

Life Income Fund Amending Agreement (Québec) Supplemental Pension Plans Act of Québec

_____ is entitled to pension monies which are governed by the

(print name of Annuitant)

Québec Act, and wishes to transfer them into a CIBC Investor Services Life Income Fund (LIF) with CIBC Trust Corporation as Trustee. To that end, the Annuitant has signed either the CIBC Investor's Edge Self-Directed Retirement Income Fund application form or the CIBC Imperial Investor Service Self-Directed Retirement Income Fund application form, agreeing to be bound by the terms of the Declaration of Trust. The Annuitant agrees to be bound by the terms of this Contract, as well. The capitalized words and expressions used in this Contract have the respective meanings attributed thereto at the end of this Contract.

Check one only:

- ☐ The Annuitant is a **"Former Pension Plan Member"** (meaning that he/she is a former member of the pension plan from which the funds held in this LIF originated).
- ☐ The Annuitant is a former Spouse of a Pension Plan Member (meaning that the Annuitant obtained the funds which are held in this LIF under a partition of benefits after marriage breakdown or civil union breakdown or annulment).

1. Annual Payments from LIF

All payments made from this LIF shall comply with the terms of this Contract, including the provisions of this section 1. The total payments made to the Annuitant from this LIF each Year (the **"Annual Payments"**) will vary each Year in accordance with the following rules, until such time as the balance of the funds in this LIF is transferred out, converted or withdrawn in accordance with sections 2 or 3 below.

- a) **Minimum Annual Payments:** The Annual Payments each Year cannot be less than the minimum amount (the **"Minimum Amount"**) prescribed under the Tax Act, as the minimum amount which must be paid out of a RRIF each Year. The Minimum Amount may be determined on the basis of the age of the Annuitant's Spouse, if the latter is younger than the Annuitant.
- b) **Maximum Annual Payments:** The Annual Payments in each Year may not exceed the amount calculated for that Year according to the following formula (the **"Maximum Amount"**):

$$C \times F - \frac{A}{D}$$

Where **"C"** is the balance in the LIF at the beginning of that Year plus the amount of any transfers into the LIF after the beginning of the Year (excluding any direct or indirect transfers from another LIF owned by the Annuitant or from the Locked-in Account of a Voluntary Retirement Savings Plan governed by the Voluntary Retirement Savings Plans Act (chapter R-17.0.1) and offering variable annuitant payments), and where **"F"** is the factor provided by schedule 0.6 to the Pension Regulations with respect to the **"reference rate for the Year"** and the Annuitant's age at the end of the previous Year. The **"reference rate for the Year"** will be based on the month-end nominal rate of interest earned on long-term bonds issued by the Government of Canada for the November before the beginning of the Year, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series V122487. That CANSIM rate will be subject to these adjustments:

- i) an increase of 0.5%;
- ii) by converting the increased rate, based on interest compounded semi-annually, to an effective annual rate of interest; and
- iii) by rounding the effective interest rate to the nearest multiple of 0.5%.

The resulting rate cannot be less than 6%; if it is, 6% will be used;

"A" is the maximum temporary income for the Year determined in accordance with section 20.4 or section 20.5 of the Pension Regulations or, if no amount was determined, the figure zero; and

"D" is the factor provided by schedule 0.7 to the Pension Regulations with respect to the Annuitant's age at the end of the calendar year preceding the Year.

- c) **Commencement of Payments:** In the Year in which this LIF is opened, payments are optional.
- d) **Transfers In:** All sums transferred into this LIF are deemed to be transferred from another LIF owned by the Annuitant, unless the Annuitant provides CIBC Investor Services, on behalf of the Trustee, with a declaration which conforms with schedule 0.9 of the Pension Regulations.
- e) **Establishing the Annual Payments:** At the beginning of each Year, the Annuitant must establish the amount of each payment and total Annual Payments for the Year, subject to the restrictions contained in this section. However, if CIBC Investor Services guarantees the rate of return on the LIF over a period that is greater than one Year and that ends at the end of a Year (the **"Period"**) and the Annuitant is not receiving any payments from this LIF other than under this section, the Annuitant may establish at the beginning of the Period the payments and Annual Payments to be paid throughout each Year during the Period; in that event, paragraphs 1(a), 1(b) and 1(c) above will apply, but with such changes as the circumstances require, and the Maximum Amount will be subject to adjustment in accordance with section 22 of the Pension Regulations.

