

AGF INVESTMENTS

# LOCKED-IN ADDENDUM

ONTARIO LIRA

ONTARIO LIF



# LOCKED-IN RETIREMENT ACCOUNT FOR ONTARIO

## ADDENDUM

### SUPPLEMENTARY AGREEMENT ESTABLISHING A LOCKED-IN RETIREMENT ACCOUNT UNDER THE AGF RETIREMENT SAVINGS PLAN

The owner of the Plan (also referred to as the “Annuitant”) named in the application form completed by the Annuitant has established an AGF Retirement Savings Plan (the “Plan”) with AGF Investments Inc. (the “Agent”) as agent for B2B Trustco as trustee and issuer (the “Trustee”), which has received funds originating from a registered pension plan governed by the provisions of the *Pension Benefits Act (Ontario)* (the “Act”) and regulations thereunder. In accordance with the Act, regulations and the declaration of trust governing the Plan and except as otherwise may be permitted or provided for under the Act and regulations from time to time, the following forms part of the terms and conditions applicable to the funds, which are binding upon the Annuitant and the Trustee and their respective successors and assigns effective from the time of the transfer of the funds to the Plan.

#### Definitions

1. In this Addendum, all capitalized terms not otherwise defined herein shall have the same meaning as in the AGF Retirement Savings Plan. In addition, the following terms shall have the meaning indicated:
  - 1.1 “**Financial institution**” means the underwriter, depository or issuer of a LIF, LRIF or LIRA;
  - 1.2 “**LIF**” means a retirement income arrangement, known as a life income fund, that is a RIF and that meets the conditions set out in Schedule 1.1 of the Regulation;
  - 1.3 “**Life Annuity**” means an arrangement that is made to purchase, through a person authorized to sell annuities under the laws of Canada or of a province, an immediate or deferred annuity and that complies with the relevant provisions of the Income Tax Act (Canada) and of section 22 of the Regulation;
  - 1.4 “**LIRA**” means a retirement savings arrangement known as a locked-in retirement account that is a RSP and that meets the conditions set out in Schedule 3 of the Regulation;
  - 1.5 “**LRIF**” means a retirement income arrangement, known as a locked-in retirement income fund, that is a RIF and that meets the conditions set out in Schedule 2 of the Regulation;
  - 1.6 “**Regulation**” means Regulation R.R.O. 1990, Reg. 909 adopted pursuant to the Act, as same may be amended from time to time;
  - 1.7 “**RIF**” means a retirement income fund within the meaning in the Income Tax Act (Canada) that is registered under that act;
  - 1.80 “**RSP**” means a retirement saving plan within the meaning of the Income Tax Act (Canada) that is registered under that act;
  - 1.9 “**Spouse**” shall have the meaning assigned to such term under the Act but does not include any person who is not recognized as Spouse or common-law partner for the purposes of any provision of the *Income Tax Act (Canada)* respecting RSPs;
  - 1.10 “**Transfer**” means the transfer referred to in the Preamble hereto.
2. **Locking-in provisions:** Subject to sections 3 and 5 herein, all money that is the subject of the Transfer, including all investment earnings thereon but excluding all fees, charges, expenses and taxes charged to this Plan, shall be used to provide or ensure a pension that would, but for the Transfer or any previous transfers, be required or permitted

by the Act. The Annuitant shall not be allowed to make any additional contribution, and no money which is not locked-in may be transferred or otherwise held under this Plan.

3. **Permitted transfers:** No transfer of all or any part of the money or assets held under this Plan is permitted unless such transfer is made to one of the following:
  - 3.1 to another LIRA on the conditions set out in Schedule 3 of the Regulation;
  - 3.2 to a LIF that is governed by Schedule 1.1 of the Regulation;
  - 3.3 to purchase a Life Annuity, as stipulated in subsection 146(1) of the Income Tax Act (Canada); or
  - 3.4 to a registered pension plan.

Such transfer shall be made after receipt by the Trustee or the Agent of written instructions from the Annuitant to that effect, but shall be conditional upon the Trustee being satisfied that the conditions for transfer set out at section 4 hereof are fulfilled. Once the transfer is completed in compliance with all conditions relating thereto, the Trustee and the Agent shall be released from any liability in connection with this Plan to the extent of the transfer. Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Plan for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer accordingly, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

The transfers referred to at subsection 3.2 are subject to the further condition that if the Annuitant who was a member or former member or retired member of the pension plan from which the funds in this Plan originated has a Spouse, the Spouse must have consented to such transfer in the manner prescribed under the Regulation and satisfactory evidence thereof must be provided to the Trustee.

