

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

**Agreement under
The Pension Benefits Act
in the Province of Ontario
for Transfers to a
LIFE INCOME FUND (LIF)
(Governed under Schedule 1.1)**

WHEREAS the undersigned Annuitant has applied for a Retirement Income Fund (this Fund) as indicated above trusted by Concentra Trust (the Trustee) to receive and hold funds governed by the Ontario *Pension Benefits Act* (the Act) and the Regulations (the Regulations) thereto.

AND WHEREAS the Trustee has agreed to apply for registration of this Fund, as a Registered 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 Annuitant and the Trustee, that the full amount of funds transferred from _____ 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 this Fund as approved by CRA from time to time, effective from the time of transfer of locked-in funds to this Fund.

The Trustee and the Annuitant further agree to the following:

1. For purposes of this Agreement, "the Act" means the Ontario *Pension Benefits Act*, "the Regulations" means Ontario Regulations as amended, being the Ontario Pension Benefits Regulations under the Act, and "the Regulation" means Regulation 909 of the Act, as all or any of them may be amended from time to time.
2. For purposes of this Agreement, the words "spouse" and "Superintendent" will have the same meaning as given to the words in Section 1 of the Act, and the terms "locked-in retirement account" (LIRA), "life income fund" (LIF), "locked-in retirement income fund" (LRIF), Registered Retirement Income Fund (RRIF) and Registered Retirement Savings Plan (RRSP) shall have the same meaning as given in Section 1(1) of the Regulations.
3. Notwithstanding anything to the contrary contained in this Agreement, 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 *Income Tax Act* (Canada) (*Income Tax Act*) respecting Registered Retirement Income Funds.
4. To establish this Fund, the Annuitant must have the written consent of his or her spouse, except where:
 - a) the spouse is living separate and apart from the Annuitant on the date of purchase; and
 - b) none of the money to be transferred into this Fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the

Annuitant.

5. The Annuitant will ensure that none of the money in this Fund will be assigned, charged, anticipated or given as security except where as required by an order under the *Family Law Act* or by a domestic contract as defined in Part IV of that Act, subject to the maximum set out in subsection 66(4) of that Act.
6. The Annuitant will ensure that the money in this Fund will not be commuted, withdrawn or surrendered in whole or in part, except as permitted by section 49 or 67 of the Act, Section 22.2 of the Regulation, or Schedule 1.1 to the Regulation, or as may be required to comply with the requirements of the *Income Tax Act*. Any transaction that contravenes this provision is void.
7. The fiscal year of this Fund ends on December 31 and must not exceed 12 months.
8. Payments out of this Fund must begin no earlier than the earliest date on which the Annuitant is entitled to receive a pension under any pension plan from which money was transferred into this Fund directly or indirectly. Payments must begin not later than the end of the second fiscal year of this Fund. The amount of payments may vary annually.
9. The amount of income to be paid from this Fund during a fiscal year shall be established by the Annuitant at the beginning of each fiscal year or at another time agreed to by the Trustee. If the Annuitant does not do so, the minimum amount required under the *Income Tax Act* for a RRIF shall be paid out of this Fund that year.
10. The value of assets in this Fund and payments out of this Fund are subject to division in accordance with the terms of an order under the *Family Law Act* or a domestic contract as defined in Part IV of that Act.
11. The amount of income paid out of this Fund during a fiscal year must not exceed the greatest of the following:
 - a) Investment earnings, including any unrealized capital gains or losses, of this Fund in the previous fiscal year; AND
 - b) If the money in this Fund is derived from money transferred directly from another LIF or LRIF ("transferring fund"), and if the income is being paid out of this Fund in the fiscal year following the fiscal year in which this Fund is established, the sum of:
 - i. The investment earnings, including any unrealized capital gains or losses, of the transferring fund in the previous fiscal year, and
 - ii. The investment earnings, including any realized capital gains or losses, of this Fund in the previous fiscal year; AND

- c) The amount calculated using the formula

$$\frac{C}{F} = M$$

Where C = the value of assets in this Fund at the beginning of the fiscal year, and

F = the present value, at the beginning of the fiscal year, of an annuity of \$1 payable annually in advance over the period commencing at the beginning of the fiscal year and ending on December 31 of the year in which the Annuitant attains the age of 90

years.

