

## Life Income Fund Amending Agreement Nova Scotia Pension Legislation

You, \_\_\_\_\_, (the “**Annuitant**”) are entitled to pension  
(print name of owner/annuitant opening LIF)

monies which are governed by the Pension Benefits Act of Nova Scotia, as amended from time to time (the “Pension Act”), and wish to transfer Your pension monies into a Life Income Fund (“**LIF**”) as identified below:

**Check one only:**

- ☐ CIBC Deposit LIF<sup>1</sup>
- ☐ CIBC Personal Portfolio Services LIF (CIBC Securities Inc.)<sup>2</sup>
- ☐ CIBC Personal Portfolio Services LIF (CIBC Investor Services Inc.)<sup>2</sup>
- ☐ CIBC Imperial Investor Service LIF (Investor Services Inc.)<sup>2</sup>
- ☐ CIBC Investor’s Edge LIF (CIBC Investor Services Inc.)<sup>2</sup>
- ☐ CIBC Wood Gundy LIF<sup>2</sup>
- ☐ CIBC Trust LIF<sup>2</sup>
- ☐ CIBC Investment LIF (CIBC Securities Inc.)<sup>2</sup>
- ☐ CIBC Investment LIF (CIBC Investor Services Inc.)<sup>2</sup>

<sup>1</sup> Issued by the Canadian Imperial Bank of Commerce, 81 Bay Street, 25<sup>th</sup> Floor CIBC Square, Toronto, Ontario M5J 0E7

<sup>2</sup> Issued by CIBC Trust Corporation, 81 Bay Street, 11<sup>th</sup> Floor Toronto, Ontario M5J 0E7.

To that end, You have signed the applicable RRIF application, agreeing to be bound by it and the terms of the retirement income fund agreement or declaration of trust that governs the RRIF (“Plan Document”) and You agree to the terms of this Agreement set out under General Terms and Provisions below and those set out in the attached Schedule 4A Nova Scotia LIF Addendum (“Schedule 4A”).

All capitalized words in this Agreement have the meanings set out in the Definitions section below, or if not defined there, as set out in the Plan Document. Also, in this Agreement and Schedule 4A, the term “owner” refers to the annuitant whose name is set out above. As well, any term that is defined in Schedule 4A or the Pension Rules and is used in this Agreement has the meaning given in the Schedule 4A or Pension Rules, respectively.

**You, the Annuitant, certify that:**

**Check one only:**

- ☐ You are a “**Pension Plan Member**” (meaning that You are a former member, as defined in the Pension Act), of the Pension Plan from which the Locked-In Funds in this LIF originated).
- ☐ You are a “**Non-Pension Plan Member**”, meaning that You are a former Spouse of a Pension Plan Member and none of the money in this LIF is derived, directly or indirectly, from a pension benefit provided in respect of your employment.

**Commuted Value calculation Basis:** The commuted value of the pension benefit that will be or was transferred into the LIF was determined in a manner that differentiated on the basis of sex

**Check one only:** ☐ No ☐ Yes

### Acknowledgements:

#### 1. Spousal Death Benefit

You understand that if you are a Pension Plan Member, as certified above, the death benefit provision governing this LIF will require the Issuer upon your death to pay the LIF proceeds to your Spouse if Your Spouse is entitled under Pension Rules.

#### 2. Certification by Annuitant Regarding Spouse (Spousal Consent)

*(This section applies only if You are a Pension Plan Member.)*

You must certify to Us whether You have a Spouse, as set out below which could include a common-law partner, by completing the statement below. If You are a Pension Plan Member and You have a Spouse, a transfer into this LIF from a pension plan or LIRA will be made only if Your Spouse, who is not living separate and apart from You by reason of a breakdown of Your relationship at the time of applying for the transfer consents to the transfer in an approved form.

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Check one:

- ☐ You certify that You **do not** have a “Spouse” within the special meaning of this term set out below, or if You do have a Spouse, You are living separate and apart from Your Spouse by reason of a breakdown of Your relationship at the time of applying for this transfer.
- ☐ You **do** have a “Spouse” within the special meaning of this term set out below, who is not living separate and apart from You by reason of a breakdown of Your relationship at the time of Your applying for the transfer, and Your Spouse has provided consent in the prescribed form (Nova Scotia Form 9).

