

Locked-in Registered Retirement Savings Plan (LRSP) Addendum – FEDERAL

(Pursuant to the Pension Benefits Standards Regulations, 1985 (Canada))



Account No. _____

CLIENT NAME: _____

Upon receipt of locked-in pension assets pursuant to the Pension Benefits Standards Act, 1985 (Canada), and in accordance with the instructions of the Plan Holder to transfer the assets to a locked-in registered retirement savings plan, the Plan Issuer and Plan Holder agree that the provisions of this Addendum are appended to and form additional terms of the Declaration of Trust or Trust Agreement for the above-named retirement savings plan.

Pension legislation: For the purpose of this Addendum, the word “Act” means the “Pension Benefits Standard Act, 1985” and the word “Regulation” means the Pension Benefits Standards Regulation, 1985 (Canada) made under the Act.

Spouse shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Tax Act respecting a RSP.

Locked-In Assets Only: No money that is not locked-in will be transferred to or held under the Plan.

- (1) A locked-in registered retirement savings plan shall provide that
- (a) the funds may only be
 - (i) transferred to another locked-in registered retirement savings plan,
 - (ii) transferred to a plan if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with two years of membership in the plan,
 - (iii) used to purchase an immediate life annuity or a deferred life annuity, or
 - (iv) transferred to a life income fund or to a restricted life income fund;
 - (b) on the death of the holder of the locked-in registered retirement savings plan, the funds shall be paid to the survivor of the holder by
 - (i) transferring the funds to another locked-in registered retirement savings plan,
 - (ii) transferring the funds to a plan, if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with two years membership in the plan,
 - (iii) using the funds to purchase an immediate life annuity or a deferred life annuity, or
 - (iv) transferring the funds to a life income fund or to a restricted life income fund;
 - (c) except as provided in subsection 25(4) of the Act, the funds shall not be assigned, charged, anticipated or given as security and any transaction purporting to assign, charge, anticipate or give the funds as security is void; and
 - (d) the holder of the locked-in registered retirement savings plan may withdraw an amount from that plan up to the lesser of the amount determined by the formula set out in subsection (1.1) and 50% of the Year’s Maximum Pensionable Earnings minus any amount withdrawn in the calendar year under this paragraph — from any locked-in registered retirement savings plan — or under paragraph 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m)
 - (i) if the holder certifies that the holder has not made a withdrawal in the calendar year under this paragraph — from any locked-in registered retirement savings plan — or under paragraph 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) other than within the last 30 days before this certification,
 - (ii) if, in the event that the value of M in subsection (1.1) is greater than zero,
 - (A) the holder certifies that the holder expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the holder’s total expected income for that calendar year determined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year under this paragraph — from any locked-in registered retirement savings plan — or under paragraph 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m), and
 - (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and
 - (iii) if the holder gives a copy of Form 1 and Form 2 of Schedule V to the financial institution with whom the contract or arrangement for the locked-in registered retirement savings plan was entered into.
- (1.1) The amount referred to in paragraph (1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) is determined by the following formula:
- $M + N$
where
M
is the total amount of the expenditures that the holder expects to make on medical or disability-related treatment or adaptive technology for the calendar year, and
N
is the greater of zero and the amount determined by the formula
 $P - Q$
where
P
is 50% of the Year’s Maximum Pensionable Earnings, and
Q
is two thirds of the holder’s total expected income for the calendar year determined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year under paragraph (1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m).
- (2) Where a pension benefit credit transferred into a locked-in registered retirement savings plan was not varied according to the sex of the plan member, an immediate life annuity or a deferred life annuity purchased by the funds accumulated in the locked-in registered retirement savings plan shall not differentiate as to sex.
 - (3) A locked-in registered retirement savings plan shall contain a statement as to whether or not the pension benefit credit transferred pursuant to section 26 of the Act was varied according to the sex of the plan member.
 - (4) A locked-in registered retirement savings plan may provide that, where a physician certifies that owing to mental or physical disability the life expectancy of the holder thereof is likely to be shortened considerably, the funds may be paid to the holder in a lump sum.

- (5) The contract or arrangement establishing a locked-in registered retirement savings plan shall set out the method of determining the value of the plan, including the valuation method used to establish its value on the death of the holder of the plan or on the transfer of assets from the plan.
- (6) Should the Plan Issuer and/or its Agent be required to make payments or to provide an annuity or a pension as a result of any Locked-In Assets being paid out or transferred otherwise than in accordance with the provisions of this Addendum, the Regulation or as may be required by applicable law,

the Plan Holder will indemnify and hold harmless the Plan Issuer and/or the Agent to the extent that Locked-In Assets were previously received by or accrued to the benefit of any of them or the Plan Holder's estate. This indemnity will be binding upon the Plan Holder's legal representatives, successors, heirs and assigns.

- (7) The Trustee hereby affirms that no amendment will be made to the Fund except as permitted by the Pension Act.

Plan Issuer:
Community Trust Company

Full Name of Plan Holder

Signature of Authorized Person

Signature of Plan Holder

Date

Date