



CIBC Investor Services Locked-In Retirement Income Fund (LRIF)

_____ is entitled to pension monies governed by the Newfoundland

(print name of Annuitant)

and Labrador *Pension Benefits Act*, and wishes to transfer such funds into a CIBC Investor Services LRIF with CIBC Trust Corporation as trustee; CIBC Trust Corporation (the "**Trustee**") is willing to accept such transfer. To that end, the Annuitant has signed either the CIBC Investor's Edge Self-Directed Retirement Income Fund application or the CIBC Imperial Investor Service Self-Directed Retirement Income Fund application, agreeing to be bound by the terms of the Declaration of Trust attached to it (the "**Declaration of Trust**"), and agrees to be bound by the terms of this Agreement as well.

1. Definitions

In this Agreement:

- a) "**Act**" means the *Pension Benefits Act*, 1997 (Newfoundland and Labrador), "**Directive**" means a directive issued under the Act, "**Pension Rules**" means the Act, the Regulations under the Act, and the Directives, collectively, "**Tax Act**" means the Income Tax Act (Canada), and "**Tax Rules**" means the Tax Act and the Regulations thereunder, collectively, all as amended or replaced from time to time;
- b) the words "Locked-In Retirement Account", "Life Income Fund" and "Locked-In Retirement Income Fund" have the same meanings as are given to these words in Directive Number 4, Directive Number 5 and Directive Number 17, respectively and the acronym "LRIF" refers to this locked-in retirement income fund owned by the Annuitant, specifically; the words "Life Annuity", "Pension Benefit", "Pension Plan", "Principal Beneficiary" and "Superintendent" have the same meanings as are respectively given to these words in section 2 of the Act, provided that "Principal Beneficiary" does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the Tax Act respecting registered retirement income funds;
- c) "**CIBC Investor Services**" means CIBC Investor Services Inc., the Trustee's agent for certain duties in respect of this LRIF; "**Fiscal Year**" means a period not exceeding twelve months and ending on December 31 each year; "**Former Member**" means an Annuitant who is a former member of the Pension Plan from which funds held in this LRIF originated (the Annuitant is not a Former Member if the Annuitant obtained this LRIF or the funds which were originally transferred into this LRIF 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 relationship with a former Pension Plan member); "Life Annuity Contract" means an arrangement made to purchase, through a person authorized under the laws of Canada or a province to sell annuities as defined in the Tax Act, a noncommutable pension which is in accordance with the Tax Act and Directive No. 6 and that will not commence before the Annuitant attains age 55 or, if the Annuitant provides evidence to the satisfaction of the Trustee that the Pension Plan or any of the Pension Plans from which the LRIF Assets originated provided for payment of the pension at an earlier age, will not commence before that earlier age; and "LRIF Assets" means all amounts transferred into this LRIF and all investment earnings of this LRIF, collectively.

2. Locked-In Plan

The Annuitant acknowledges that the LRIF Assets are subject to the locking-in provisions of the Act. This means that: only assets that are locked-in pursuant to the Act may be transferred into this LRIF; LRIF Assets cannot be withdrawn, commuted or surrendered, except as permitted by this Agreement and by Part VI of the Act, and subject to the Tax Rules; also, the Annuitant will not and cannot assign, charge, anticipate or give as security any amount payable under this LRIF.

3. Income Payments

- a) **Commencement of payments:** The Annuitant will be paid an income which may vary in amount each year. This income cannot commence before the earlier of age 55 or the earliest date on which the Annuitant could receive a Pension Benefit under the Act or under the Pension Plan from which LRIF Assets originated; it must commence no later than the end of the LRIF's second Fiscal Year.
- b) **Establishment of Payment Amounts:** The Annuitant must decide the amount of income to be paid out of the LRIF during each Fiscal Year, either at the beginning of each Fiscal Year or at such other time as may be agreed upon with CIBC Investor Services on behalf of the Trustee; such decision will expire at the end of the Fiscal Year to which it relates. If the Annuitant does not decide the amount to be paid out of the LRIF for a Fiscal Year, the Minimum Amount as defined in paragraph 3(c) below will be paid.
- c) **Minimum and Maximum Amounts:** The amount of income paid out of the LRIF during a Fiscal Year will not be less than the minimum amount prescribed for registered retirement income funds under the Tax Rules (the "**Minimum Amount**"), and will not exceed the maximum amount (the "**Maximum Amount**"), defined as follows and subject to the remaining paragraphs of this section 3. If the Maximum Amount is less than the Minimum Amount, the Minimum Amount must be paid.