12. The following interest rate assumptions are to be used to determine the amount "F" in paragraph 11 of this Agreement:
 - a) The interest rate for each of the first 15 years of the period referred in the definition of "F" is the greater of 6% and the nominal rate of interest on long-term bonds issued by the Government of Canada for November of the year before the beginning of the fiscal year, as determined from the CANSIM Series V12487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada.
 - b) For the 16th and each subsequent fiscal year of the period referred to in the definition of "F", the interest rate is 6% per year.
13. If any money in this Fund is derived from money transferred directly or indirectly from another LIF or an LRIF, the maximum amount that may be paid out of this Fund in the fiscal year in which the money is transferred into this Fund is zero.
14. If the initial fiscal year of this Fund is not 12 months long, the maximum amount determined in paragraph 11 of this Agreement shall 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.
15. The amount of income paid out of this Fund during a fiscal year must not be less than the minimum amount prescribed for a RRIF under the *Income Tax Act*.
16. If the minimum prescribed for a RRIF under the *Income Tax Act* is greater than the maximum amount determined under paragraphs 11, 12 and 13, the minimum amount must be paid out of this Fund.
17. Paragraphs 11 through 16 of this Agreement shall not be construed to prevent or limit a payment from this Fund that is permitted under sections 3, 8, 9, 10 or 11 of Schedule 1.1 to the Regulations or under section 22.2 of the Regulations.
18. The Annuitant may, to the extent permitted by the *Income Tax Act* and subject to the maturity of the term of any investments held under this Fund, transfer all or part of the balance of this Fund to:
 - a) another LIF governed under Schedule 1.1 to the Regulations on the relevant conditions specified in the Regulations and in accordance with the provisions of paragraph 146.3(2)(e) and (e.1) or (e.2) of the *Income Tax Act*;
 - b) purchase a life annuity contract, as stipulated in paragraph 60(l) of the *Income Tax Act*, that meets the requirements of the Regulations; and a determination is made as to whether the Annuitant has a spouse on the date the annuity is purchased.
19. Where the Annuitant has requested a transfer permitted under paragraph 18 of this Agreement, the Trustee shall:
 - a) cause the transfer to be made within 30 days of the later of receipt of the properly documented request to transfer by the Annuitant or the maturity of the term of the investment to be transferred; and

- b) advise the transferee in writing that the amount transferred must be administered in accordance with the Act and the Regulations; and
- c) not make a transfer except where the transfer is permitted under the Act and the Regulations and the transferee agrees to administer the funds transferred in accordance with the Act and the Regulations; and
- d) withhold adequate funds to satisfy the minimum payment required under the *Income Tax Act* for the year, where the minimum payment requirement has not been satisfied prior to the transfer occurring; and
- e) provide the Annuitant with the information described in paragraph 27 of this Agreement.

Where this Fund holds identifiable and transferable securities, the transfer may, at the option of the Trustee and with the consent of the Annuitant, be effected by remittance of the investment securities of this Fund.

20. The Trustee hereby acknowledges that, where the balance in this Fund is to be used to purchase a life annuity contract, the pension shall not differentiate on the basis of the sex of the beneficiary if the commuted value of the pension benefit that was transferred in to this Fund was determined in a manner that did not differentiate on the basis of sex. The commuted value of the pension benefit that was transferred into this Fund was determined in a manner that

- differentiated on the basis of sex
- did not differentiate on the basis of sex.

21. Notwithstanding any provision to the contrary contained in this Agreement, the Annuitant may, upon application in accordance with Section 8 of Schedule 1.1 to the Regulations, either withdraw from this Fund or transfer from this Fund to an RRSP or RRIF, an amount representing up to 50% of the total market value (TMV) of the assets transferred into this Fund from a pension fund or a LIRA.

Assets transferred from another LIF or LRIF are not eligible, unless the transfer into this Fund was made in accordance with the terms of an order under the *Family Law Act* or a domestic contract as defined under Part IV of that Act.

