



**Ontario Addendum to contracts for a  
Life Income Fund (LIF)  
According to Schedule 1.1 of the Regulation**

Upon receipt of locked-in money B2B Trust, the "Trustee", declares as follows:

1. For the purposes of this Addendum the word "Act" refers to the *Pension Benefits Act* (Ontario) as amended and the word "Regulation" refers to Regulation 909, R.R.O. 1990, as amended. All words used herein shall have the meaning provided in the Act, the Regulation or Schedule 1.1 of the Regulation, as applicable.
2. Spouse means either of two persons who:
  - a) are married to each other; or
  - b) are not married to each other and are living together in a conjugal relationship,
    - i. continuously for a period of not less than three years; or
    - ii. in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the *Family Law Act* (Ontario).

Notwithstanding anything to the contrary contained in the LIF, this Addendum or any endorsements forming a part thereof, for the purposes of any provision of the *Income Tax Act* respecting registered retirement income funds, "Spouse" does not include any person who is not recognized as a spouse or common-law partner under the *Income Tax Act* (Canada).

3. The Annuitant declares to be a former member or a spouse or former spouse of a person who was a member and that the funds being transferred to the LIF come directly or initially from an amount transferred under the paragraph 42(1)(b) of the Act or all or part of the assets of a life income fund, a locked-in retirement account or a locked-in retirement income fund. Before making such transfer, the Annuitant declares that he or she has obtained the consent of his or her spouse if required under the Act and Regulation.
4. The money in the LIF including all investment earnings will be invested in a manner that complies with the rules for the investment of Registered Retirement Income Funds money contained in the *Income Tax Act* (Canada) and will not be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the Annuitant or the parent, brother, sister or child of the Annuitant or the spouse of any such person.
5. The money in the LIF may not be assigned, charged, anticipated or given as security except as required by an order under the *Family Law Act* (Ontario) or by a domestic contract as defined in Part 1V of that Act, subject to the maximum set out in subsection 66(4) of the Act.
6. The money in the LIF cannot be commuted, withdrawn or surrendered in whole or in part, except as permitted by section 49 or 67 of the Act, section 22.2 or Schedule 1.1 of the Regulation. Furthermore, any transaction to commute, to withdraw or surrender the funds in this LIF is void.
7. The value of the LIF, at the relevant time, shall be the fair market value of the LIF upon:
  - a) the death of a person entitled to payment;
  - b) the establishment of life annuity;
  - c) a transfer of assets from the LIF.

8. The commuted value of the pension benefit transferred to the LIF:
- ☐ was determined on a basis that differentiated on the basis of sex.
  - ☐ was not determined on a basis that differentiated on the basis of sex.
9. The fiscal year of the LIF must end on December 31 and shall not exceed 12 months.
10. Payment out of the LIF must begin:
- a) no earlier than the earliest date on which the former member is entitled to receive a pension under any registered pension plan from which money was transferred into the LIF directly or indirectly; and
  - b) no later than the end of the second fiscal year of the LIF.
11. The Annuitant must establish the amount of income to be paid out for the fiscal year of the LIF, in conformity with section 6 of Schedule 1.1 of the Regulation, at the beginning of this fiscal year, or at another time agreed to by the Trustee, but not later than the end of the fiscal year to which it relates. Any amount established must conform to the requirements prescribed in section 6 of Schedule 1.1. If the Annuitant does not establish the amount of income to be paid out for a fiscal year of the LIF, the minimum amount prescribed in section 6 of Schedule 1.1 of the Regulation shall be deemed to be the income to be paid for the fiscal year.
12. The value of the assets and payments under the LIF 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.
13. Subject to paragraph 146.3(2)(e) the *Income Tax Act* (Canada), the Annuitant may transfer all or part of the assets of the LIF:
- a) to another LIF governed by Schedule 1.1 of the Regulation;
  - b) to purchase an immediate life annuity that meets the requirements of section 22 of the Regulations and paragraph 60(1) of the *Income Tax Act* (Canada). For the purposes of the annuity in question:
    - i. spousal status is determined on the date the annuity is purchased;
    - ii payments under the life annuity 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 the Act; and
    - iii the annuity shall not differentiate on the basis of the sex of the beneficiary if the commuted value of the pension benefit that was transferred into the LIF was determined in a manner that did not differentiate on the basis of sex.
14. The Trustee shall in no case complete a transfer described in paragraph 13 except where:
- a) the transfer is permitted under the Act and the Regulation; and
  - b) the transferee agrees to administer the amount transferred in accordance with the Act and this Regulation
15. If assets are transferred into the LIF from a pension fund, a locked-in retirement account, a locked in retirement income fund or another life income fund, the Annuitant may withdraw from the LIF or transfer from it to a RRSP before the maturity date prescribed or required for in paragraph 146(2)(b.4) of the *Income Tax Act* (Canada), or to a RRIF, as applicable, an amount representing up to 25 per cent of the total market value of the assets transferred into the LIF in relation to a transfer made on or before December 31, 2009 or an amount representing up to 50 per cent of the total market value of the assets transferred into the LIF in relation to a transfer of assets made on or after January 1, 2010. The total market value of the assets transferred into the LIF is to be determined as of the date the assets were transferred into said LIF.

Any assets transferred into the Fund from another life income fund or from a locked-in retirement income fund cannot be withdrawn or transferred as described above unless the transfer was made 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.