Spouse means, as defined in the Nova Scotia Pension Act, either of two persons who:

- (a) are married to each other,
- (b) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity, or
- (c) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, where they have ceased to cohabit, have cohabited within the twelve-month period immediately preceding the date of entitlement;
- (d) are domestic partners within the meaning of Section 52 of the *Vital Statistics Act*, or
- (e) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least
  - i) three years, if either of them is married, or
  - ii) one year, if neither of them is married

By signing below, you are certifying to the statement of information regarding a Spouse which you have selected above. You also acknowledge that you have read, understand and agree that the following terms and conditions govern the funds held under this LIF.

|                   |   |          |   |
|-------------------|---|----------|---|
| <hr/>             | <hr/>   | <b>X</b> | <div style="border: 1px solid black; height: 40px; width: 100%;"></div> |
| Date (MM/DD/YYYY) | Name of Annuitant                               |          | Signature of Annuitant (Sign within box)                                |
|                   |   |          |   |
| <hr/>             | <hr/>   | <b>X</b> | <div style="border: 1px solid black; height: 40px; width: 100%;"></div> |
| Date (MM/DD/YYYY) | Name of Authorized Representative of the Issuer |          | Signature of Authorized Representative of the Issuer (Sign within box)  |

## General Terms and Provisions

### 1. Payments from LIF

- a) **Commencement:** If you are a Pension Plan Member, payments from this LIF must begin no earlier than the earliest date You are entitled to receive a pension under any of the Pension Plans from which the Locked-In Funds originated. If you are a Non-Pension Plan Member, payments from this LIF must begin no earlier than the date you turn 55 years old. In any event, payments must begin no later than the end of the LIF's second Year.
- b) **Minimum Annual Payment:** The Annual Payment must not be less than the "Minimum Amount".
- c) **Maximum Annual Payment:** No Annual Payment may exceed the "Maximum Amount".
- d) **Payments to be Determined Each Year:** At the beginning of each Year, You must notify Us of the Annual Payment to be paid during the Year including any periodic payments that make up the Annual Payment. If you do not, you will be deemed to have selected the "Minimum Amount". However, if We guarantee the rate of return of the LIF over a period that is greater than one Year, that period must end at the end of a fiscal year and You may establish the amount of income to be paid during that period at the beginning of that period

### 2. Restrictions on Transfers Out

Other than any permitted transfer under section 4 below, before We can permit You to transfer out Locked-In Funds, the proposed transferee institution must agree to administer the amount transferred as required by the Pension Rules. You must provide Us with the name and address of the proposed transferee in order for Us to request the transferee's agreement to this requirement, and to be able to make the transfer. We will inform the subsequent transferee in writing that the amount transferred must be administered as a pension or deferred pension under the Pension Rules and the Tax Act. Any transfer out of this LIF in accordance with Schedule 4A must also comply with the Tax Act. If, prior to the transfer, You have not yet received the "Minimum Amount" to be paid out of this LIF for the year of the transfer, We will withhold adequate funds to satisfy the Minimum Payment requirement.

### 3. Withdrawal Rights

In addition to the right to withdraw income and to transfer out the Locked-In Funds in accordance with the terms of Schedule 4A, You may withdraw the Locked-In Funds in accordance with subsections a) to e) and the Pension Rules.

- a) **Withdrawal Under Financial Hardship:** You may, upon application in accordance with the Pension Rules, withdraw the Locked-In Funds under the following circumstances of financial hardship. Unless noted otherwise, only 1 application in each circumstance of financial hardship may be made during any calendar year in relation to a particular person, however, an application that does not result in a withdrawal does not count for these purposes. The withdrawal application package must include the form prescribed by the Pension Regulations, signed and dated by You, and by Your Spouse, if applicable, and be submitted to Us accompanied by the supporting documents as described below:
  - i) **Mortgage default circumstance:** You or Your Spouse have received a written demand in respect of a default on a mortgage debt that is secured against Your principal residence, and You could face eviction or legal action if the debt remains unpaid. The application package must include:
    - A. a copy of the written demand in respect of the default on the mortgage debt secured against Your principal residence, setting out the amount required to pay the mortgage debt in default and all directly related enforcement costs to bring the mortgage into good standing, together with all of the following information or documents:
    - B. a statement of the amount of the regular monthly payments required to be made in relation to the mortgage debt;
    - C. the civic address of Your principal residence.For the purposes of an application to withdraw under a mortgage default circumstance, You have only one principal residence. An application under a mortgage default circumstance is only permitted if You have not previously made a withdrawal for this reason under any LIRA or LIF and is only permitted once in a lifetime.
  - ii) **Medical expense circumstance:** You, Your Spouse or a dependent has incurred or will incur medical expenses as defined in the Pension Regulations. The application package must include:
    - A. copies of receipts or estimates for the medical expenses;
    - B. a written opinion of a physician or dentist, licensed to practice medicine or dentistry, as the case may be, in the jurisdiction where You reside, indicating that, in their opinion, the medical expenses are necessary to treat an illness or disability;
    - C. a statement signed and dated by You that indicates any coverage that is or may be available to the owner for the medical expenses from insurance or from a benefit plan, government program or other source.

In an application under a medical expense circumstance, the consented amount must not exceed the total of the following amounts:

- (i) an amount sufficient to pay any medical expenses actually incurred within the 12-month period immediately preceding the signing date;
- (ii) an amount sufficient to pay any medical expenses anticipated to be incurred within the 12-month period immediately after the signing date.

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- iii) **Rental default circumstance:** You or Your Spouse have received a written demand in respect of arrears in the payment of rent on Your principal residence, and You could face eviction if the debt remains unpaid. The application package must include a copy of the written demand in respect of the arrears in the payment of rent on Your principal residence, setting out the amount required to pay the rental arrears and all directly related enforcement costs and reinstate the tenancy.