An application for a withdrawal under Section 8 of Schedule 1.1 to the Regulations must be received by the Trustee within 60 days after the assets are transferred into this Fund. The application must be made on a form approved by the Superintendent and must be signed by the Annuitant and accompanied by one of the following documents:

- a) a declaration described in paragraph 26 of this Agreement about a spouse; or
- b) a statement signed by the Annuitant attesting to the fact that none of the money in this Fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

The Trustee is entitled to rely upon the information provided by the Annuitant in an application made under Section 8 of Schedule 1.1. of the Regulations. An application that meets the requirements of Section 8 of Schedule 1.1 of the Regulations,

constitutes authorization to the Trustee to make the payment or transfer from this Fund in accordance with Section 8 of Schedule 1.1 of the Regulations.

A document that must be signed by the Annuitant or his or her spouse is null and void if it is signed by the Annuitant or the spouse more than 60 days before the Trustee receives it.

The Trustee shall give the Annuitant a receipt for the document stating the date on which it was received.

The TMV of the assets transferred in this Fund is to be determined as at the date the assets were transferred into this Fund.

The Trustee is required to make the payment or transfer to which the Annuitant is entitled under this Fund under Section 8 of Schedule 1.1 of the Regulations within 30 days after the Trustee receives the completed application form and accompanying documents. Where the assets in this Fund consist of identifiable and transferable securities, at the option of the Trustee and with the consent of the Annuitant, the Trustee may transfer the securities.

22. Notwithstanding any provision to the contrary contained in this Agreement, the Annuitant may, upon application in accordance with Section 9 of Schedule 1.1 to the Regulations, withdraw all the money in this Fund or transfer the assets to an RRSP or RRIF if, when the Annuitant signs the application,
- a) he/she is at least 55 years of age; and
 - b) the value of all assets in all LIFs, LRIFs and LIRAs owned by the Annuitant is less than 40 per cent of the Year's Maximum Pensionable Earnings for that calendar year.

An application, in the form approved by the Superintendent to withdraw the money from this Fund, must be given to the Trustee. The application form must be signed by the Annuitant and accompanied by one of the following documents:

- a) a declaration described in section 26 of this Agreement about a spouse; or
- b) a statement signed by the Annuitant attesting to the fact that none of the money in this Fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

The Trustee is entitled to rely upon the information provided by the Annuitant in an application made under Section 9 of Schedule 1.1 to the Regulations. An application that meets the requirements of Section 9 of Schedule 1.1 to the Regulations constitutes authorization to the Trustee to make the payment or transfer to an RRSP or RRIF in accordance with the said Section 9 of Schedule 1.1 to the Regulations.

A document that must be signed by the Annuitant or his or her spouse is null and void if it is signed by the Annuitant or the spouse more than 60 days before the Trustee receives it.

The Trustee shall give the Annuitant a receipt for the document stating the date on which it was received.

The value of all assets in all LIFs, LRIFs and LIRAs owned by the Annuitant when he/she signs the application under Section 9 of Schedule 1.1 to the Regulations is to be determined using the most recent statement about each LIF/LRIF/LIRA given to the Annuitant. Each statement must be dated within one year before the Annuitant signs the application.

The Trustee will make the payments to which the Annuitant is entitled under Section 9 of Schedule 1.1 of the Regulations within 30 days after the Trustee receives the properly completed application form and accompanying documents.

Where the assets in this Fund consist of identifiable and transferable securities, at the option of the Trustee and with the consent of the Annuitant, the Trustee may transfer the securities.

23. Notwithstanding any provision to the contrary contained in this Agreement, the Annuitant of this Fund may, upon application in accordance with Section 10 of Schedule 1.1 to the Regulations, withdraw all the money in this Fund, only if:
- a) when the Annuitant signs the application he/she is a non-resident of Canada as determined by the CRA for the purposes of the *Income Tax Act*; and
 - b) the application is made at least 24 months after his or her date of departure from Canada.