Any application made under this section must conform to the requirements prescribed by section 8 of Schedule 1.1 of the Regulation.

16. On or after January 1, 2010, the Annuitant may withdraw from the LIF or transfer from it to a RRSP before the maturity date prescribed or required for in paragraph 146(2)(b.4) of the Income Tax Act (Canada), or to a RRIF, as applicable, an amount representing up to 25 per cent of the total market value of all assets transferred into the fund on or before December 31, 2009. The total market value of the assets transferred into the LIF is to be determined as of the date the assets were transferred into said LIF.

The Annuitant may make a maximum of one withdrawal or transfer from the LIF under this paragraph.

Any application made under this section must conform to the requirements prescribed by section 8.1 of Schedule 1.1 of the Regulation and may be made and delivered no later than December 31, 2010.

17. The Annuitant may also, upon an application in conformity with the requirements of the Act and the Regulation, withdraw all of the assets in the LIF or transfer said assets to an RRSP before the maturity date prescribed or required for in paragraph 146(2)(b.4) of the Income Tax Act (Canada), or to a RRIF, as applicable, provided that, when the Annuitant signs the application:

- a) he or she is at least 55 years of age; and
- b) the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by him or her is less than 40 per cent of the Year's Maximum Pensionable Earnings for that calendar year, as defined in Act.

The valuation of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts shall be determined using the most recent statement about each fund or account given to the owner. Each statement shall be dated within one year prior to the Annuitant signing the above-mentioned application.

18. The Annuitant may also withdraw all of the money in the LIF if, when the Annuitant signs an application to withdraw all or part of the assets, as the case may be, in the LIF if:

- a) the Annuitant is a non resident for the purposes of the Income Tax Act (Canada); and
- b) the application is made at least 24 months after his or her departure date from Canada.

19. The Annuitant may withdraw all or part of the money in the LIF if, when the Annuitant signs an application to withdraw all or part of the assets, the Annuitant has an illness or physical disability that is likely to shorten the Annuitant's life expectancy to less than two years.

20. Any application under paragraphs 18 or 19 shall not be accepted unless it is in conformity with all prescribed requirements as set out in the Act and Regulation.

21. The Trustee agrees to make such payment or transfer, as applicable, pursuant to sections 13, 15, 16, 17, 18 and 19 within thirty (30) days after the Trustee has received such a request or completed application, as the case may be, from the Annuitant. This obligation does not apply with respect to the transfer of assets held as securities under paragraph 13 of this Addendum whose term of investment extends beyond the thirty (30) day period. If the assets in the LIF consist of identifiable and transferable securities, the Trustee may transfer the securities with the consent of the Annuitant.

22. Upon the death of the Annuitant, the Annuitant's spouse, if eligible pursuant to section 14 of Schedule 1.1 of the Regulation, or, if there is none or if the spouse is otherwise disentitled, the Annuitant's designated beneficiary or, if there is none, the Annuitant's estate is entitled to receive a benefit equal to the value of the assets in the LIF. The value of the assets in the fund includes all accumulated investment earnings, including any unrealized capital gains and losses, of the LIF from the date of the death of the Annuitant until the date of payment of the benefit. The benefit may be transferred to an RRSP or a RRIF in accordance with the Income Tax Act (Canada).

The Annuitant's spouse may waive his or her entitlement to receive a benefit under the present section by delivering a written waiver to that effect compliant with the applicable requirements of the Act and Regulation. The Annuitant's spouse may then cancel said waiver by sending a written and signed notice to that effect at any time prior to the death of the Annuitant.

23. The Trustee may amend the terms and conditions of LIF on a ninety (90) day notice to the Annuitant, sent by mail to the Annuitant's address as set out in the record of the Trustee, indicating the nature of the amendment. This amendment may not reduce in any way the rights of the Annuitant, unless the amendment is required by law and the Annuitant is given at least ninety (90) days from the date of notification to transfer the assets in the LIF pursuant to the terms of the contract that existed before the amendment was made.

24. At the beginning of each fiscal year, the Trustee shall provide to the Annuitant the following information: the value of the assets in the LIF and, with respect to the previous year, the sums deposited, any accumulated investment earnings, including any unrealized capital gains or losses, the payments made out of the LIF, the withdrawals taken out of the LIF and the fees charged against the LIF. The Trustee shall also provide the minimum amount that must be paid out and the maximum amount that may be paid out of the LIF during the current fiscal year.

In the case of the transfer of assets pursuant to paragraph 13 of this Addendum, the Trustee shall remit the information described above as of the date of the transfer.

In the case of receipt of assets in the event of the death of the Annuitant pursuant to paragraph 22 of this Addendum, the Trustee shall remit the information described above as of the date of the Annuitant's death

The Trustee hereby affirms the provisions of the Retirement Income Fund, and that the conditions of this Addendum will take precedence over other provisions in the Declaration of Trust, should there be a conflict between the two.

The Annuitant attests to having read this Addendum in its entirety and agrees to be bound by the conditions and declarations contained herein.

**Please send completed Addendum to :**

**B2B Trust**

130 Adelaide Street West, Suite 200, Toronto, Ontario M5H 3P5

Toll Free: 1.800.263.8349 or locally at 416.947.7427

b2btrust.com



B2B Trust Authorized Signature

Signature Guarantee

Annuitant Signature

Date (mm/dd/yyyy)