

**NORTHWEST & ETHICAL INVESTMENTS L.P.
RETIREMENT INCOME FUND, RIF 1503**

**Agreement Under the
Province of Newfoundland and Labrador Pension Benefits Act, 1997
for Transfers to a
LIFE INCOME FUND (LIF)**

Whereas the undersigned Annuitant has applied for a retirement income fund (the "Fund") with Concentra Trust (the "Trustee"), to receive and hold those funds in accordance with the *Pension Benefits Act, 1997* (Newfoundland and Labrador) (the "Act") and the *Pension Benefits Act Regulations* (Newfoundland and Labrador) (the "Regulations"), as both may be amended from time to time.

And whereas the Fund consists of an application, a declaration of trust and the addendum or addenda thereto, where applicable.

And whereas the Trustee has agreed to apply for registration of the Fund as a registered retirement income fund with the Canada Revenue Agency (the "CRA") and to accept the funds referred to above.

It is hereby understood and agreed, by and between the Annuitant and the Trustee, that the full amount of funds transferred to the Fund, inclusive of all future investment earnings, gains and losses accruing thereto, shall be governed firstly by the terms and conditions of this addendum (the "Addendum"), as set out below, and thereafter by the Fund, as approved by the CRA from time to time, effective from the time of transfer of the locked-in funds to the Fund.

Terms and Conditions:

1. For the purposes of this Addendum, the following definitions apply:
 - a) "Annuitant" means the applicant of the Fund, who is the member or former member of a pension plan, has obtained the written consent of his or her principal beneficiary, if any, has made a transfer pursuant to section 40 of the Act to a LIF and, unless otherwise stated, includes the principal beneficiary or former principal beneficiary of the member or former member if the principal beneficiary or former principal beneficiary is entitled to a pension benefit as a result of the death of the member or former member or as a result of marriage breakdown;
 - b) "Directive" means any directive issued by the Superintendent under the Act and the Regulations, as may be amended from time to time;
 - c) "financial institution" means the savings institution or insurance company providing a LIF;
 - d) "fiscal year" means a fiscal year of the LIF;
 - e) "*Income Tax Act*" means the *Income Tax Act* (Canada);
 - f) "LIF" means a registered retirement income fund established in accordance with the *Income Tax Act* that is locked-in in accordance with the Regulations and meets the conditions set out in Directive No. 5, known as a Life Income Fund;
 - g) "life annuity contract" means an arrangement made to purchase, through a person authorized under the laws of Canada or a province to sell annuities as defined in the *Income Tax Act*, a non-commutable pension, in accordance with Directive No. 6, that will not commence before that person attains the age of 55 years, or, if that person provides evidence to the satisfaction of the financial institution that the plan or any of the plans from which the money was transferred provided for payment of the pension at an earlier age, that earlier age;
 - h) "list" means the appropriate list of retirement savings arrangements established and maintained under section 18 of the Regulations;
 - i) "principal beneficiary" means the Spouse of a member or former member, or where the member or former member has a cohabiting partner, the member or former member's cohabiting partner, as defined in the Act;
 - j) "Spouse" has the meaning as defined in Part I of the Act. However, notwithstanding anything to the contrary contained in this Addendum, "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 *Income Tax Act* respecting registered retirement income funds.