The application to withdraw money from this Fund under Section 9 of Schedule 1.1 of the Regulations must be made on a form approved by the Superintendent and given to the Trustee of this Fund. The application form must be signed by the Annuitant and accompanied by the following documents:

- a) A written determination from CRA that the Annuitant is a non-resident for the purposes of the *Income Tax Act*; and
- b) Either a:
 - a. declaration described in paragraph 26 of this Agreement about a spouse, or
 - b. a statement signed by the Annuitant attesting to the fact that none of the money in this Fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

The Trustee is entitled to rely upon the information provided by the Annuitant in an application made under Section 10 of Schedule 1.1 to the Regulations. An application that meets the requirements of Section 10 of Schedule 1.1 to the Regulations constitutes authorization to the Trustee to make the payment in accordance with the said Section 10 of Schedule 1.1 to the Regulations.

A document that must be signed by the Annuitant or his or her spouse is null and void if it is signed by the Annuitant or the spouse more than 60 days before the Trustee receives it.

The Trustee shall give the Annuitant a receipt for the document stating the date on which it was received.

The Trustee will make the payment to which the Annuitant is entitled under Section 10 of Schedule 1.1 of the Regulations within 30 days after the Trustee receives the properly completed application form and accompanying documents.

24. Notwithstanding any provision to the contrary contained in this Agreement, the Annuitant of this Fund may, upon application in accordance with Section 11 of Schedule 1.1 to the Regulations, withdraw all or part of the money in this Fund, if when the Annuitant signs the application, he/she has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

An application to withdraw money from this Fund must be given to the Trustee and must be made on a form approved by the Superintendent. The application form must be signed by the Annuitant and accompanied by the following documents:

- a) A statement signed by a physician who is licensed to practice medicine in a jurisdiction in Canada that, in the opinion of the physician, the Annuitant has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years; and
- b) Either:
 - a. a declaration described in paragraph 26 of this Agreement about a spouse, or
 - b. a statement signed by the Annuitant attesting to the fact that none of the money in this Fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

The Trustee is entitled to rely upon the information provided by the Annuitant in an application made under Section 11 of Schedule 1.1 to the Regulations. An application that meets the requirements of Section 11 of Schedule 1.1 to the Regulations constitutes authorization to the Trustee to make the payment in accordance with the said Section 11 of Schedule 1.1 to the Regulations.

A document that must be signed by the Annuitant or his or her spouse is null and void if it is signed by the Annuitant or the spouse more than 60 days before the Trustee receives it.

The Trustee shall give the Annuitant a receipt for the document stating the date on which it was received.

The Trustee will make the payment to which the Annuitant is entitled under Section 11 of Schedule 1.1 to the Regulations within 30 days after the Trustee receives the properly completed application form and accompanying documents.

25. The Annuitant may apply to the Trustee for a lump sum payment of not less than \$500 in cases of financial hardship in accordance with sections 11.1, 11.2, 11.3 or 11.4 of Schedule 1.1 to the Regulation.

The application to withdraw money must be given to the Trustee and must be in a form required by the Regulation and approved by the Superintendent. The application form must be signed by the Annuitant and must include, or be accompanied by, the following:

- a) Either:
 - a. a declaration described in paragraph 26 to this Agreement about a spouse;

or

- b. a statement signed by the Annuitant attesting to the fact that none of the money in this Fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant; and
- b) Any other document as may be required under sections 11.1, 11.2, 11.3 or 11.4 of Schedule 1.1 to the Regulation.

The Trustee is entitled to rely upon the information provided by the Annuitant in an application made under sections 11.1, 11.2, 11.3 or 11.4 of Schedule 1.1 to the Regulation. An application that meets the requirements of sections 11.1, 11.2, 11.3 or 11.4 of Schedule 1.1 to the Regulation constitutes authorization to the Trustee to make the payment from this Fund in accordance with sections 11.1, 11.2, 11.3 or 11.4 of Schedule 1.1 to the Regulation.

A document that must be signed by the Annuitant or his or her spouse is null and void if it is signed by the Annuitant or the spouse more than 60 days before the Trustee receives it. Any other document required by sections 11.1, 11.2, 11.3 or 11.4 of Schedule 1.1 to the Regulation is null and void if it is signed or dated more than 12 months before the Trustee receives it.

