

NORTHWEST & ETHICAL INVESTMENTS L.P.
RETIREMENT INCOME FUND, RIF 1503
Agreement under the
New Brunswick *Pension Benefits Act*
for Transfers from a
Locked-in Pension or Locked-in Retirement Account (LIRA)
to a
LIFE INCOME FUND (LIF)

WHEREAS the undersigned ("the Owner") has applied for a Retirement Income Fund, as indicated above ("the Fund") trustee by Concentra Trust ("the Financial Institution") to receive and hold funds governed by the Act and the Regulation thereto.

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

NOW IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Owner and the Financial Institution, that the full amount of funds transferred from the _____ Registered Pension Plan or by the _____ Locked-In Retirement Account (LIRA)/Life Income Fund (LIF) 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 the CRA from time to time.

Upon receipt of the locked-in money, the Financial Institution and the Owner further agree to the following:

1. For the purposes of this Agreement, the word "Act" means the Province of New Brunswick *Pension Benefits Act*, and the word "Regulation" means the General Regulation under the Act.
2. For the purposes of this Agreement, the word "Owner" shall have the same meaning as given to this word in subsection 21(1) of the Regulations and so the words "spouse" and "common-law partner" shall have the same meaning as given to these words in subsection 1(1) of the Act. Notwithstanding anything to the contrary contained in this Agreement, 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) ("*Income Tax Act*") respecting Registered Retirement Income Funds.
3. The only money that may be transferred into this Fund are sums originating, directly or indirectly, from
 - (i) the fund of a registered pension plan,
 - (ii) another retirement savings arrangement, or
 - (iii) an annuity

that conforms with the Act and the Regulation (or in the case of the fund of a pension plan, with similar legislation in another jurisdiction, if the money is being transferred under section 36 of the Act, or under similar provision in legislation in another jurisdiction) and in accordance with sections 146, 146.3, 147.3 and paragraph 60(l) of the *Income Tax Act*.

4. Except as provided elsewhere in this Agreement, the balance of money in this Fund, in whole or in part, may be converted only to an annuity that conforms to section 23 of the Regulation.

5. In the event of the death of the Owner before signing a contract under which an annuity is purchased under paragraph 4 of this Agreement, the balance of the money in this Fund shall be paid
 - (i) to the spouse or common-law partner of the Owner, unless the spouse or common-law partner waives on Form 3.02 all rights that he or she may have in the Fund, under the Act, the Regulations or this Fund;
 - (ii) if the Owner has a spouse or common-law partner who has waived all rights under (i), or if the Owner does not have a spouse or common-law partner, to a beneficiary on death designated by the Owner, or
 - (iii) if the Owner has a spouse or common-law partner who has waived all rights under (i), or if the Owner does not have a spouse or common-law partner and if the Owner has not designated a beneficiary on death, to the estate of the Owner.

6. The Owner may withdraw the balance of money in this Fund, in whole or in part, and receive a payment or series of payments if:
 - (i) a physician certifies in writing to the Financial Institution that the Owner suffers from a significant physical or mental disability that considerably reduces life expectancy, and
 - (ii) if the Owner has a spouse or common-law partner, the Owner delivers to the Financial Institution Form 3.01 completed by the spouse or common-law partner; unless the spouse or common-law partner has completed Form 3.02.

7. The Owner may withdraw an amount from the Fund if
 - (i) the amount is withdrawn to reduce the amount of tax that would otherwise be payable under Part X.1 of the *Income Tax Act* by the Owner, and
 - (ii) the Financial Institution, notwithstanding section 20 of the Regulation, establishes a sub-account, that is not a registered retirement income fund, of the LIF, and the Owner deposits the amount withdrawn, less any amount required to be withheld by the Financial Institution under the *Income Tax Act*, into the sub-account.