- k) "YMPE" means the Year's Maximum Pensionable Earnings under the Canada Pension Plan for a specified calendar year;
 - l) The words "cohabiting partner", "Locked-in Retirement Account" or "LIRA", "Locked-in Retirement Income Fund" or "LRIF", "pension benefit", and "Superintendent" have the same meaning given to them in the Act, the Regulations, and/or the Directives.
2. The Trustee will maintain the Fund as a LIF in accordance with the Act, the Regulations and the Directives.
 3. The Annuitant's powers respecting investment of the assets held under the Fund are set out in the Fund declaration of trust.
 4. The Annuitant agrees not to assign, charge, anticipate or give as security money payable under the Fund except as permitted under the Act.
 5. The Fund is subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act.
 6. The value of the Fund will be determined based on the fair market value of the assets held under the Fund, or as determined in accordance with the Fund declaration of trust.
 7. The fiscal year of the Fund ends on December 31 of each year and will not exceed 12 months.
 8. The pension benefit payable to the Annuitant, who is a former member and has a principal beneficiary at the date the pension commences, shall be a joint and survivor pension benefit with at least 60% continuing to be payable to the survivor for life after the death of the former member unless the principal beneficiary waives the entitlement in the form and manner required by the Superintendent.
 9. If money is paid out of the Fund contrary to the Act or Directive No. 5, the Trustee will provide or ensure the provision of a pension benefit equal in value to the pension benefit that would have been provided had the money not been paid out.
 10. The Annuitant will be paid an income from the Fund, the amount of which may vary annually. The payments will commence no earlier than age 55 or the earliest date on which the Annuitant could receive a pension benefit under the Act or the originating pension plan from which the funds have been transferred and not later than the last day of the second fiscal year of the Fund.
 11. The Annuitant must decide the amount to be paid out of the Fund each year, either at the beginning of the fiscal year of the Fund or at another time agreed to by the Trustee and the decision expires at the end of the fiscal year to which it relates.
 12. If the Annuitant does not decide on the amount to be paid from the Fund, as provided for under paragraph 11 of this Addendum, the minimum amount, as outlined under paragraph 18 of this Addendum shall be deemed to be the amount paid.
 13. The amount of income paid out of the Fund during a fiscal year must not exceed the "maximum", being the greater of a) and b) as follows:
 - a) the amount calculated using the following formula:
$$C / F$$
in which
$$C = \text{the value of the assets in the Fund at the beginning of the fiscal year.}$$
$$F = \text{the present value, at the beginning of the fiscal year, of a pension of which the}$$

annuity payment is \$1 payable at the beginning of each fiscal year between that date and the 31st of December of the year in which the Annuitant reaches ninety years of age; and

b) the amount of investment earnings, including any unrealized capital gains or losses, of the Fund in the immediately previous fiscal year.

14. The value "F" in paragraph 13 of this Addendum must be established at the beginning of each fiscal year of the Fund using an interest rate as follows:

a) for the first fifteen years after the date of the valuation, the greater of 6% per year and the percentage obtained on long-term bonds issued by the Government of Canada for the month of November preceding the date of the valuation, as compiled by Statistics Canada and published in the Bank of Canada Review under identification number V122487 in the CANSIM System; and

b) for the sixteenth and each subsequent year, a rate of 6% per year.

15. Subject to paragraph 16 of this Addendum, the Annuitant is entitled to receive additional temporary income where:

a) the maximum amount of income the Annuitant is entitled to receive for the calendar year in which the application is made, calculated as "B" under paragraph 16 of this Addendum, is less than 40% of the YMPE for the calendar year in which the application is made; and

b) the Annuitant has not reached his or her 65th birthday at the beginning of the fiscal year in which the Annuitant makes application for additional temporary income.

16. The amount of additional temporary income paid out of the Fund in a fiscal year must not exceed the "maximum" using the following formula:

$A - B$

in which

A = 40% of the YMPE for the calendar year in which an application is made.

B = the maximum amount of income the Annuitant is entitled to receive from all LIFs, LRIFs, life annuity contracts and pension plans governed by the Act or the pension benefits legislation of a designated province, as defined in the Act, or of Canada, excluding income from a pension under the Canada Pension Plan and excluding any withdrawals due to financial hardship from a retirement savings arrangement, for the calendar year in which the application is made.

17. An application for additional temporary income under paragraph 15 of this Addendum shall be:

a) on a form approved by the Superintendent;

b) where the Annuitant is a former member of a pension plan, accompanied by the written consent of the principal beneficiary of the former member; and

c) submitted to the Trustee at the beginning of the fiscal year of the Fund, unless otherwise permitted by the Trustee.