Effective January 1, 2011, a LIRA can no longer be transferred to an LRIF or an “Old” LIF that is governed by Schedule 1 of the Regulation.

4. **Conditions for transfer:** Before transferring any money from this Plan to another Financial institution, the Trustee shall advise the transferee Financial institution in writing of the locked-in status of the money being the object of the transfer and that same must be administered as a pension or deferred pension under the Act and the Regulation and shall make the transfer subject to the compliance with the conditions set forth in Schedule 3 of the Regulation.
5. **Permitted withdrawals:** No withdrawal, commutation or surrender of money held under this Plan is permitted and will be void, except:
  - (a) where the amount is required to be paid to the Annuitant to reduce the amount of tax otherwise payable under Part X.1 of the Income Tax Act (Canada);
  - (b) **Financial Hardship Withdrawal:** There are four categories of financial hardship:
    1. *Medical expenses:* where the Annuitant, his or her Spouse, or a dependant has incurred or will incur medical expenses relating to an illness or physical disability of any of them.
    2. *Arrears of debt or rent:* where the Annuitant or his or her Spouse has received a written demand in respect of arrears in the payment of rent on the Annuitant’s principal residence, and the Annuitant could face eviction if the debt remains unpaid; or where the Annuitant or his or her Spouse has received a written demand in respect of a default on a debt that is secured against the Annuitant’s principal residence, and the Annuitant could face eviction if the amount in default remains unpaid.
    3. *Payment of first and last months’ rent:* where the annuitant or his or her Spouse requires money to pay the first and last months’ rent to obtain a principal residence for the Annuitant.

4. *Low expected income*: where the Annuitant's expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed is 66 2/3 per cent or less of the Year's Maximum Pensionable Earnings for the year in which the application is signed.

A withdrawal of all or part of the balance of the LIRA may be made on application by the Annuitant to the Trustee in accordance with sections 8.1, 8.2, 8.3 and/or 8.4 of Schedule 3 of the Regulation, provided the following conditions are met:

- (i) Only one application per Plan may be made under each category of financial hardship during a calendar year, except in the case of *Medical expenses* where one application may be made during a calendar year in respect of a particular person
- (ii) The application must specify the amount to be withdrawn from the Plan and must be within the prescribed minimum (\$500) and maximum amount for the given category of financial hardship
- (iii) The application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within sixty days of execution, and accompanied by the following documentation:
  - a. a Declaration about a Spouse; or a statement signed by the Annuitant within sixty days of receipt by the Trustee attesting to the fact that none of the assets in the LIRA are derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant; and
  - b. a statement, signed by the Annuitant, that he or she understands that any assets released under the financial hardship provision will not be exempt under section 66 of the Act from execution, seizure or attachment; and
  - c. supporting documentation as required under sections 8.1, 8.2, 8.3 or 8.4 of Schedule 3, as the case may be, which are signed and dated no more than 12 months prior to receipt by the Trustee:
    - i. *For Medical expenses*: a statement signed by a Canada licensed physician or dentist, as applicable, indicating that, in his or her opinion, the expenses claimed are or were necessary for the person's treatment; and a copy of the receipts or the estimate to account for the total amount of the medical expenses being claimed.
    - ii. *For Arrears of debt or rent*: a copy of the written demand in respect of arrears in the payment of rent or in respect of the default on the secured debt, as the case may be.
    - iii. *For Payment of first and last months' rent*: a copy of the rental agreement, if available.
    - iv. *For Low expected income*: a statement, signed by the Annuitant, setting out the amount of his or her expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.

- (c) **Shortened Life Expectancy Withdrawal**: A withdrawal of all or part of the balance of the LIRA may be made on application by the Annuitant to the Trustee in accordance with section 8 of Schedule 3 of the Regulation for the withdrawal provided the following conditions are met:

- (i) at the time of execution of the application the Annuitant has an illness or physical disability that is likely to shorten the Annuitant's life expectancy to less than two years;
- (ii) the application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within sixty days of execution, and accompanied by the following documentation:
  - (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 the Annuitant's life expectancy to less than two years; and
  - (B) either a declaration about a Spouse, or a statement signed by the Annuitant within sixty days of receipt by the Trustee attesting to the fact that none of the assets in the LIRA are derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant

- (d) **Withdrawal of Small Amount at 55**: A withdrawal equal to the value of the entire LIRA may be made upon application by the Annuitant to the Trustee in accordance with section 6 of Schedule 3 of the Regulation provided the following conditions are met:

- (i) the Annuitant has attained the age of fifty-five years at the time of execution of the application;
- (ii) the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the Annuitant is less than 40% of the Year's Maximum Pensionable Earnings for the calendar year in which the application is made; and
- (iii) the application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee in accordance with Section 6 of Schedule 3 of the Regulation within sixty days of execution, and accompanied by one of the following documents:
  - (A) a Declaration about a Spouse; or
  - (B) a statement signed by the Annuitant within sixty days of receipt by the Trustee attesting to the fact that none of the assets in the LIRA are derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the Annuitant when the Annuitant signs the application shall be determined in accordance with the most recent statement about each fund or account given to the Annuitant. Each such statement must be dated within one year of the execution of the application by the Annuitant.