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If CIBC Investor Services does not receive the Annuitant's instructions as to the amount of each payment and the Annual Payments he/she wishes to receive during a particular Year, the amount and timing of each payment and the Annual Payments will be the same as the payments made during the previous Year subject, however, to the other provisions of this section 1.

- f) **Exceeding the Maximum Amount:** If the amount paid to the Annuitant in a Year exceeds the Maximum Amount, the Annuitant may, unless the payment is attributable to a false declaration by him/her, require that the Trustee pay him/her, as a penalty, a sum equal to the surplus income paid.

2. Transfers, Conversions and Lump Sum Withdrawals and Payments of Temporary Income Out of this LIF

Transfers, conversions and lump sum withdrawals are allowed from this LIF only if they comply with this section 2 or with section 3. They are subject to the restrictions, if any, imposed by the investment options where funds in this LIF are invested.

- a) **Permitted Transfers Out During the Annuitant's Lifetime:** Subject to paragraph 146.3(2)(e) the Annuitant may transfer all or part of the balance of the funds in this LIF to the following funds, unless the agreed to term of the investments has not expired:

- i) a registered pension plan governed by the Québec Act;
- ii) a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension;
- iii) a supplemental pension plan established by an act emanating from the Parliament of Québec or from another legislative authority;
- iv) the Locked-in Account of a Voluntary Retirement Savings Plan governed by the Voluntary Retirement Savings Plans Act (chapter R-17.0.1);
- v) the Locked-in Account of an equivalent Voluntary Retirement Savings Plan emanating from a legislative authority other than the Parliament of Québec if the Member buys into this plan through his/her employment;
- vi) a Life Income Fund referred to in section 18;
- vii) a Locked-in Retirement Account referred to in section 29; or
- viii) an annuity contract, referred to in article 30 of the Pension Regulations and in accordance with paragraph 60(l) of the Tax Act;

the whole in accordance with the requirements of Québec Pension Law and the Tax Act. The request for transfer will be processed after CIBC Investor Services, on behalf of the Trustee, receives the proposed transferee's acknowledgement that the funds being transferred are locked-in under Québec Pension Law. Transfers under this subsection may be effected, at the option of CIBC Investor Services or the Trustee, by delivery of investment securities held in this Plan.

- b) **Conversion into Pension:** The Annuitant may also convert all or part of the balance of the LIF into a Pension, but only if the following conditions are met:

- i) **Equal Payments:** The insurer guarantees that Pension payments will be periodic, of equal amounts which will not vary, unless each payment is uniformly increased in accordance with an index or a rate provided for in the annuity contract or uniformly adjusted by reason of a seizure affected on the Annuitant's benefits, a redetermination of the Annuitant's pension, a partition of the Annuitant's benefits in favour of his/her Spouse, or by reason of the election provided for in subparagraph 3 of the first paragraph of section 93 of the Québec Act.
- ii) **Spouse Pension:** If the Annuitant is a Former Pension Plan Member, the insurer guarantees that if the Annuitant dies, the Annuitant's Spouse will receive a Pension (the "**Spouse Pension**") equal to at least 60% of the amount of the Pension that the Annuitant was receiving during his/her lifetime, including during any replacement period, the amount of any temporary pension payable thereunder, as the case may be. The Annuitant's Spouse may waive his/her right to a Spouse Pension by means of a written notice addressed to CIBC Investor Services on behalf of the Trustee. Such waiver may itself be revoked by the Annuitant's Spouse by way of a written notice addressed to CIBC Investor Services on behalf of the Trustee or the insurer before the date of conversion, in whole or in part, of the LIF. The Annuitant's Spouse's right to a Spouse Pension is subject to paragraph 5(d) below.