8. Subject to the expiry of the term of any investment made and held as an asset of this Fund, as per paragraph 22(1)(a) of the Regulations, the Owner may at any time, in accordance with the requirements, with the necessary modifications, of subsections 21(8.1) to (11) of the Regulation and in accordance with the provisions of paragraph 146.3(2)(e) and (e.1) or (e.2) as applicable, of the *Income Tax Act*,
 - (i) transfer, before the conversion described in paragraph 4 of this Agreement, the balance of the money in this Fund, in whole or in part, to:
 - a) **another financial institution's** approved LIF that is administered in accordance with section 22 of the Regulation, or
 - b) transfer to a LIRA that is administered in accordance with section 21 of the Regulation.
 - (ii) convert the balance of the money in this Fund, in whole or in part, into an annuity that conforms to section 23 of the Regulation and paragraph 60(l) of the *Income Tax Act*.

9. The Owner shall not be entitled to make a transfer under 8(i)(a) above, to a pension plan that is not registered in the Province of New Brunswick unless
 - (i) the pension plan is registered for persons employed in a designated jurisdiction, and

- (ii) the Owner is employed in that jurisdiction by an employer who is making contributions on behalf of the Owner to the pension fund that is to receive the amount to be transferred
10. The Owner may withdraw the balance of the money in the Plan if
- (i) the Owner and his or her spouse or common-law partner, if any, are not Canadian citizens,
 - (ii) the Owner and his or her spouse or common-law partner, if any, are not resident in Canada for the purposes of the *Income Tax Act*, and
 - (iii) **the Owner's spouse** or common-law partner, if any, waives, on Form 3.5, any rights that s/he may have in the Plan under the Act, this Regulation or the contract; unless the spouse or common-law partner has completed Form 3.02.
11. For the purpose of division under section 44 *Breakdown of Marriage or Common-Law Partnership of the Act*, **the commuted value of the Owner's benefits under this Fund shall be determined in accordance with the Act and sections 27 to 33 inclusive of the Regulation.**
12. No money transferred to this Fund, including interest, shall be assigned, charged, anticipated, given as security or subjected to execution, seizure, attachment or other process of law except under section 44 or subsection 57(6) of the Act and any transaction in contravention of this paragraph is void.
13. Except as otherwise provided in this Agreement, or subsection 57(6) or section 44 of the Act, no withdrawal, commutation or surrender of money, or interest is permitted during the lifetime of the Owner and any transaction in contravention of this paragraph is void.
14. This Agreement may be amended as per paragraph 22(1)(a) of the Regulations by the Financial Institution in accordance with the requirements as set forth in paragraph 21(2)(m) of the Regulation.
15. Transfers under sub-paragraph 21(2)(f)(i) and 21(2)(m)(i)
- (i) may, at the option of the Financial Institution, be effected by the remittance to the Owner of the investment securities respecting the account
 - (ii) **will be transferred within 30 days after the Owner's application** for the transfer, provided there is money invested in the Fund that may be transferred.
16. If the information provided on prescribed Form 3.2 indicates that the commuted value transferred was determined on transfer in a manner that differentiated, while the Owner of the Fund was a member of the pension plan, on the basis of the sex of the Owner, the only money that may subsequently be transferred into the Fund is money that is also differentiated on the same basis.
17. No money, including interest transferred under sub-paragraph 36(1)(a)(ii) of the Act to this Fund shall subsequently be used to purchase an annuity that conforms to section 23 of the **Regulation, that differentiates on the basis of the Owner's sex unless the commuted value of the deferred pension transferred from the pension plan into the Fund was determined on transfer in a manner that differentiated, while the Owner of the Fund was a member of the pension plan, on the basis of sex of the Owner.**
18. The Financial Institution will, at the beginning of each fiscal year of this Fund, supply the information specified in subsection 22(7) of the Regulation. In the event of the death of the Owner prior to the conversion of this Fund into a Life Annuity, the Financial Institution shall provide a statement in accordance with subsection 22(8) of the Regulation. If the

balance of the Fund is converted to an annuity or transferred to another retirement savings arrangement that conforms to the Act and the Regulation or to similar legislation in another jurisdiction, the Financial Institution shall provide a statement in accordance with subsection 22(9) of the Regulation.