The Trustee may rely upon the information provided by the Annuitant in an application made pursuant to paragraph 5 (b), (c) and (d) and such application shall constitute sufficient authorization for the Trustee to make the withdrawal from the LIRA as requested by the Annuitant. The withdrawal will occur within thirty days of receipt by the Trustee of a completed application form and accompanying document.

- (e) **Non-Canadian Residents:** A withdrawal equal to the value of the entire LIRA may be made on application by the Annuitant to the Trustee, in accordance with Section 7 of Schedule 3 of the Regulation, provided the following conditions are met:
- (i) when the Annuitant signs the application, he or she is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the Income Tax Act (Canada);
  - (ii) the application is made at least 24 months after the Annuitant's date of departure from Canada; and
  - (iii) the application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within 60 days of execution and accompanied by the following documentation:
    - (A) A written determination from the Canada Revenue Agency that the Annuitant is a non-resident for the purposes of the Income Tax Act (Canada).
    - (B) either a declaration about a Spouse, or a statement signed by the Annuitant attesting to the fact that none of the money in the LIRA is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.
6. **Investments:** The money and assets held under this Plan shall be invested by the Trustee, either directly or through the Agent, in the manner provided for in the Declaration of Trust creating the AGF Retirement Savings Plan. All investments of money or assets held under this Plan must comply with the rules for the investment of RSP money contained in the *Income Tax Act* (Canada) and the regulations thereunder.
7. **Exemption from seizure:** The money and assets held under this Plan may not be assigned, charged, anticipated or given as security and shall be exempted from execution, seizure or attachment, except to the extent provided by law. Any transaction purporting to assign, charge, anticipate or give the money or assets held under this Plan as security is void.
8. **Form of annuity to be purchased:** The pension to be provided to the Annuitant, where the Annuitant who was a member or former member or retired member of the pension plan from which the funds in this Plan originate has a Spouse on the date at which the pension commences, must be a joint pension that complies with section 22 of the Regulation, unless the Annuitant and his/her Spouse waive such entitlement in the manner prescribed by the Act and the Regulation and satisfactory evidence thereof is given to the Trustee. An immediate or deferred life annuity purchased with the LIRA Assets shall not differentiate on the basis of the sex of the beneficiary if the value of the Benefits was determined in a manner that did not differentiate on the basis of sex.
9. **Compulsory transfer:** The money and assets held under this Plan shall be affected to a permitted transfer as provided at section 3 hereof before the end of the calendar year in which the Annuitant attains the age of 71 years, at the choice of the Annuitant as specified in writing. However, if the Trustee has not received from the Annuitant the necessary documentation to start a pension or effect such transfer, within 90 days prior to the end of the calendar year in which the Annuitant attains the age of 71, the Trustee shall, at his entire discretion, either purchase an immediate Life Annuity for the Annuitant, in compliance with subsection 3.3 hereof, or transfer the balance of this Plan to a AGF Life Income Fund for the Annuitant.
10. **Division on Marriage Breakdown:** Notwithstanding sections 3 and 5 hereof, the funds in this Plan are subject to division in accordance with the terms of a domestic contract, as defined in Part IV of the Family Law Act (Ontario), or the terms of an order made under Part I of the *Family Law Act* (Ontario), subject to requirements of the Act. The Trustee shall not be obligated to make any payments or transfers hereunder until receipt by the Trustee of satisfactory proof of entitlement.
11. **Death of the Annuitant:** Should the Annuitant die before the commencement of the pension or transfer under section 3 or 9 then the money and assets held under this Plan shall be payable:
- (i) by way of lump sum to his or her Spouse or transfer to a RSP or RIF of the Spouse, if at the time of the Annuitant's death the Annuitant had a Spouse who has not waived his or her entitlements hereunder and such Spouse was not living separate and apart from the Annuitant at the time of the Annuitant's death, or
  - (ii) in the absence of a Spouse who is entitled to receive same under (i) above, to any beneficiary lawfully designated to receive same or, failing that, to the estate of the Annuitant. Such payment shall be effected after receipt by the Trustee of satisfactory evidence of the Annuitant's death and of entitlement to the funds in question.
- Notwithstanding the above, where the Spouse of the Annuitant is entitled to the balance of this Plan, such Spouse may receive the balance of this Plan by way of a pension instead of a lump sum payment, at his or her election. In this event, the Annuitant's Spouse must inform the Trustee of his/her election as to the manner of payment of the balance of the Plan, whether by way of pension or lump sum payment, and provide the Trustee with all necessary information to effect the transfer within 90 days from receipt by the Trustee of evidence of the Annuitant's death, failing which the Trustee shall purchase either a RSP, a RIF or a Life Annuity in the name of the Spouse, at its absolute discretion, and no lump sum payment will be made.
12. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
- 12.1 that an entitlement to receive a pension under a pension plan governed by the Act is vested in him/her whether as member or former member or retired member of such pension plan or as the Spouse of such a member or former member;
  - 12.2 that he/she is entitled to effect a transfer of his/her pension entitlements pursuant to the Act;
  - 12.3 that the funds transferred herein are locked-in funds resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements and are transferred herein pursuant to the Act or the Regulation; and
  - 12.4 that the provisions of the pension plan do not prohibit the Annuitant from entering in this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement or for anything done by the Trustee in accordance with the provisions hereof.
13. **Governing terms:** The money which is the object of the Transfer shall be held by the Trustee in accordance with the terms of the AGF Retirement Savings Plan and the provisions of the Agreement, provided that in the event of any conflict between the provisions of the AGF Retirement Savings Plan on the one hand and this Agreement on the other, the provisions of this Agreement shall prevail.
14. **Governing law:** This Agreement shall be governed by the laws of the province of Ontario.
15. **Assigns:** This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.
-