18. The amount of income paid out of the Fund during a fiscal year must not be less than the minimum amount prescribed for registered retirement income funds under the *Income Tax Act*.

19. In the initial fiscal year of the Fund, the "maximum" in paragraphs 13 and 16 of this Addendum will be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an incomplete month counting as one month.

20. If a part of the Fund corresponds to amounts transferred directly or indirectly from another LIF or LRIF of the Annuitant during the fiscal year, the "maximum" in paragraphs 13 and 16 of this Addendum shall be deemed to be zero in respect of the part transferred in.

21. Notwithstanding paragraph 20 of this Addendum, the Trustee may allow money to be paid to

the Annuitant provided that the total amount received by the Annuitant from all financial institutions in respect of that part transferred in during the fiscal year does not exceed the "maximum" in paragraphs 13 and 16 of this Addendum for that part. In this case, the Trustee must receive information, in writing, from the prior financial institution(s) which confirms the amount already paid in the fiscal year in respect of that part of the Fund.

22. Except as otherwise permitted in Directive No. 5, all money transferred, including all investment earnings, shall be used to provide a pension benefit and shall not be transferred except:
 - a) before December 31st in the year in which the Annuitant reaches the age at which a pension benefit is required to begin under the *Income Tax Act*, to transfer the money to the pension fund of a registered pension plan subject to the Act or to a registered pension plan subject to the pension benefits legislation of a designated province, as defined in the Act, or of Canada;
 - b) before December 31st in the year in which the Annuitant reaches the age at which a pension benefit is required to begin under the *Income Tax Act*, to transfer the money to a LIRA that meets the requirements of Directive No. 4;
 - c) to purchase a life annuity contract that meets the requirements of the Superintendent;
 - d) to transfer the money to another LIF that meets the requirements of Directive No. 5; or
 - e) to transfer the money to an LRIF that meets the requirements of Directive No. 17.
23. The Trustee shall not affect a transfer to a LIF provided by a financial institution unless the Trustee has:
 - a) ascertained that the transferee financial institution's name and LIF are currently on the list of approved retirement savings arrangements; and
 - b) advised the transferee financial institution in writing that, subject to Part VI of the Act, no withdrawal, commutation, or surrender of money is permitted except as otherwise provided for under Directive No. 5.
24. If the Trustee is a transferee financial institution under section 6 of Directive No. 5, it shall not permit any subsequent transfer except where:
 - a) a transfer would be permitted under the Act; and
 - b) the subsequent transferee agrees to administer the amount transferred as a pension benefit in accordance with the Act.
25. If the Trustee is a transferee financial institution under section 6 of Directive No. 5, it shall advise in writing any subsequent transferee that the amount transferred must be administered as a pension benefit under the Act.
26. Notwithstanding paragraphs 10 and 22 of this Addendum, the Annuitant may withdraw money as a lump sum or series of payments if a medical practitioner certifies that due to a mental or physical disability, the life expectancy of the Annuitant is likely to be shortened considerably. Where the Annuitant is a former member of a pension plan, such payment may only be made if the principal beneficiary of the former member has waived the joint and survivor pension entitlement in the form and manner required by the Superintendent.
27. Notwithstanding paragraphs 10 and 22 of this Addendum, the Annuitant is entitled to withdraw a lump sum payment equal to the value of the entire Fund on application to the Trustee if, at the time the Annuitant signs the application:
 - a) the Annuitant has reached the earlier of age 55 or the earliest date on which the member or former member would have been entitled to receive a pension benefit under the pension plan from which the money under the Fund was transferred;
 - b) the value of all assets in all LIFs, LRIFs and LIRAs which are held by the Annuitant and subject to the Act is less than 40% of the YMPE for the calendar year in which the application is made;
 - c) within the same fiscal year, the Annuitant has not elected to receive additional temporary

income under paragraph 15 of this Addendum or, where part of the Fund corresponds to amounts transferred directly or indirectly from another LIF or LRIF, the Annuitant has not elected to receive additional temporary income from that LIF or LRIF; and

- d) within the same calendar year, the Annuitant has not made a withdrawal due to financial hardship under paragraph 29 of this Addendum from the Fund or, where part of the Fund corresponds to amounts transferred directly or indirectly from a LIRA, another LIF, or an LRIF, the Annuitant has not made a withdrawal due to financial hardship from the original retirement savings arrangement.