The Trustee shall give the Annuitant a receipt for the document stating the date on which it was received.

The Trustee will make the payment to which the Annuitant is entitled under sections 11.1, 11.2, 11.3 or 11.4 of Schedule 1.1 to the Regulation within 30 days after the Trustee receives the completed application form and accompanying documents.

- 26. For purposes of paragraphs 21, 22, 23, 24 and 25 of this Agreement, the following documents constitutes a declaration about a spouse:
 - a) A statement signed by the Annuitant's spouse, if any, that the spouse consents to the withdrawal or transfer from this Fund.
 - b) A statement signed by the Annuitant attesting to the fact that he/she does not have a spouse.
 - c) A statement signed by the Annuitant attesting to the fact that he/she is living separate and apart from his or her spouse on the date the Annuitant signs the application to make the withdrawal or transfer from this Fund.
- 27. In the event of death of the Annuitant, who was the former member of the Registered Pension Plan from which the assets were transferred directly or indirectly to this Fund, the spouse is entitled to receive an amount equal to the value of the assets in this Fund. The spouse may receive the entitlement in cash or as a direct transfer to his or her RRSP or RRIF as permitted under the *Income Tax Act*.

Where the Annuitant, who was the former member of the Registered Pension Plan from which the assets were transferred directly or indirectly to this Fund, did not have a spouse at the date of death, or if the spouse waived this entitlement as permitted under the Act or where the Annuitant and the spouse were living separate and apart from the spouse due to relationship breakdown, the spouse is not entitled to the

proceeds of this Fund. The value of the assets in this Fund would be payable to the named beneficiary or, if none, to the estate of the Annuitant.

Where the Annuitant was not the former member of the Registered Pension Plan from which the assets were transferred directly or indirectly to this Fund, the value of the assets in this Fund would be payable to the named beneficiary or, if none, to the estate of the Annuitant.

The value of the assets in this Fund includes all accumulated investment earnings, including any unrealized capital gains and losses, of this Fund from the date of death until the date of payment.

28. The Trustee will, at the beginning of each fiscal year, provide the Annuitant with the following information:
 - a) With respect to the previous fiscal year, the sums deposited, any accumulated investment earnings, including any unrealized capital gains or losses, the payments made out of this Fund, the withdrawals taken out of this Fund and the fees charged against this Fund.
 - b) The value of the assets in this Fund as of the beginning of the fiscal year.
 - c) The minimum amount that must be paid out of this Fund to the Annuitant during the current fiscal year as required under the *Income Tax Act*.
 - d) The maximum amount that may be paid out of this Fund to the Annuitant during the current fiscal year.

If the assets in this Fund are transferred as permitted under paragraph 18 of this Agreement, the Trustee must provide the Annuitant with the information described above as determined as of the date of the transfer.

Upon death of the Annuitant, the person entitled to receive the assets in this Fund must be given the information described above as determined as of the date of the Annuitant's death.

29. If the Trustee makes any payout contrary to this Agreement, or makes any transfer not in compliance with paragraph 18 of this Agreement and the transferee financial institution fails to administer the balance of the funds transferred as a deferred life annuity under the Act or in the manner required by the Regulations, the Trustee undertakes to provide or ensure the provision of a LIF equal in value to the balance that was paid or transferred. The Trustee has a right of action against the Annuitant for the recovery of such funds.
30. 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*.
31. The Trustee will not amend the contract except as provided for in Section 16 of Schedule 1.1 to the Regulations.
32. The Trustee hereby affirms the provisions contained in the Declaration of Trust.
33. The conditions of this Agreement will take precedence over the provisions in the Declaration of Trust in the case of conflicting or inconsistent provisions.

By execution of this Agreement the Trustee 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 Annuitant hereby agrees to abide by the provisions stated and to waive any right to request amendment of the contract or of this Agreement 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

ANNUITANT IDENTIFICATION
(print annuitant information)

NAME _____
CONTRACT # _____