# LIFE INCOME FUND FOR ONTARIO

## ADDENDUM

### SUPPLEMENTARY AGREEMENT ESTABLISHING A LIFE INCOME FUND UNDER THE AGF RETIREMENT INCOME FUND

The owner of the Plan (also referred to as the "Annuitant") named in the application form completed by the Annuitant has established an AGF Retirement Income Fund (the "Fund") with AGF Investments Inc. (the "Agent") as agent for B2B Trustco as trustee and issuer (the "Trustee"), which has received funds originating from a registered pension plan governed by the provisions of the *Pension Benefits Act (Ontario)* (the "Act") and regulations thereunder. In accordance with the Act, regulations and the declaration of trust governing the Plan and except as otherwise may be permitted or provided for under the Act and regulations from time to time, the following forms part of the terms and conditions applicable to the funds, which are binding upon the Annuitant and the Trustee and their respective successors and assigns effective from the time of the transfer of the funds to the Fund.

#### Definitions

5. In this Addendum, all capitalized terms not otherwise defined herein shall have the same meaning as in the AGF Retirement Income Fund. In addition, the following terms shall have the meaning indicated:

- 1.1 "Act" means the *Pension Benefits Act* (Ontario), as same may be amended from time to time;
- 1.2 "Financial Institution" means the underwriter, depository or issuer of a LIF, LRIF or LIRA;
- 1.3 "Fiscal Year" in connection with this Fund means a calendar year terminating on December 31, and will not exceed twelve months;
- 1.4 "Fund" refers to the AGF Retirement Income Fund executed between the Annuitant, B2B Trustco and the Agent, as supplemented and modified by this Agreement establishing a LIF;
- 1.5 "LIF" means a prescribed retirement savings arrangement, known as a life income fund, that is a RIF that meets the conditions set out in Schedule 1.1 of the Regulation;
- 1.6 "LRIF" means a prescribed retirement savings arrangement, known as a locked-in retirement income fund, that is a RIF that meets the conditions set out in Schedule 2 of the Regulation;
- 1.7 "Life Annuity" means an arrangement made to purchase through an insurance business a pension that complies with the relevant provisions of the *Income Tax Act* (Canada) and section 22 of the Regulation;
- 1.8 "LIRA" means a retirement savings arrangement known as a locked-in retirement account that is a RSP and that meets the conditions set out in Schedule 3 of the Regulation;
- 1.9 "Regulation" means *Regulation R.R.O. 1990, Reg. 909* adopted pursuant to the Act, as same may be amended from time to time;
- 1.10 "RIF" means a retirement income fund within the meaning of the *Income Tax Act* (Canada) that is registered under that act;
- 1.11 "RSP" means a retirement saving plan within the meaning of the *Income Tax Act* (Canada) that is registered under that act;
- 1.12 "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 common-law partner for the purposes of any provision of the *Income Tax Act* (Canada) respecting RIFs;

- 1.13 "Transfer" means the transfer referred to in paragraph A of the Recitals hereto;

- 1.14 "Value of the Fund" for the purposes of calculating the balance of the money and assets held under this Fund, shall mean the fair market value of the assets held under the Fund as determined by the Trustee in good faith.