28. An application under paragraph 27 of this Addendum shall be:

- a) on a form approved by the Superintendent; and
- b) where the Annuitant is a former member of a pension plan, accompanied by a waiver of the joint and survivor pension entitlement, in the form and manner required by the Superintendent.

29. Notwithstanding paragraphs 10 and 22 of this Addendum, the Annuitant is entitled to withdraw a lump sum payment due to financial hardship, subject to the following:

- a) an application for a withdrawal due to financial hardship under this paragraph must be made directly to the Trustee;
- b) the Annuitant may apply for withdrawal due to financial hardship once within a calendar year for each category of financial hardship described in paragraph 29(c)(i) of this Addendum in respect of each LIRA, LIF, or LRIF;
- c) subject to any requirements outlined in this paragraph, the Annuitant is eligible to complete an application to withdraw an amount not greater than the sum of the following amounts:

(i) an amount with respect to one of the following categories:

- (A) Low Income: Where the Annuitant's expected total income for the one year period following the date on which the application is signed, from all sources other than the withdrawal amount, is not more than 66.66% of the YMPE for the calendar year in which the application is signed, the amount determined by subtracting 75% of the expected total income from 50% of the YMPE for the calendar year in which the application for the withdrawal is signed;
- (B) Medical Expenses: Where the Annuitant is unable to pay for medical expenses incurred or to be incurred by the Annuitant, the Annuitant's principal beneficiary, or a dependent of either and the medical expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these medical expenses;
- (C) Disability-related Expenses: Where the Annuitant is unable to pay for disability-related expenses incurred or to be incurred by the Annuitant, the Annuitant's principal beneficiary, or a dependent of either and the expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these disability-related expenses;
- (D) Mortgage Payments: Where the Annuitant or the Annuitant's principal beneficiary has received a written notice in respect of a default on a mortgage that is secured against the principal residence of the Annuitant or the Annuitant's principal beneficiary which will result in foreclosure or power of sale if the default is not rectified, the amount required to rectify the default;
- (E) Rental Arrears: Where the Annuitant or the Annuitant's principal beneficiary has received a written notice in respect of arrears in the payment of rent for the principal residence of the Annuitant or the Annuitant's principal beneficiary and the Annuitant or the principal beneficiary could be evicted if the arrears remain unpaid, the amount required to pay the rental arrears; or
- (F) First Month's Rent and Security Deposit: Where the Annuitant is unable to pay the first month's rent and the security deposit required to rent a principal residence for the Annuitant or the Annuitant's principal beneficiary, the amount required to pay the first month's rent and the security deposit; and

(ii) the amount of any applicable tax required to be withheld by the Trustee.