In an application under a rental default circumstance, the net amount may not exceed the amount required to pay the rental arrears and all directly related enforcement costs and reinstate the tenancy.

For the purposes of a rental default circumstance, You have only one principal residence. An application under a rental default circumstance is only permitted if You have not previously made a withdrawal for this reason under any LIRA or LIF and is only permitted once in a lifetime.

- iv) **Reduced income circumstance:** Your anticipated total income from all sources before taxes for the 12-month period immediately following the signing date is less than 66 2/3% of the Year's Maximum Pensionable Earnings for the year in which the application is signed. The application package must include:
- A. a statement signed and dated by You that sets out Your anticipated total income from all sources before taxes for the 12-month period immediately after the signing date;
  - B. copies of any documents showing income expected to be received by You in the 12-month period immediately after the signing date.
- The calculation of Your anticipated total income and the consented amount that may be withdrawn must be in accordance with the Pension Regulations.

- b) **Withdrawal Due to Shortened Life Expectancy:** You may, upon application to the Issuer in accordance with the Pension Rules, withdraw all or part of the Locked-In Funds if, when You sign the application for withdrawal, You have an illness or physical disability that is likely to shorten Your life expectancy to less than 2 years. The withdrawal application package given to the Issuer must:
- i) include the form prescribed by the Pension Regulations signed by You;
  - ii) be accompanied by
    - A. a statement, signed by a physician, who is licensed to practice medicine in the jurisdiction in which you reside, that in the opinion of the physician, You have an illness or physical disability that is likely to shorten Your life expectancy to less than 2 years; and
    - B. if you are a Pension Plan Member, a Declaration About a Spouse; or
    - C. if you are a Non-Pension Plan Member, a statement attesting that none of the money in this LIF is derived, directly or indirectly, from a pension benefit provided in respect of Your employment.
- c) **Withdrawal due to Non-Residency:** You may, upon application to the Issuer in accordance with the Pension Rules, withdraw all or part of the Locked-In Funds if, when You sign the application for withdrawal, You have ceased to be a resident of Canada for at least the two immediately previous calendar years. For the purpose of determining residency for this section, You are deemed to be a resident of Canada in a calendar year if You reside in Canada for 183 days or more of that calendar year. The withdrawal application package given to the Issuer must:
- i) include the form prescribed by the Pension Regulations signed by You;
  - ii) be accompanied by:
    - A. a written declaration signed by You that You have not been a resident of Canada for at least the two immediately previous calendar years;
    - B. if you are a Pension Plan Member, a Declaration About a Spouse; or
    - C. if you are a Non-Pension Plan Member, a statement attesting that none of the money in this LIF is derived, directly or indirectly, from a pension benefit provide in respect of Your employment.
- d) **Withdrawal of Small Amount:** You may, upon application to the Issuer in accordance with the Pension Rules, withdraw or transfer all of the Locked-In Funds if, when You sign the application for withdrawal or transfer, You are at least 55 years of age and the value of all assets in all of Your LIRAs and LIFs is less than 50% of the Year's Maximum Pensionable Earnings for the Year in which Your application is made. The withdrawal application package given to the Issuer must:
- i) include the form prescribed by the Pension Regulations signed by You; and
  - ii) be accompanied by
    - A. if you are a Pension Plan Member, a Declaration About a Spouse; or
    - B. if you are a Non-Pension Plan Member, a statement attesting that none of the money in this LIF is derived, directly or indirectly, from a pension benefit provide in respect of Your employment;
    - C. if a transfer is requested, the applicable transfer forms.

The value of all assets in all of Your LIRAs and LIFs when You sign the application will be determined in accordance with the most recent statement about each LIRA or LIF given to You and each statement must be dated within one year before You sign the application.

- e) **Withdrawal of Excess Amount:** If an Excess Amount is transferred directly or indirectly into the LIF, You must make application in accordance with the Pension Rules to withdraw the Excess Amount. This withdrawal application package must:

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- i) include the form prescribed by the Pension Regulations signed by You; and
- ii) be accompanied by one of the following documents:
  - A. a written statement from the Pension Plan administrator setting out the Excess Amount that was transferred from the Pension Plan's pension fund into the LIF ; or
  - B. a written statement from Canada Revenue Agency setting out the exact amount of the Excess Amount that was transferred into the LIF.
- f) **Up to 50% Unlocking of Transferred-In Funds:** Upon transferring into this LIF from the sources outlined below, You may, if you are at least 55 years old, apply to withdraw or transfer to your RRSP or RRIF, in accordance with the Pension Rules, an amount representing up to 50% of the total market value of those transferred funds. The permitted sources of the transferred funds are:
  - i) a pension fund;
  - ii) a locked-in retirement account;
  - iii) a LIF governed by Schedule 4: Nova Scotia LIF Addendum; or
  - iv) a LIF governed by Schedule 4A: Nova Scotia LIF Addendum only if the transfer is the result of a relationship breakdown. The withdrawal application package must be received by Us no later than 60 days after the date the assets are transferred into the LIF, and must include:
    - A. the application form We provide You; and
    - B. if you are a Pension Plan Member, a Declaration About a Spouse; or
    - C. if you are a Non-Pension Plan Member, a statement attesting that none of the money in this LIF is derived, directly or indirectly, from a pension benefit provide in respect of Your employment.