6. **Purpose of the Fund:** All money that is the subject of the Transfer, including all investment earnings thereon but excluding all fees, charges, expenses and taxes charged to this Fund, shall be used to provide the Annuitant with periodic payments the amount of which may vary annually and which shall continue until the whole of this Fund is transferred or otherwise paid out hereunder. The Annuitant shall not be allowed to make any additional contribution, and no money which is not locked-in may be transferred or otherwise held under this Fund.
7. **Periodic Payments:** Payments to the Annuitant hereunder shall be determined by the Annuitant at the beginning of the Fiscal year of this Fund within the minimum and maximum amounts set forth in the statement referred to at section 12 hereof. Should the Annuitant fail to make such a determination in a given Fiscal year within 30 days of receipt of such statement, the Trustee shall pay the minimum amount for that Fiscal year. The payments to be made hereunder to the Annuitant shall comply with the following conditions:

- 3.1 the aggregate amounts paid during a year must be not less than the minimum amount required to be paid under the *Income Tax Act* (Canada) in respect of a RIF and must not exceed the maximum amount permitted under the Act and the Regulation in respect of a LIF. The Maximum annual income payment will be greatest of the following amounts:

- (f) The investment earnings, including any unrealized capital gains or losses, of the Fund in the previous Fiscal Year.
- (g) If the Fund assets are derived from money transferred directly from another LIF or LRIF (the "Transferring Plan"), and if the income is being paid out of the Fund in the Fiscal Year following the Fiscal Year in which the Fund is established, the sum of:
  - (i) the investment earnings, including any unrealized capital gains or losses, of the Transferring Plan in the previous Fiscal Year, and
  - (ii) the investment earnings, including any unrealized capital gains or losses, of the Fund in the previous Fiscal Year.
- (h) The amount calculated using the formula,

$$\frac{C}{F}$$

where  
**C =** the value of assets in the Fund on the first day 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 reaches 90 years of age. The following interest rate assumptions are to be used to determine the amount "F":

- (i) the interest rate for each of the first fifteen Fiscal Years of the period referred to in the definition of "F" is the greater of six per cent 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 Canadian Socio-Economic Information Management System (CANSIM) series V122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada; and

- (ii) for each subsequent Fiscal Year of the period referred to in the definition of "F", the interest rate is six per cent.
- 3.2 for the first Fiscal Year of the Fund, the minimum amount shall be set at zero and the maximum amount will be adjusted in proportion to the number of months remaining in the Fiscal Year divided by twelve (12), with any part of an incomplete month counting as one month; and
- 3.3 where all or any part of the money and assets held under this Fund is derived from money transferred directly or indirectly during a Fiscal Year of this Fund from another LIF or a LRIF of the Annuitant, the maximum amount payable for that Fiscal Year shall be equal to zero unless the *Income Tax Act* (Canada) requires the payment of a higher amount;
- 3.4 If the Minimum Amount is greater than the Maximum Amount, the Minimum Amount shall be paid out of the Fund during the Fiscal Year.
- 3.5 This section 3 shall not be construed to prevent or limit a payment from the Fund that is permitted under section 6 hereof.
- 8. **Commencement of Payments:** All payments to be made to the Annuitant hereunder shall commence as follows:
  - 4.1 not earlier than the earliest date on which the former member or retired member is entitled to receive a pension under any pension plan from which benefits were transferred into the LIF directly or indirectly; and
  - 4.2 not later than the end of the second Fiscal year of this Fund.
- 9. **Permitted Transfers:** The money and assets held under this Fund may be transferred in whole or in part to one of the following:
  - 5.1 to another LIF that is governed by Schedule 1.1 of the Regulation
  - 5.2 to purchase an immediate Life Annuity, as stipulated in paragraph 60(1) of the *Income Tax Act* (Canada) and that meets the requirements of section 22 of the Regulation

Such transfer shall be made within a period of 30 days from the receipt of written instructions from the Annuitant to that effect. Once the transfer is completed, the Trustee and the Agent shall be released from any liability in connection with this Fund to the extent of the transfer. Notwithstanding the above, the Trustee shall never be obliged to refund in advance the investments held under the Fund for purposes of transfer and may, at its entire discretion, either (i) delay the requested transfer, or (ii) where such investments consist of identifiable and transferable securities, effect the transfer by the remittance of such securities.