The Maximum Amount is the greatest of:

- i) the income, gains and losses earned from the time this LRIF was established to the end of the most recently completed Fiscal Year and, with respect to any LRIF Assets that are derived directly from assets transferred from a Life Income Fund, the income, gains and losses earned in the final complete fiscal year of the Life Income Fund under the Life Income Fund, less the sum of all income paid to the Annuitant from this LRIF;
- ii) the income, gains and losses earned in immediately previous Fiscal Year; and

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- iii) if the payment is being made in the Fiscal Year in which this LRIF is established or in the Fiscal Year immediately following its establishment, 6% of the fair market value of the LRIF at the beginning of the Fiscal Year.
- d) **Additional Temporary Income Payments:** The Annuitant is entitled to receive additional temporary income from this LRIF if:
 - i) the Annuitant submits to CIBC Investor Services or the Trustee an application for additional temporary income on a form approved by the Superintendent and which is submitted at the beginning of the Fiscal Year (unless CIBC Investor Services or the Trustee should choose to permit otherwise);
 - ii) if the Annuitant is a Former Member and has a Principal Beneficiary, such application is accompanied by the written consent of his or her Principal Beneficiary;
 - iii) the total pension income received by the Annuitant for the calendar year in which the application is made from all pension plans, life annuities, life income funds and locked-in retirement income funds governed by the Act or established or governed by an Act of Canada or a Province (excluding income from a pension under the *Canada Pension Plan*) is less than 40% of the year's maximum pensionable earnings (the "YMPE") under the *Canada Pension Plan* (the "CPP") for that calendar year; and
 - iv) the Annuitant had not attained age 65 at the beginning of the Fiscal Year in which the application is made.

If all of these requirements are met, the amount of the temporary income paid out of this LRIF in a Fiscal Year will not exceed the maximum temporary income amount (the "**Maximum Temporary Income Amount**"), which is calculated as follows:

$$\text{Maximum Temporary Income Amount} = A - B$$

Where:

A = 40% of the YMPE under the CPP for the calendar year in which the Annuitant applies for a temporary income.

B = the total pension income to be received by the Annuitant for the calendar year of the application from all pension plans, life annuities, life income funds and locked-in retirement income funds governed by the Act or established or governed by an Act of Canada or a Province (except income from a pension under the *Canada Pension Plan*).

- e) **Payments During Initial Fiscal Year:** For the initial Fiscal Year of this LRIF, the Maximum Amount and the Maximum Temporary Income Amount will be adjusted in proportion to the number of months in the Fiscal Year divided by 12, with any part of an incomplete month counting as one month.
- f) **Adjustments to Payments Due to Transfers In:** If a part of this LRIF purchased at the beginning of a Fiscal Year corresponds to sums transferred directly or indirectly during the same Fiscal Year from another Life Income Fund or Locked-In Retirement Income Fund of the Annuitant, the Maximum Amount and the Maximum Temporary Income Amount are deemed to be zero.

4. Permitted Withdrawals

- a) **Shortened Life Expectancy:** Despite any other term in this Agreement, a lump sum payment or series of payments may be made to the Annuitant if a medical practitioner certifies that due to mental or physical disability the life expectancy of the Annuitant is likely to be shortened considerably. However, if the Annuitant is a Former Member and has a Principal Beneficiary, such payment may only be made if the Principal Beneficiary has waived the joint and survivor Pension entitlement in a form and manner provided by the Superintendent.
- b) **Withdrawal of Small Balances:** Despite any other term in this Agreement, a lump sum payment equal to the value of the entire LRIF may be made to the Annuitant on application by the Annuitant to CIBC Investor Services or the Trustee if, at the time the Annuitant signs such application, the following conditions are met:
 - i) the Annuitant has reached the earlier of age 55 or the earliest date on which the Annuitant would have been entitled to receive a Pension Benefit under a Pension Plan from which the LRIF Assets originated; and
 - ii) the value of the Annuitant's assets in all Locked-In Retirement Accounts, Life Income Funds and Locked-In Retirement Income Funds owned by the Annuitant and governed by the Act is less than 40% of the YMPE under the CPP for that calendar year.

If both conditions are met, the Annuitant may apply to CIBC Investor Services or the Trustee for such withdrawal using the form approved for this purpose by the Superintendent; if the Annuitant is a Former Member and has a Principal Beneficiary, such application must be accompanied by the Principal Beneficiary's waiver of joint and survivor Pension entitlement, in the form and manner required by the Superintendent.