The total market value of the transferred in funds available for unlocking will be determined as of the date the assets are transferred into the LIF.

**4. Withdrawal or Transfer by You**

- a) We are entitled to rely on information provided by You in an application to withdraw or transfer money from Your LIF.
- b) an application that meets the requirements of the Pension Rules constitutes authorization to Us to make the payment or transfer from the LIF in accordance with Pension Rules (subject to the Tax Act requirements).
- c) We must make the payment to which You are entitled within 30 days after We receive the completed application form and accompanying documents.

**5. Withdrawal/Payment Upon Death**

On Your death, the following are entitled to the value of the assets of the LIF, such value being subject to the terms of the Plan Document, subject to subsections 15(4) and (5) of Schedule 4A:

- a) Your Spouse, or
- b) if there is no Spouse, or if the Spouse is otherwise disentitled under subsections 15(4) and (5) of Schedule 4A, to Your designated beneficiary, or
- c) if there is no valid designation of beneficiary, the personal representative of Your estate.

**6. Miscellaneous**

- a) **Investments:** Your rights with respect to investments held in this LIF are as set out in the Plan Document and application that accompanies it.
- b) **Amendments:** We will not amend this Agreement except in accordance with the Pension Rules and the Tax Act.
- c) **Value of LIF:** Where the valuation of assets of the LIF is required, We will value all property held in the LIF at its market value (as determined by Us in accordance with industry standards and using the market prices in its pricing system) and will subtract from that value any amounts deemed by Us in Our 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 You, Your Spouse and Your successors and personal representatives.
- d) **Reliance:** We are entitled to rely on information given to Us by You in the RRIF application form and this Agreement.
- e) **Annual and Other Statements:** Each Year, We will provide the information that is required to be disclosed to You, as set out in Schedule 4A.
- f) **Conflict between Laws and Agreements:** We and You will act at all times in accordance with the Tax Act. In the event of a conflict between the Pension Rules, this Agreement, Schedule 4A and the Plan Document or any of them and the Tax Act then the provisions of the Tax Act will prevail to the extent necessary to resolve the conflict. If there is a conflict between the applicable Plan Document and this Agreement or Schedule 4A, the provisions of this Agreement or Schedule 4A, prevail but only to the extent necessary to resolve the conflict, and as long as the Tax Act is not breached. If there is a conflict between the Plan Document and the Pension Rules, the provision in the Pension Rules prevail, but only to the extent necessary to resolve the conflict and as long as the Tax Act is not breached. We will not be liable for any adverse tax or other consequences to You or Your Spouse or Your heirs, successors or assigns which may result from any conflict referred to above.

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- g) Renumbering: If any provision of any legislation referred to in this Agreement or Schedule 4A is renumbered due to a change in law, then that reference is to be considered to be to the provision as renumbered.
- h) Headings: Headings in this Agreement are for ease of reference only, and do not affect its interpretation.

**7. Definitions**

- a) **"Agreement"** means this Life Income Fund Amending Agreement.
- b) **"Annual Payment"** means the total amount paid to You from this LIF in any Year and does not include any withdrawals referred to in section 4 of this Agreement.
- c) **"Declaration About a Spouse"** means a declaration that meets the requirements of section 214 of the Pension Regulations.
- d) **"Excess Amount"** has the meaning set out in s. 198 of the Pension Regulations.
- e) **"Issuer"** means either:
  - i) CIBC Trust Corporation, where the Plan Document is a declaration of trust; or
  - ii) Canadian Imperial Bank of Commerce, where the Plan Document is the CIBC Retirement Income Fund Agreement.
- f) **"LIF"** means an arrangement which meets the Pension Rules' requirements for a life income fund and which has been registered as a registered retirement income fund under the Tax Act.
- g) **"Life Annuity"** means an annuity which complies with the requirements for an annuity under paragraph 60(l) of the Tax Act as well as the requirements of the Pension Rules with respect to life annuities.
- h) **"LIRA"** means an arrangement which meets the Pension Rules requirements for a locked-in retirement account that is a prescribed retirement savings account and which has been registered as a registered retirement savings plan under the Tax Act.
- i) **"Locked-In Funds"** means all money and other property transferred into this LIF and all earnings on it.
- j) **"Maximum Amount"**, means the maximum annual amount of life income calculated in accordance with section 8 of Schedule 4A.
- k) **"Minimum Amount"**, means the amount set out under the Tax Act as the minimum amount to be paid out of a RRIF each year.
- l) **"Pension Act"** means the *Pension Benefits Act* of Nova Scotia, as amended from time to time.
- m) **"Pension Plan"** has the meaning set out in the Pension Act.
- n) **"Pension Regulations"** means the regulations under the Pension Act, as amended from time to time.
- o) **"Pension Rules"** means the Pension Act and Pension Regulations, collectively.
- p) **"Plan Document"** means the retirement income fund agreement or declaration of trust that governs the RRIF.
- q) **"RRIF"** means a registered retirement income fund under the Tax Act.
- r) **"Spouse"** means either of two persons who
  - (i) are married to each other;
  - (ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity;
  - (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting, or, if they have ceased to cohabit, have cohabited within the 12-month period immediately preceding the date of entitlement;
  - (iv) are domestic partners within the meaning of Section 52 of the *Vital Statistics Act*; or
  - (v) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least
    - A. 3 years, if either of them is married; or
    - B. 1 year, if neither of them is married.
- s) **"Tax Act"** means the *Income Tax Act* (Canada) and its *Regulations*, as amended from time to time.
- t) **"We or Us"** means the Issuer and where applicable the agent who acts on behalf of the Issuer for certain administrative tasks in respect of this LIF.
- u) **"Year"** means a fiscal year of this LIF, which ends on December 31 of each year and may never exceed 12 months in length.
- v) **"Year's Maximum Pensionable Earnings"** has the meaning given in the *Canada Pension Plan*.
- w) **"You"** and **"Your"** refer to the person whose name is set out at the top of this Agreement, and who is the annuitant of this LIF.

