signature

TO BE COMPLETED BY THE ANNUITANT:

CURRENT SPOUSAL STATUS:

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

Single Married Common law Divorced Separated

Spousal Information:

Name: _____

SIN: _____ Birth Date: _____

Are you the individual who was a member of the pension plan from which locked-in funds originated? Yes No