- c) **Lump Sum Withdrawals:**

- i) The Annuitant may apply to CIBC Investor Services acting on behalf of the Trustee for the lump sum payment to the Annuitant of the entire balance of this LIF, if the Annuitant is at least 65 years of age at the end of the Year preceding the Year when the application is made and the Annuitant provides CIBC Investor Services on behalf of the Trustee with a declaration which conforms with that prescribed in schedule 0.2 to the Pension Regulations. The application will be approved only if the total sums credited to the Annuitant's account in the retirement savings instruments referred to in that schedule do not exceed 40% of the "maximum pensionable earnings" under the *Act respecting the Québec Pension Plan* for the Year in which the application is made;
- ii) The Annuitant may, unless the agreed to term of the investments has not expired, require that the total balance of the LIF be paid to him/her in a lump sum if he/she has not resided in Canada since at least two years; or
- iii) The seizable portion of the balance of the LIF may be paid in a lump sum in execution of a judgment rendered in favour of the Annuitant's Spouse, provided the latter is entitled to a right of seizure for unpaid alimony.

- d) **Temporary Income Payable to an Annuitant Over the Age of 54 Years:**

- i) The Annuitant may apply at any time during a Year from CIBC Investor Services on behalf of the Trustee, if the Annuitant is at least 54 years of age but under 65 years of age at the end of the Year preceding the Year when the application is made, the payment of a temporary income that the Annuitant determines, the amount of which must conform to the provisions of sections 20.1 and 20.4 of the Pension Regulations. The application for payment of a temporary income must be accompanied by a declaration conforming to schedule 0.4 of the Pension Regulations;

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- ii) If the payment of a portion of the income is made in the form of a transfer to a retirement savings instrument, the balance of which is not to be converted into a life annuity, such portion may not exceed the Maximum Amount, which shall be determined on the assumption that the Annuitant is not entitled to payment of a temporary income;
 - iii) The temporary income referred to in this paragraph 2(d) may not be paid after the end of the Year during which the Annuitant reaches 65 years of age.
- e) **Temporary Income Payable to an Annuitant Aged Less than 54 Years:**
- i) The Annuitant may receive, during the course of a Year, if the Annuitant is less than 54 years of age at the end of the Year preceding the Year when the application is made, the balance of the LIF, in whole or in part, in the form of a temporary income payable in monthly installments, none of which may exceed one twelfth of the difference between the following amounts:
 - A. 40% of the M.P.E. determined for the Year during which payment is made;
 - B. 75% of the Annuitant's income for the 12 following months, excluding the income payable pursuant to this paragraph 2(e).
 - ii) To be eligible to receive the income referred to in this paragraph 2(e), the Annuitant must meet the following conditions:
 - A. the income of the Annuitant during the 12 following months, excluding the income provided for in this paragraph, may not exceed the amount referred to in subparagraph 2(e)(i) hereinbefore;
 - B. the Annuitant must file a written application with CIBC Investor Services on behalf of the Trustee, to that effect, accompanied with a declaration in conformity with schedule 0.5 of the Pension Regulations;
 - C. the Annuitant must undertake, in writing, to request the suspension of payments of income as soon as the Annuitant's income (not including income payments from the LIF) reaches 40% of the M.P.E.
 - iii) The temporary income contemplated by this paragraph 2(e) may not be paid to the Annuitant after a suspension of payments has been requested or after the end of the Year during which the Annuitant reaches 54 years of age.
 - iv) The Annuitant who meets the conditions prescribed in order to receive a temporary income referred to in this paragraph 2(e) and who is a member or spouse who has become entitled to a pension under a supplementary pension plan may, for the purposes of replacing such pension by a temporary income, apply once a Year for the transfer from the pension plan to the LIF of an amount equal to the lesser of the following amounts:
 - A. the additional amount required for the balance of the LIF to allow, until the end of the Year, the payment of the monthly payments provided for in sub-paragraph (i) of this paragraph 2(e);
 - B. the value of the Annuitant's benefits under the said plan.