19. In making any transfer of funds from this Fund, the Financial Institution undertakes to ensure the proposed transfer is to a standard contract registered with the Superintendent of Pensions for the province of New Brunswick and will advise such transferee Financial Institution in writing that the balance of the contract must be administered as a deferred life annuity under the Act, and will make the latter's acceptance of the transfer subject to the conditions of section 22 of the Regulation.
20. The monies in this Fund shall be invested in a manner that complies with the rules for the investment of RRIF monies as provided for in the *Income Tax Act*.
21. Where the Financial Institution is properly required, within the terms of this Agreement, to liquidate investments held in this Fund for the purposes of any transfer as permitted or required by this Agreement or to effect payment or transfer on death of the Owner, the value of the assets will be determined as the equivalent of the full principal value plus the full amount of any accrued interest owing, both without deduction, at the date of the transfer or at the date of payout resulting from the death of the Owner. It is understood and agreed, between the Financial Institution and the Owner, that unmatured investments held within this Fund are not capable of being redeemed for the purposes of transfer in accordance with paragraph 8, or otherwise to an annuity.
22. The Owner of the Fund will be paid an income, the amount of which may vary annually, beginning not later than during the second fiscal year of the Fund, until the day on which the entire balance of the Fund is used to purchase a life annuity contract.
23. The fiscal year of this Fund ends at midnight on December 31 of each year and shall not exceed twelve months in length.
24. The amount of income to be paid from this Fund during each fiscal year shall be established by the Owner at the beginning of each fiscal year, but shall not be less than the minimum amount required under the *Income Tax Act*.
25. Subject to subsections 22(3), (4) and (5) of the Regulations, the amount of income payable under subsection (1) during a fiscal year shall not be more than "M", nor less than "m", where "M" and "m" are calculated using the following formulas:

$$M = \frac{C}{F} \quad \text{and}$$
$$m = \frac{C}{H}$$

where

C = the balance of the money in this Fund on the first day of the fiscal year, and

F = the value on the first day of the fiscal year in which the calculation is made of a guaranteed pension the annual payment of which is \$1 payable on the first day of each fiscal year between the first day of the fiscal year and December 31, inclusive, of the year during which the Owner attains the age of 90 years, and

H = the number of years between the 1st day of January of the year in which the calculation is made and the 31st day of December of the year in which the Owner attains the age of 90 years, inclusive.

If "M" is less than "m" then "m" must be paid.

- 26. For the initial fiscal year of this Fund, the minimum amount to be paid, as referred to in paragraph 25 of this Agreement, will be set at zero. If the money in this Fund is derived from money transferred directly or indirectly during the first fiscal year of this Fund from another LIF of the Owner, the limit M will be equal to zero.
- 27. The value F in paragraph 25 of this Agreement will be calculated at the beginning of each fiscal year of the Fund by using
 - (i) an interest rate of not more than 6% per year, or
 - (ii) for the first 15 fiscal years after the valuation of this Fund, an interest rate exceeding 6% per year if that rate does not exceed the interest rate obtained on long-term bonds issued by the Government of Canada for the month of November preceding the calendar year in which the calculation is made, as published in the Bank of Canada Review as CANSIM Series B14013, and using an interest rate not exceeding 6% in subsequent years.
- 28. Notwithstanding paragraph 25 of this Agreement, the Owner may request that the Superintendent approve the transfer of an amount from a LIF to a RRIF as defined in the **Income Tax Act** by filing with the Superintendent completed Forms 3.3 and 3.4 as prescribed under the Regulation, and the Superintendent shall approve the transfer if
 - (i) an amount has never previously been transferred under subsection 22(6.1) of the Regulation on behalf of the Owner, and
 - (ii) the amount to be transferred is not greater than the Maximum Unlocking Amount defined in section 2 of the Regulation.

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

Executed at the _____ of _____, in the Province of _____, this _____ day of _____, _____.

By the Owner _____ Witness _____

By Northwest & Ethical Investments L.P. Per: _____
As Agent for the Financial Institution

Per: _____

OWNER IDENTIFICATION (*Please Print*)

NAME: _____ ADDRESS: _____ CONTRACT #: _____
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