**10. Permitted Withdrawals:**

- (i) **Financial Hardship Withdrawal:** There are four categories of financial hardship:
  - 1. *Medical expenses:* where the Annuitant, his or her Spouse, or a dependent has incurred or will incur medical expenses relating to an illness or physical disability of any of them.
  - 2. *Arrears of debt or rent:* where the Annuitant or his or her Spouse has received a written demand in respect of arrears in the payment of rent on the Annuitant's principal residence, and the Annuitant could face eviction if the debt remains unpaid; or where the Annuitant or his or her Spouse has received a written demand in respect of a default on a debt that is secured against the Annuitant's principal residence, and the Annuitant could face eviction if the amount in default remains unpaid.
  - 3. *Payment of first and last months' rent:* where the annuitant or his or her Spouse requires money to pay the first and last months' rent to obtain a principal residence for the Annuitant.

- 4. *Low expected income:* where the Annuitant's expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed is 66 2/3 per cent or less of the Year's Maximum Pensionable Earnings for the year in which the application is signed.

A withdrawal of all or part of the balance of the LIF may be made on application by the Annuitant to the Trustee in accordance with sections 11.1, 11.2, 11.3, 11.4 of Schedule 1.1 of the Regulation, provided the following conditions are met:

- (i) Only one application per Account may be made under each category of financial hardship during a calendar year, except in the case of *Medical expenses* where one application may be made during a calendar year in respect of a particular person
- (ii) The application must specify the amount to be withdrawn from the Account and must be within the prescribed minimum (\$500) and maximum amount for the given category of financial hardship
- (iii) The application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within sixty days of execution, and accompanied by the following documentation:
  - a. a Declaration about a Spouse; or a statement signed by the Annuitant within sixty days of receipt by the Trustee attesting to the fact that none of the assets in the LIRA are derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant; and
  - b. a statement, signed by the Annuitant, that he or she understands that any assets released under the financial hardship provision will not be exempt under section 66 of the Act from execution, seizure or attachment; and
  - c. supporting documentation as required under sections 11.1, 11.2, 11.3 or 11.4 of Schedule 1.1, as the case may be, which are signed and dated no more than 12 months prior to receipt by the Trustee:
    - i. For *Medical expenses*: a statement signed by a Canada licensed physician or dentist, as applicable, indicating that, in his or her opinion, the expenses claimed are or were necessary for the person's treatment; and a copy of the receipts or the estimate to account for the total amount of the medical expenses being claimed.
    - ii. For *Arrears of debt or rent*: a copy of the written demand in respect of arrears in the payment of rent or in respect of the default on the secured debt, as the case may be.
    - iii. For *Payment of first and last months' rent*: a copy of the rental agreement, if available.
    - iv. For *Low expected income*: a statement, signed by the Annuitant, setting out the amount of his or her expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.
- (b) **Withdrawal of Small Amount at 55:** A withdrawal or a transfer to a RSP or RIF of the Annuitant, equal to the value of the entire LIF may be made upon application by the Annuitant to the Trustee in accordance with section 9 of Schedule 1.1 of the Regulation provided the following conditions are met:



- (i) the Annuitant has attained the age of 55 years at the time of execution of the application;
- (ii) the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the Annuitant is less than 40% of the Year's Maximum Pensionable Earnings for the calendar year in which the application is made; and
- (iii) the application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within 60 days of execution by the Annuitant, and accompanied by one of the following documents:

- (A) a declaration about a Spouse, or
- (B) a statement signed by the Annuitant no more than 60 days before it is received by the Trustee attesting to the fact that none of the money in the LIF is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the Annuitant when the Annuitant signs the application shall be determined in accordance with the most recent statement about each fund or account of the Annuitant, which must be provided to the Trustee. Each such statement must be dated within one year prior to the execution of the application by the Annuitant. If assets in the Fund consist of identifiable and transferable securities, the Trustee may transfer such securities to the RSP or RIF of the Annuitant with the Annuitant's consent.