3. Withdrawal After Death of Annuitant

If the Annuitant dies before transferring out, converting or withdrawing the balance of this LIF in accordance with section 2 above, the balance of this LIF must be paid:

- a) to the Annuitant's Spouse (subject to paragraph 5(d) below); or
- b) if there is no Annuitant's Spouse on the date of the Annuitant's death, to the Annuitant's successors in accordance with the terms of the Declaration of Trust.

If paragraph 3(a) applies, the Annuitant's Spouse may (if he/she wishes and if the relevant Tax Act requirements are met), transfer the balance of this LIF to a RRIF, an RRSP or an annuity which is a "retirement income" within the meaning of the Tax Act.

Before any payment is made after the Annuitant's death, the Trustee or CIBC Investor Services, acting on behalf of the Trustee, is entitled to request, in a form acceptable to it:

- c) evidence as to whether or not there was an Annuitant's Spouse on the date of the Annuitant's death, and if so, the identity of the Annuitant's Spouse; and
- d) any other documents it may require in accordance with the Declaration of Trust.

The Annuitant's Spouse may waive his/her right to receive the balance of this LIF, as aforesaid, by way of a written notice addressed to the Trustee and CIBC Investor Services. Such waiver may itself be revoked by the Annuitant's Spouse by way of a written notice addressed to the Trustee and to CIBC Investor Services before the Annuitant's death.

4. Value of LIF at Time of Transfer/Payment

The value of this LIF at the time of a transfer, conversion, withdrawal or payment under section 2 or 3 above will be determined as of the close of business on the relevant date as follows: CIBC Investor Services acting on behalf of the Trustee will value all property held in the LIF at its market value (as determined by the Trustee or CIBC Investor Services, in accordance with industry standards and using the market prices in its pricing system) and will subtract from that value all amounts deemed by it or its agent in their sole discretion to be chargeable to the LIF at that time. The value of this LIF, as so determined, will be conclusive and binding upon the parties to this Contract, the Annuitant's Spouse and the Annuitant's successors, assigns and personal representatives.

5. Miscellaneous

- a) **Locked-In Funds Only:** If the Annuitant also wishes to transfer into a CIBC Investor Services RIF funds which are not locked-in under the Québec Pension Law, the Annuitant acknowledges that they must be held in a separate account which will not be governed by the terms of this Contract.