**Schedule 4A: Nova Scotia LIF Addendum**

*(Pension Benefits Regulations)*

Note: This document is Schedule 4A to the *Pension Benefits Regulations* (Nova Scotia). It forms part of the regulations and must be read, construed and interpreted in conjunction with the *Pension Benefits Act* and its regulations.

## Definitions for this Schedule

### 1 In this Schedule,

“Act” means the *Pension Benefits Act*;

“domestic contract”, as defined in Section 2 of the regulations, means a written agreement referred to in and for the purpose of Section 74 of the Act, or Section 14 of the *Pooled Registered Pension Plans Act*, that provides for a division between spouses of any pension benefit, deferred pension, pension, LIRA or LIF and includes a marriage contract as defined in the *Matrimonial Property Act*;

“federal Income Tax Act”, as defined in Section 2 of the regulations, means the *Income Tax Act* (Canada) and, unless specified otherwise, includes the regulations made under that Act;

“owner” means any of the following persons, as set out in subsection 205(2) of the regulations, who has purchased a LIF:

- (i) a former member who is entitled to make a transfer under clause 61(1)(b) of the Act,
- (ii) a spouse of a person who was a member, and who is entitled to make a transfer under clause 61(1)(b) of the Act,
- (iii) a person who has previously transferred an amount under clause 61(1)(b) of the Act into a LIRA or LIF,
- (iv) a person who has previously transferred an amount into a LIF as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act,
- (v) a spouse who is entitled to transfer a lump sum as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act,
- (vi) if the funds in the account of a pooled registered pension plan are used for the purchase, a person who transfers the amount in accordance with the *Pooled Registered Pension Plans Act* and the *Pooled Registered Pension Plans Regulations*,
- (vii) a former member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,
- (viii) a spouse of a person who was a member of the Public Service Superannuation Plan under the *Public Service Superannuation Act* who is entitled to make a transfer in accordance with the Public Service Superannuation Plan,
- (ix) a former member of the Teachers’ Pension Plan who is entitled to make a transfer in accordance with subclause 24(11)(b)(ii) or 24(12)(b)(ii) of the *Teachers’ Pension Plan Regulations*,
- (x) a spouse of a person who was a member of the Teachers’ Pension Plan who is entitled to make a transfer in accordance with clause 41(4)(b) of the *Teachers’ Pension Plan Regulations*;

“regulations” means the *Pension Benefits Regulations* made under the Act; “spouse”, as defined in the Act, means either of 2 persons who

- (i) are married to each other,
- (ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity,
- (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the 12-month period immediately preceding the date of entitlement, and
- (iv) are domestic partners within the meaning of Section 52 of the *Vital Statistics Act*, or
- (v) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least
  - (A) 3 years, if either of them is married, or
  - (B) 1 year, if neither of them is married;

“Superintendent” means the Superintendent of Pensions, as defined in the Act.

### Fiscal year of LIFs

#### 2 (1) In this Schedule, “fiscal year” means the fiscal year of a LIF.

(2) A fiscal year must end on December 31 and must not be longer than 12 months.