5. Transfers Out

The Annuitant may transfer all or part of the LRIF Assets:

- a) to another Locked-In Retirement Income Fund owned by the Annuitant;
- b) to a Life Income Fund owned by the Annuitant;
- c) to purchase an immediate Life Annuity Contract for the Annuitant that meets the requirements of the Superintendent and of paragraph 60(I) of the Tax Act; or
- d) before December 31 in the year in which the Annuitant reaches age 71 (or other such age as the Tax Act may prescribe from time to time), to a Locked-In Retirement Account owned by the Annuitant.

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All transfers out must comply with paragraph 146.3(2)(e) of the Tax Act and are subject to any restrictions imposed by the investments held in this LRIF (e.g., restrictions on redemption before maturity). A transfer out will be effected within 30 days after the Annuitant provides a written transfer request to CIBC Investor Services or the Trustee, as long as the investment term (if any) of any investment held in the LRIF does not extend beyond such 30 day period. If this LRIF holds identifiable and transferable securities, the Trustee or CIBC Investor Services on its behalf may transfer the securities with the consent of the Annuitant.

6. Death of Annuitant

Should the Annuitant die before this LRIF is closed, then:

- a) if the Annuitant is a Former Member and has a Principal Beneficiary who survives the Annuitant, the Principal Beneficiary is entitled to a lump sum payment of the full value of the LRIF (the "**Payment**"), unless the Principal Beneficiary had waived entitlement in the form and manner required by the Superintendent; or
- b) if the Annuitant is not a Former Member, is not survived by a Principal Beneficiary or is survived by a Principal Beneficiary who waived his/her entitlement, the Payment will be made to the designated beneficiary in accordance with the Declaration of Trust or, if there is no entitled designated beneficiary, to the estate of the Annuitant.

7. Miscellaneous

- a) **Statements:** At the beginning of each Fiscal Year, CIBC Investor Services on behalf of the Trustee will provide the Annuitant with the information required by section 22 of Directive no. 17. In the event of a transfer out as described in section 5 or the death of the Annuitant, the Annuitant or person entitled to the LRIF, as applicable, will be given such information as at the date of transfer or death, respectively.
- b) **Investments:** The LRIF Assets will be invested in a manner that complies with the rules of investment contained in the Tax Act and the Declaration of Trust.
- c) **Valuation:** The value of this LRIF on any particular date is the market value of all property held in the LRIF, as determined by the Trustee or CIBC Investor Services as at the close of business on the previous business date in accordance with industry standards and using the market prices in its pricing system, less any amounts payable from this LRIF at that time in accordance with the Declaration of Trust. Such value is conclusive and binding upon the parties to this Agreement, the Spouse and the Annuitant's successors and personal representatives.
- d) **Amendments:** This Agreement may be amended only in accordance with Directive No. 17 respecting LRIF Requirements and in accordance with the Tax Rules.
- e) **Conflict with Declaration of Trust or Act:** If there is a conflict between this Agreement and the Declaration of Trust, the terms of this Agreement will prevail to the extent necessary to resolve the conflict (provided that the Tax Rules are not contravened). If there is a conflict between this Agreement or the Declaration of Trust and the Act, the latter will prevail to the extent necessary to resolve the conflict (provided that the Tax Rules are not contravened).
- f) **Renumbering:** If any provision of the Pension Rules or Tax Rules referred to in this Agreement is renumbered due to a change in law, then that reference is to be considered to be to the provision as renumbered.
- g) **Headings:** Headings in this Agreement are for ease of reference only, and do not affect its interpretation.

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To be completed by the Annuitant:

Your current marital status: (This data is necessary in order to complete prescribed government forms.)

Single Married Separated Common-law (continuously cohabiting with another person for at least one year).

I certify that my marital status is as indicated here. I agree to be bound by this Agreement.

Date (Month day, year)

X _____
Signature of Annuitant (sign within box)

Consent by Spouse/Partner

If the Annuitant has a spouse or common-law partner (referred to in the pension legislation as a "principal beneficiary"), this LRIF may be opened only if that person consents below. Consent is **not** required if this LRIF is purchased by an Annuitant who obtained the funds to be transferred into this LRIF as a result of the death of the Annuitant's previous spouse or cohabiting partner or as a result of a division of property following the breakdown of the Annuitant's previous marriage or common-law relationship.

I consent to the establishment of this Locked-In Retirement Income Fund by my spouse/partner.

Date (Month day, year)

X _____
Signature of Principal Beneficiary (sign within box)

X _____
Print Name of Principal Beneficiary (sign within box)

Date (Month day, year)

X _____
Accepted by CIBC Investor Services Inc. as agent for the Trustee (sign within box)

(Amendment effective: July 2007)