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- b) **Permitted Sources of Locked-In Funds:** The only amounts that may be transferred into this LIF are those which are permitted by the Tax Act and which come directly or initially from:
- i) the fund of a pension plan subject to Québec Pension Law;
 - ii) a plan described in subparagraphs 28(1), (2), (2.1), (2.2), (4) or (5) of the Pension Regulations; or
 - iii) another LIF.
- c) **Annual and Other Statements:**
- i) At the beginning of each Year, and until such time as the balance of the funds in this LIF is transferred out, converted or withdrawn pursuant to sections 2 or 3 above, CIBC Investor Services, acting on behalf of the Trustee, will send the Annuitant an annual statement which sets out the information required by the Pension Regulations.
 - ii) If funds are transferred into this LIF (other than directly or indirectly from another LIF owned by the Annuitant), or if the Annuitant informs the CIBC Investor Services of the maximum temporary income that the Annuitant determines, CIBC Investor Services will, within 30 days, provide the Annuitant with a statement setting out the information required by the Pension Regulations.
 - iii) On a transfer out or conversion of the balance of the funds in this LIF in accordance with section 2 above, CIBC Investor Services will also provide the Annuitant with a statement setting out the information required by the Pension Regulations.
 - iv) If the Annuitant dies before the balance of this LIF is transferred out, converted or withdrawn in accordance with section 2 above and the Annuitant is a Former Pension Plan Member, CIBC Investor Services will provide the Annuitant's Spouse or, failing that, the Annuitant's successors with a statement establishing as at the date of the Annuitant's death and setting out the information required by the Pension Regulations.
- d) **Loss of Annuitant's Spouse's Rights:** The Annuitant's Spouse ceases to be entitled to the rights set out in paragraphs (b)(ii) of section 2 above upon separation from bed and board, divorce, annulment of marriage, breakdown or annulment of civil union or, in the case of an unmarried Annuitant's Spouse or one who is not in a civil union, upon cessation of his/her conjugal relationship with the Annuitant, except if the Annuitant has transmitted to the Trustee and/or CIBC Investor Services copy of a notice addressed to the pension committee and giving instructions for the payment of the Spouse Pension to his/her Spouse, notwithstanding the divorce, annulment of marriage, breakdown or annulment of civil union, separation from bed and board or cessation of conjugal relationship, as the case may be.
- e) **Investment:** The Annuitant shall be entitled to give directions to the Trustee or to CIBC Investor Services, in respect of the investment and reinvestment of the funds held in this LIF, provided that the securities into which such funds are to be invested are acceptable to the Trustee and CIBC Investor Services and comply with the Applicable Legislation.
- f) **Indemnification:** The Annuitant, the Annuitant's Spouse, any beneficiary receiving proceeds payable hereunder and the personal legal representatives of the Annuitant, if any, shall at all times indemnify and save harmless the Trustee and CIBC Investor Services against any damages, losses, expenses, including reasonable legal fees, liabilities, penalties or other costs incurred by the Trustee or CIBC Investor Services, as a result of any claim, demand, assessment, action, suit, legal or other proceedings related, directly or indirectly, to the holding and depositing of the investments of the LIF or arising from the performance by the Trustee or CIBC Investor Services of duties and obligations contemplated hereunder or related in any other manner to the provisions hereof, other than as a result of the latter's gross negligence or willful misconduct.
- g) **Tax Liability:** If the LIF becomes liable for tax, interest or penalties under Québec Pension Law or similar provincial legislation, the Annuitant authorizes the Trustee and CIBC Investor Services to redeem sufficient securities in the LIF to pay such liability.
- h) **Conflict with Declaration of Trust, Québec Pension Law or Tax Act:** If there is a conflict between this Contract and the Declaration of Trust, the terms of this Contract will prevail to the extent necessary to resolve the conflict, as long as the Tax Act is not contravened. If there is a conflict between this Contract or the Declaration of Trust and Québec Pension Law, the latter will prevail to the extent necessary to resolve the conflict, as long as the Tax Act is not contravened. The Tax Act will prevail, in case of conflict with any of the foregoing.
- i) **No Benefit, Advantage, Loan or Assignment:** Unless permitted under the Applicable Legislation, no benefit, advantage or loan that is conditional in any way on the existence of the LIF may be extended to the Annuitant or to any person with whom the Annuitant does not deal at arm's length. Neither the LIF nor any payment required to be made in accordance with the provisions hereof may be assigned in whole or in part nor be pledged, hypothecated, charged or otherwise encumbered, attached or disposed of.
- j) **Renumbering:** If any provision of Québec Pension Law or the Tax Act referred to in this Contract is renumbered, then that reference is to be considered to be to the provision as renumbered.
- k) **Headings:** Headings in this Contract are for ease of reference only, and will not affect its interpretation.
- l) **Amendments:** Any amendment to this Contract (including to increase or add new fees) must comply with Québec Pension Law and the Tax Act, which means that the Contract as amended must remain in conformity with the standard Contract which has been registered with Revenu Québec and with Canada Revenue Agency. Additionally, the Trustee or CIBC Investor Services shall give the Annuitant prior written notice of the amendment. If the proposed amendment reduces the benefits under this Contract, the Trustee or CIBC Investor Services shall give the Annuitant 90 days prior written notice and the right to transfer out or convert the balance of the LIF in accordance with section 2 above, prior to the effective date of the amendment, regardless of the restrictions, if any, imposed by the investment options in which the funds in this LIF are invested.
- m) **Governing Law:** This Contract shall be construed, enforced and governed according to the laws of the province of Québec and the laws of Canada applicable therein.

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- n) **English Language:** The Parties acknowledge that they have expressly requested and are satisfied that this Contract, the Declaration of Trust as well as all documents related hereto or thereto be drawn up in English.
Les parties aux présentes reconnaissent qu'elles ont expressément exigé que le présent contrat, la déclaration de fiducie ainsi que tous document relatifs à ces derniers soient rédigés en anglais et s'en déclarent satisfaites.