### Reference rate criteria

#### 3 A reference rate in this Schedule for a fiscal year must meet all of the following criteria:

- (a) it must be based on the month-end nominal rate of interest earned on long-term bonds issued by the Government of Canada for November of the year immediately before the beginning of the fiscal year, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series V122487, with the following adjustments applied successively to that nominal rate:
  - (i) an increase of 0.5%,
  - (ii) the conversion of the increased rate, based on interest compounded semi-annually, to an effective annual rate of interest,
  - (iii) the rounding of the effective interest rate to the nearest multiple of 0.5%;
- (b) it must not be less than 6%.

| <p align="center"><b>Note Re Requirements of the <i>Pension Benefits Act</i> and Regulations and the <i>Pooled Registered Pension Plans Act</i> and its regulations</b></p>  |
|--|
| <p><b>Prohibitions on transactions from Section 91 of Act</b></p>  |
| <p>Under Section 91 of the Act and Section 12 of the <i>Pooled Registered Pension Plans Act</i>, money held in a LIF must not be commuted or surrendered in whole or in part except as permitted by this Schedule and the regulations including, without limiting the generality of the foregoing, the following Sections of the regulations:</p> <ul style="list-style-type: none"> <li>▪ Section 198, respecting the transfer of an excess amount, as defined in that Section</li> <li>▪ Sections 211 through 229, respecting withdrawal in circumstances of financial hardship</li> <li>▪ Section 231, respecting withdrawal in circumstances of considerably shortened life expectancy</li> <li>▪ Section 232, respecting withdrawal in circumstances of non-residency</li> <li>▪ Section 233, respecting withdrawal of small amounts at age 55</li> <li>▪ Section 233A, respecting withdrawal of amounts upon transfer into Schedule 4A LIF</li> </ul> <p>Pursuant to subsection 91(2) of the Act and subsection 12(2) of the <i>Pooled Registered Pension Plans Act</i>, any transaction that contravenes Section 91 of the Act or Section 12 of the <i>Pooled Registered Pension Plans Act</i> is void.</p> |
| <p><b>Values of assets in LIF subject to division</b></p>  |
| <p>The value of the assets in a LIF is subject to division in accordance with all of the following:</p> <ul style="list-style-type: none"> <li>▪ an order of the Supreme Court of Nova Scotia that provides for the division of a pension benefit, deferred pension or pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the <i>Pooled Registered Pension Plans Act</i></li> <li>▪ a domestic contract that provides for the division of a pension benefit, deferred pension or pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the <i>Pooled Registered Pension Plans Act</i></li> <li>▪ the regulations</li> </ul>   |
| <p><b>Money held in LIF</b></p>  |
| <p>The following requirements are set out in the <i>Pension Benefits Act</i> and are applicable to LIFs governed by this Schedule:</p> <ul style="list-style-type: none"> <li>▪ Money held in a LIF must not be assigned, charged, or given as security except as permitted by subsection 88(3) of the Act, Section 90 of the Act, subsection 12(3) of the <i>Pooled Registered Pension Plans Act</i> or Section 13 of the <i>Pooled Registered Pension Plans Act</i>, and any transaction purporting to assign, charge, anticipate or give the money in the LIF as security is void.</li> <li>▪ Money held in a LIF is exempt from execution, seizure or attachment except for the purpose of enforcing a maintenance order as permitted by Section 90 of the Act or Section 13 of the <i>Pooled Registered Pension Plans Act</i>.</li> </ul>   |

**Periodic payments of income out of LIFs**

- 4 (1) An owner must be paid an income from their LIF, the amount of which may vary, annually.
- (2) Income payments from a LIF must begin no earlier than
- (a) the earliest date that the owner would have been entitled to receive a pension under any pension plan from which the money was transferred; or
  - (b) if all of the money in a LIF is derived from sources other than a pension benefit provided in respect of any employment of the owner, the date the owner turns 55 years old.
- (3) Income payments from a LIF must begin no later than the end of a LIF's 2nd fiscal year.

**Amount of income payments from LIFs**

- 5 (1) Subject to the minimum amount in Section 6 of this Schedule, an owner of a LIF must establish the amount of income to be paid during each fiscal year at the beginning of the fiscal year and after they have received the information required by Section 11 of this Schedule.
- (2) Except as provided in subsection (5), an owner of a LIF must notify the financial institution providing the LIF of the amount to be paid out of the LIF each year and any owner who does not do so is deemed to have selected the minimum amount determined under Section 6 of this Schedule.
- (3) The owner's notice required by subsection (2) must be given either
- (a) except as provided in subsection (5), at the beginning of the fiscal year;
  - (b) at a time agreed to by the financial institution providing the LIF.
- (4) The owner's notice required by subsection (2) expires at the end of the fiscal year to which it relates.



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- (5) If a financial institution providing a LIF guarantees the rate of return of the LIF over a period that is greater than 1 year, the period must end at the end of a fiscal year and the owner may establish the amount of income to be paid during the period at the beginning of the period.

**Minimum annual LIF withdrawal**

- 6 (1) The amount of income that is paid out of a LIF during a fiscal year must not be less than the minimum amount prescribed for a registered retirement income fund by the federal *Income Tax Act*, determined on the basis of the owner's age or the age of the owner's spouse if the spouse is younger than the owner.
- (2) Despite Sections 7, 8 and 9 of this Schedule, if the minimum amount specified by subsection (1) is greater than the maximum amount determined under those Sections for a fiscal year, then the minimum amount under subsection (1) must be paid out of the LIF during the fiscal year.