30. An application under paragraph 29 of this Addendum shall be:
 - a) on a form approved by the Superintendent and shall include any supporting documentation required by the Regulations, which are specified on the form; and
 - b) where the Annuitant is a former member of a pension plan, accompanied by the written consent of the principal beneficiary of the former member, in the form and manner required by the Superintendent.
31. Notwithstanding paragraphs 10 and 22 of this Addendum, the Annuitant is entitled to withdraw a lump sum amount equal to the value of the entire Fund where the Annuitant provides the Trustee with:
 - a) a statutory declaration in accordance with the *Evidence Act* confirming the Annuitant has resided outside Canada for at least 2 consecutive calendar years and is residing outside of Canada on the date of signing the declaration; and
 - b) where the Annuitant is a former member of a pension plan, the written consent of the principal beneficiary of the former member, in the form and manner required by the Superintendent.
32. On the death of the Annuitant who is a former member of a pension plan and who has a principal beneficiary, the surviving principal beneficiary, or where there is no surviving principal beneficiary or the surviving principal beneficiary had waived entitlement in the form and manner required by the Superintendent, a designated beneficiary, or where there is no designated beneficiary, the estate of the Annuitant, is entitled to a lump sum payment of the full value of the Fund.
33. On the death of the Annuitant who is not a former member of a pension plan, the full value of the Fund shall be paid to the designated beneficiary or, where there is no designated beneficiary, to the Annuitant's estate.
34. Subject to paragraph 35 of this Addendum, the Trustee will not amend the Addendum governing the Fund except where the Trustee provides the Annuitant with at least 90 days' written notice and an explanation of the proposed amendment.
35. An amendment that would result in a reduction in the Annuitant's benefits under the Addendum is permitted only where:
 - a) the Trustee is required by law to make the amendment; and
 - b) the Annuitant is entitled to transfer the balance of the Fund under the terms of the Addendum that existed before the amendment is made.
36. When making an amendment under paragraph 35 of the Addendum the Trustee shall:
 - a) provide written notice to the Annuitant of the nature of the amendment; and
 - b) allow the Annuitant at least 90 days after the written notice is given to transfer all or part of the balance under the Fund.
37. Notice under paragraphs 34 and 36 of this Addendum shall either be sent by mail to the Annuitant's address as set out in the records of the Trustee or, subject to receiving the authorization of the Annuitant, be delivered to the Annuitant by electronic means provided that the e-communication is accessible by the Annuitant and capable of being retained to be usable for subsequent reference.
38. At the beginning of each fiscal year, the Trustee will provide the Annuitant with the following information:
 - a) in relation to the previous fiscal year: the sums deposited, the amount of investment earnings (including any unrealized capital gains or losses), the payments made out of the Fund, and the fees charged;

- b) the value of the assets in the Fund;
- c) the minimum amount that must be paid out of the Fund to the Annuitant in the current fiscal year;
- d) the maximum amount of income, as provided for under paragraph 13 of this Addendum, that may be paid out of the Fund to the Annuitant during the current fiscal year; and
- e) if applicable, notification that the Annuitant may be entitled to receive additional temporary income under paragraph 15 of this Addendum during the current fiscal year.

If the balance of the Fund is transferred as described in paragraph 22 of this Addendum, the Trustee will provide the Annuitant with the information described above determined as of the date of the transfer. If the Annuitant dies, the person entitled to receive the balance of the Fund will be given the information described above determined as of the date of the Annuitant's death.

- 39. Subject to the provisions of this Addendum and Part VI of the Act, no withdrawal, commutation or surrender of the assets held under the Fund is permitted, except where an amount is required to be paid to reduce the amount of tax otherwise payable under Part X.1 of the *Income Tax Act*.
- 40. The Trustee will not accept any funds into the Fund that are not locked-in under the provisions of the Act.
- 41. This Addendum may be amended from time to time by the Trustee as permitted and in accordance with the terms and conditions of this Addendum. However, in the event of changes to the Act, the Regulations or the Directives, this Addendum will be considered to have been amended to conform to such changes effective the date such changes come into force.

By execution of this Addendum, the Trustee hereby undertakes to administer the transferred locked-in funds and all subsequent earnings on these funds in accordance with the provisions of this Addendum.

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

Signed this _____ day of _____, 20 _____.

Signature of Annuitant _____

Accepted by authorized officer, as agent for the Trustee

Concentra Trust
333 3rd Avenue North
Saskatoon, SK S7K 2M2

ANNUITANT IDENTIFICATION
(print annuitant information)

NAME _____

CONTRACT # _____