6. Definitions

"Annual Payments" has the meaning attributed thereto under section 1 above.

"Annuitant" means the person whose name is set out at the beginning of this Contract.

"Annuitant's Spouse" has the meaning attributed thereto under Québec Pension Law; however, a "Spouse" cannot include any person who is not recognized as a spouse or common-law partner for the purpose of any provision in the Tax Act respecting registered retirement income funds. Generally, "Annuitant's Spouse" means a person who is:

- a) married or in a civil union with the Annuitant; or
- b) has been living in a conjugal relationship with an unmarried Annuitant or one who is not in a civil union, whether the person is of the opposite or the same sex, for a period of not less than 3 years, or for a period of not less than one year if:
 - i) at least one child is born, or to be born, of their union;
 - ii) they have adopted, jointly, at least one child while living together in a conjugal relationship; or
 - iii) one of them has adopted at least one child who is the child of the other, while living together in a conjugal relationship.

"Applicable Legislation" means collectively, the Tax Act, the *Taxation Act* (Québec), Québec Pension Law, provincial securities legislation, provincial legislation governing investment dealers, and any other governing legislation applying to life income funds, including any regulations, policies, rules, decrees, court orders or other provisions thereunder, as amended, replaced, restated or otherwise modified from time to time.

"CIBC Investor Services" means CIBC Investor Services Inc., the Trustee's agent for certain administrative tasks in respect of this LIF;

"Contract" means this Life Income Fund Amending Agreement, as it may be further amended, replaced, restated or otherwise modified from time to time.

"Declaration of Trust" means the CIBC Investor Services Inc. Self-Directed Retirement Income Fund Declaration of Trust.

"Former Pension Plan Member" means an Annuitant who is a former member of the pension plan from which the funds held in this LIF originated. For purposes of clarification, this expression does not apply to an Annuitant who obtained the funds as a result of the death of a Former Pension Plan Member or pursuant to the settlement of rights following the breakdown of his/her marriage to, or conjugal relationship with, a Former Pension Plan Member.

"LIF" means a plan which has been registered as a registered retirement income fund under the Tax Act and which meets the requirements (where not inconsistent) of Québec Pension Law.

"LIRA" means a plan which has been registered as a registered retirement savings plan under the Tax Act and which meets the requirements (where not inconsistent) of section 29 of the Pension Regulations.

"Minimum Amount" and **"Maximum Amount"** have the respective meanings attributed thereto under section 1 above.

"Pension" means an annuity paid by an insurer which meets the requirements for an annuity under paragraph 60(l) of the Tax Act as well as the relevant requirements of Québec Pension Law, where not inconsistent.

"Pension Regulations" means the *Regulation Respecting Supplemental Pension Plans*, as amended, replaced, restated or otherwise modified from time to time.

"Period" has the meaning attributed thereto under section 1(e) above.

"Québec Act" means the *Supplemental Pension Plans Act* of Québec, as amended, replaced, restated or otherwise modified from time to time.

"Québec Pension Law" means collectively, the Québec Act and the Pension Regulations, as amended, replaced, restated or otherwise modified from time to time.

"RRIF" means a plan which has been registered as a registered retirement income fund under the Tax Act.

"RRSP" means a retirement savings plan which has been registered as a registered retirement savings plan under the Tax Act.

"Spouse Pension" has the meaning attributed thereto under paragraph 2(b)(ii) hereof.

"Tax Act" means the *Income Tax Act* (Canada) and the *Regulations* thereunder, as amended, replaced, restated or otherwise modified from time to time.

"Trustee" means CIBC Trust Corporation, the issuer of this LIF.

"Year" means the fiscal year of this LIF, which ends on each December 31 and cannot exceed twelve months.

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X

Annuitant's Signature (sign within box)

X

This application is accepted by CIBC Investor Services Inc.
as agent for and on behalf of CIBC Trust Corporation (sign within box)

Date (Month day, year)

Date (Month day, year)

(Amendment effective: Sept 2017)