**Pro-rating amount of withdrawal if initial fiscal year less than 12 months**

- 7 If the initial fiscal year is less than 12 months long, the maximum amount determined under Sections 8 and 9 of this Schedule must be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an incomplete month counting as 1 month.

**Maximum annual life income from LIF**

- 8 The maximum annual amount of life income to be paid each year from a LIF is determined by the following formula:

$$\text{maximum payable} = F \times B$$

in which

F = is the factor in Schedule 5: Life Income Fund—Factor F that corresponds to the reference rate for the fiscal year and the owner's age at the end of the previous year

B = the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after the beginning of that fiscal year and reduced by any money transferred from another LIF, to the LIF, in the same year.

**Maximum annual income payable if financial institution guarantees rate of return of LIFs**

- 9 (1) If a financial institution that provides a LIF guarantees the rate of return of the LIF over a period greater than 1 year and the owner establishes the amount of income to be paid during that period, the maximum income that may be paid during each of the fiscal years during the period must be determined at the beginning of each fiscal year in the period in accordance with this Section.
- (2) For each year after the initial fiscal year, the maximum income to be paid for the fiscal year under a LIF described in subsection (1) is equal to the lesser of the following amounts:
- (a) the balance of the LIF at the time of payment in that year;
- (b) the amount determined by the following formula:
- $$\text{maximum income} = (I \times B) \div RB$$
- in which
- I = the maximum income determined for the initial fiscal year under Section 8 of this Schedule
- B = the balance of the LIF at the beginning of the fiscal year
- RB = the reference balance determined at January 1 of the year as calculated under subsection(3).
- (3) For the formula in clause (2)(b), the reference balance ("RB") must be calculated by the following formula:
- $$RB = (PRB - I) + [(PRB - I) \times RR/100]$$
- in which
- PRB = the reference balance
- (i) at the beginning of the previous year, or
- (ii) for the 2nd year of the period, the LIF balance at the beginning of the 1st year of the period
- I = the maximum income determined for the initial fiscal year
- RR = the reference rate for the year, if the fiscal year is one of the first 16 fiscal years of the LIF, or by 6% for any other year.

**Income in excess of maximum**

- 10 If income paid to an owner under a LIF during a fiscal year exceeds the maximum that may be paid, the balance of the LIF must not be reduced by the excess unless the payment is attributable to incorrect information provided by the owner.

**Information to be provided annually by financial institution**

- 11 (1) At the beginning of each fiscal year, a financial institution providing a LIF must provide all of the following information to an owner about their LIF:
- (a) with respect to the previous fiscal year:

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- (i) the sums deposited,
  - (ii) any accumulated investment earnings including any unrealized capital gains or losses,
  - (iii) the payments made out of the LIF,
  - (iv) any withdrawals from the LIF made under the following circumstances, in accordance with Sections 211 to 229 of the regulations:
    - (A) a mortgage default circumstance, as defined in clause 212(1)(a) of the regulations,
    - (B) a medical expense circumstance, as defined in clause 212(1)(b) of the regulations,
    - (C) a rental default circumstance, as defined in clause 212(1)(c) of the regulations,
    - (D) a reduced income circumstance, as defined in clause 212(1)(d) of the regulations,
  - (v) any transfers made out of the LIF,
  - (vi) the fees charged against the LIF;
  - (b) the value of the assets in the LIF at the beginning of the fiscal year;
  - (c) the minimum amount that must be paid out as income to the owner during the current fiscal year;
  - (d) the maximum amount that may be paid out as income to the owner during the current fiscal year;
  - (e) a statement that the maximum amount of income that may be paid to the owner during the fiscal year will not be increased if assets held in another LIF during the year are transferred to the LIF;
  - (f) if the beginning of the fiscal year is later than the beginning of the calendar year, a statement as to whether any sums deposited were held in another LIF during the year, and the amount of those deposits;
  - (g) a statement that if the owner wishes to transfer the balance of the LIF, in whole or in part, and still receive the income determined for the fiscal year from the LIF, then an amount must be retained in the LIF that is at least equal to the difference between the income determined for the fiscal year and the income already received from the LIF since the beginning of the fiscal year;
  - (h) a statement that if the owner dies before the balance in the LIF is used to purchase a life annuity contract or is transferred under Section 12 of this Schedule, then the financial institution must provide the owner's spouse or beneficiary or the personal representative of their estate with the information in clauses (a) and (b), determined as of the date the owner died;
  - (i) a statement that if the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, then the financial institution must provide the owner the information in clauses (a) and (b), determined as of the date of the transfer or annuity purchase;
  - (j) a statement that if the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, then the financial institution must comply with Section 209 of the regulations, in accordance with subsection 12(6) of this Schedule.
- (2) If the assets in the LIF are withdrawn or transferred under Sections 211 to 233C, a financial institution that provided the LIF must provide to the owner the information described in subclauses (1)(a)(i) to (vi) and clause (b), determined as of the date of the transfer or withdrawal.