- (c) **Shortened Life Expectancy Withdrawal:** A withdrawal of all or part of the balance of the LIF may be made on application by the Annuitant to the Trustee in accordance with section 11 of Schedule 1.1 of the Regulation for the withdrawal provided the following conditions are met:

- (i) at the time of execution of the application the Annuitant has an illness or physical disability that is likely to shorten the Annuitant's life expectancy to less than two years;
- (ii) the application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within 60 days of execution by the Annuitant, and accompanied by the following documentation:
  - (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 the Annuitant's life expectancy to less than two years; and
  - (B) a declaration about a Spouse, or a statement signed by the Annuitant no more than 60 days before it is received by the Trustee attesting to the fact that none of the money in the LIF is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

The Trustee may rely upon the information provided by the Annuitant in an application made pursuant to paragraph 6 (a), (b) and (c) and such application shall constitute sufficient authorization to the Trustee to make the withdrawal from the LIF as requested by the Annuitant. The withdrawal will occur within 30 days of

receipt by the Trustee of a completed application form and accompanying documentation.

- (d) **One-Time Withdrawal Options:** the Annuitant may, upon application in accordance with this section, either withdraw from the LIF or transfer from it to a RSP or a RIF an amount representing up to 50 percent of the total market value of the assets transferred into the LIF on or after January 1, 2010. The application must be provided to the Trustee within 60 days after the assets are transferred into the LIF.

An application for a withdrawal or transfer must be made on a form approved by the Superintendent, signed by the Annuitant and accompanied by one of the following documents:

- (A) a declaration about a Spouse; or
- (B) a statement signed by the Annuitant attesting to the fact that none of the money in the LIF is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.

The total market value of the assets transferred into the LIF is to be determined as of the date the assets were transferred into the LIF.

If the assets are transferred into the LIF from another LIF or an LRIF, the Annuitant cannot make a withdrawal or transfer as described in this section unless the transfer of assets into the LIF 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 the Act.

The Trustee may rely upon the information provided by the Annuitant in the application. An application that meets the requirements of section 8 of Schedule 1.1 of the Regulation constitutes authorization to the Trustee to make the payment or transfer from the LIF in accordance with section 8. The Trustee is required to make the payment or transfer to which the Annuitant is entitled under section 8 within 30 days after the Trustee receives the completed application form and accompanying documents.

- (e) **Non-Canadian Residents:** owners of locked-in accounts who are non-residents of Canada, as determined by the Canada Revenue Agency ("CRA") for the purposes of the federal *Income Tax Act* (Canada), may apply two years after departure from Canada to withdraw the entire balance in their accounts. A withdrawal of all of the balance of the LIF may be made on application by the Annuitant to the Trustee in accordance with Section 10 of Schedule 1.1 of the Regulation, provided the following conditions are met:

- (i) when the Annuitant signs the application, he or she is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the *Income Tax Act* (Canada); and
- (ii) the application is made at least 24 months after the Annuitant's date of departure from Canada.
- (iii) the application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within 60 days of execution and accompanied by the following documentation:
  - (A) A written determination from the Canada Revenue Agency that the Annuitant is a non-resident for the purposes of the *Income Tax Act* (Canada).
  - (B) Either a declaration about a Spouse, or a statement signed by the Annuitant attesting to the fact that none of the money in the LIF is derived, directly or indirectly, from a



pension benefit provided in respect of any employment of the Annuitant.

2. **Exemption from Seizure:** Except as provided by law, including at section 65(3) of the Act and section 11 hereof, the money and assets held under this Fund may not be assigned, charged, anticipated or given as security and shall be exempted from execution, seizure or attachment. Any transaction purporting to assign, charge or anticipate the money or assets held under this Fund or give same as security is void.
8. **Form of Annuity to be Purchased:** The pension to be provided to the Annuitant, where the Annuitant who was a member or former member or retired member of the pension plan from which the funds in this Fund originate has a Spouse on the date at which the pension commences, must be a joint pension that complies with section 22 of the Regulation, unless the Annuitant and his or her Spouse waive such entitlement in the manner prescribed by the Act and the Regulation and satisfactory evidence thereof is given to the Trustee. An immediate or deferred life annuity purchased with funds from the LIF shall not differentiate on the basis of the sex of the beneficiary if the value of the benefit was determined in a manner that did not differentiate on the basis of sex.
9. **Death of the Annuitant:** Should the Annuitant who is a member or former member or retired member die before transfer or withdrawal of the whole of this Fund as provided at sections 3, 5 or 6 hereof then, notwithstanding any other provision of this Agreement, the money and assets held under this Fund shall be payable as follows:
  - 9.1 by way of lump sum to the Annuitant's Spouse as established at the time of the Annuitant's death, provided such Spouse is not living separate and apart from the Annuitant at such time, or, transfer directly to the RSP or RIF of the Spouse;
  - 9.2 by way of lump sum where the Annuitant does not have a Spouse entitled to receive such payment, to any beneficiary lawfully designated to receive same; or
  - 9.3 by way of lump sum where the Spouse of the Annuitant is otherwise disentitled to receive such payment and in the absence of a lawfully designated beneficiary, to the estate of the Annuitant.Such payment shall be effected after receipt by the Trustee of satisfactory evidence of the Annuitant's death and of entitlement to the funds in question.
10. **Waivers of Spousal Benefits:** The Spouse of the Annuitant may waive his or her entitlements in the balance of this Fund under section 9 hereof by written notice to the Trustee. Such waiver may also be revoked by way of waiver made by the Spouse in writing and transmitted to the Trustee in the same manner.
11. **Division on Marriage Breakdown:** Payments out of this Fund pursuant to section 3 hereof and payments made to the Annuitant under a Life Annuity purchased with this Fund are subject to division in accordance with the terms of a domestic contract, as defined in Part IV of the *Family Law Act* (Ontario), or the terms of an order made under Part I of the *Family Law Act* (Ontario), subject to the requirements of the Act. For the purpose of the division of payments from a Life Annuity purchased with this Fund, the Annuitant's spousal status is to be determined as of the date of the purchase and such division can only be effected by commutation and payment in a lump sum. The Trustee shall not be obligated to make any payments or transfers hereunder until receipt by the Trustee of satisfactory proof of entitlement.
12. **Statements:** The Trustee shall provide the Annuitant, within 30 days of the beginning of each Fiscal year of this Fund, a statement containing the following information:

- 12.1 the sums deposited, any accumulated investment earnings including any unrealized capital gains or losses, the payments made under this Fund and the fees charged to the Fund during the previous Fiscal Year;
- 12.2 the balance in the Fund at the beginning of the Fiscal Year in question; and
- 12.3 the minimum and maximum amounts that are available for payment under the Fund for the Fiscal Year in question.

A statement containing the information referred to at 12.1 and 12.2 above shall also be provided (i) to the Annuitant when a transfer is made pursuant to section 5, as at the time of the transfer, or (ii) if the Annuitant dies before the termination of this Fund, to the Annuitant's Spouse, beneficiary or personal representative, as the case may be, as of the time of the Annuitant's death.

13. **Amendments:** Amendments to this Fund shall not be made that would result in a reduction of the benefits hereunder unless such amendment is necessary to conform with the requirements of the Act and the Regulation pertaining to LIF or those of other legislation in another jurisdiction, including the *Income Tax Act* (Canada) and the Annuitant is entitled to transfer the money and assets held in the Fund under section 5 hereof. In such event, a notice must be sent to the Annuitant at the last address known to the Trustee in connection with this Fund, indicating the nature of the amendment and providing for at least 90 days within which the Annuitant may exercise the entitlement to transfer. Any other amendment will be effective not less than 90 days after notice thereof has been mailed to the Annuitant in the same manner as provided above.
14. **Representations and warranties of the Annuitant:** The Annuitant represents and warrants to the Trustee the following:
  - 14.1 that he or she is or was a member of a pension plan governed by the Act or the Spouse of such person, that an entitlement to receive a pension there under is vested in him or her, in the case of the Spouse of such a person, as a result of the death of the member or former member or retired member or as a result of marriage breakdown;
  - 14.2 that the funds transferred herein are locked-in funds resulting directly or indirectly from the commuted value of the Annuitant's pension entitlements whose transfer herein is permitted pursuant to the Act;
  - 14.3 where the Annuitant has a Spouse and is transferring herein pension entitlements accruing to the Annuitant as a member or former member or retired member of such pension plan, and not as the Spouse of such person, the Annuitant has obtained the written consent of his or her Spouse; and
  - 14.4 that the provisions of the pension plan do not prohibit the Annuitant from entering into this Agreement and, in the event that such prohibition does exist, the Trustee shall not be liable for the consequences to the Annuitant of executing this Agreement or for anything done by the Trustee in accordance with the provisions hereof.
15. **Governing Terms:** The funds which are the object of the transfer shall be held by the Trustee in accordance with the terms of the AGF Retirement Income Fund and the provisions of this Agreement, provided that in the event of any conflict between the provisions of the AGF Retirement Income Fund on the one hand and this Agreement on the other, the provisions of this Agreement shall prevail.
16. **Governing Law:** This Agreement shall be governed by the laws of the province of Ontario.
17. **Assigns:** This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**AGF Investments Inc.**

55 Standish Court, Suite1050  
Mississauga, ON L5R 0G3

Toll free: 1 800 268-8583

Web: AGF.com

Email: [tiger@AGF.com](mailto:tiger@AGF.com)

®Registered trademark of AGF Management Limited and used under licence