**Transferring assets from LIFs**

- 12 (1) An owner of a LIF may transfer all or part of the assets in the LIF as follows:
- (a) to either of the following:
    - (i) another LIF,
    - (ii) a LIRA, if permitted under the federal *Income Tax Act*;
  - (b) to purchase an immediate life annuity; or
  - (c) for an owner who is a member or former member of a pension plan that provides for variable pension benefits, to the owner's variable benefits account in accordance with Section 150 of the regulations, if the transfer is permitted by the plan.
- (2) The date of a transfer under subsection (1) must not be later than 30 days after the owner requests it, unless any of the following apply:
- (a) the financial institution providing the LIRA does not have all the information necessary to complete the transaction, in which case the 30-day period begins to run from the date the financial institution has all the necessary information;
  - (b) the transfer is in respect of assets held as securities whose term of investment extends beyond the 30-day period, in which case the 30-day period begins to run from the date the term of investment expires.
- (3) If assets in a LIF consist of identifiable and transferable securities, the financial institution providing the LIF may transfer the securities with the consent of the owner.

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- (4) If assets held in a LIF are transferred to another LIF at any time in the current fiscal year, the maximum amount of income that may be paid to the owner of the LIF must not be increased.
- (5) A financial institution providing a LIF must advise the financial institution to which the assets of the LIF are transferred
  - (a) that the assets were held in a LIF in the current year; and
  - (b) whether the assets were determined in a manner that differentiated on the basis of sex.
- (6) If the balance of a LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution providing the LIF must comply with Section 209 of the regulations.

**Information to be provided by financial institution on transfer of balance of LIFs**

- 13 If the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution making the transfer must provide the owner with all of the information required to be provided annually under clauses 11(a) to (g) of this Schedule, determined as of the date of the transfer or annuity purchase.

**Information to be provided upon transfer of additional amounts to LIFs**

- 14 No later than 30 days after the date that money in locked-in funds that has not been held in a LIF at any time in the current year is transferred to a LIF, the financial institution providing the LIF must provide the owner with all of the following information:
- (a) the information required to be provided annually under clauses 11(a) to (e) of this Schedule, determined as of the date of the transfer;
  - (b) the balance of the LIF used to determine the maximum amount that may be paid to the owner as income during the fiscal year.

**Death benefits**

- 15 (1) If the owner of a LIF dies, the following are entitled to receive a benefit equal to the value of the assets in the LIF, subject to subsections (4) and (5):
- (a) the owner's spouse;
  - (b) if there is no spouse or if the spouse is otherwise disentitled under subsection (4) or (5), the owner's named beneficiary;
  - (c) if there is no named beneficiary, the personal representative of the owner's estate.
- (2) For the purposes of subsection (1), a determination as to whether an owner of a LIF has a spouse must be made as of the date the owner dies.
- (3) For the purposes of subsection (1), the value of the assets in a LIF includes all accumulated investment earnings, including any unrealized capital gains and losses, of the LIF from the date of death until the date of payment.
- (4) A spouse is not entitled to receive the value of the assets in a LIF under clause (1)(a) if the owner of the LIF was not
- (a) a member or former member of a pension plan from which the assets were transferred, directly or indirectly, to purchase the LIF; or
  - (b) a member of a pooled registered pension plan from which the assets were transferred, directly or indirectly, to purchase the LIF.
- (5) A spouse who, as of the date the owner of the LIF dies, is living separate and apart from the owner without a reasonable prospect of resuming cohabitation is not entitled to receive the value of the assets in the LIF under clause (1)(a) if any of the following conditions apply:
- (a) the spouse delivered a written waiver to the financial institution in accordance with Section 16 of this Schedule;
  - (b) the terms of a written agreement respecting the division of the LIF entered into before the date of the owner's death disentitle, or do not expressly or impliedly entitle, the spouse to receive an amount under the LIF;
  - (c) the terms of a court order issued before the owner's death disentitle, or do not expressly or impliedly entitle, the spouse to receive an amount under the LIF.
- (6) The benefit described in subsection (1) may be transferred to an RRSP or a RRIF in accordance with the federal *Income Tax Act*.

**Waiver of entitlement to death benefits by spouse**

- 16 (1) A spouse of an owner of a LIF may waive their entitlement to receive a benefit described in Section 15 of this Schedule from the LIF, by delivering, any time before the death of the owner, a written waiver in an approved form to the financial institution providing the LIF.
- (2) A spouse who delivers a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date the owner of the LIF dies.

**Information to be provided by financial institution on death of owner**

- 17 If the owner of a LIF dies before the balance in the LIF is transferred or used to purchase a life annuity contract, the financial institution providing the LIF must give the information required to be provided annually under clauses 11(a) to (f) of this Schedule, determined as of the date of the owner's death, to any person entitled to receive the assets in the LIF under subsection 15(1) of this Schedule.