



Locked-In Retirement Account Amending Agreement Newfoundland and Labrador Pension Legislation

(the "Annuitant") is entitled to a pension governed by

_____ (print name of Annuitant)

the *Pension Benefits Act* of Newfoundland and Labrador, as amended from time to time (the "Pension Act"), and wishes to transfer his/her pension monies into a CIBC Investor Services Locked-In Retirement Account (LIRA). To that end, the Annuitant has signed either the CIBC Investor's Edge Self-Directed Retirement Savings Plan application form or CIBC Imperial Investor Service Self-Directed Retirement Savings Plan application form, agreeing to be bound by the terms of the Declaration of Trust attached to it (the "Declaration of Trust"). The Annuitant agrees to be bound by the following terms, as well.

1. Definitions

In this Agreement:

"CIBC Trust" means CIBC Trust Corporation, the issuer and trustee of this LIRA;

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

"LIF" means an arrangement which is registered under the Tax Act as a "registered retirement income fund" and also meets the requirements for a life income fund under the Pension Act and Pension Regulations;

"Life Annuity" means an annuity which meets the requirements of paragraph 60(l) of the Tax Act as well as requirements of the Pension Act and Pension Regulations, including that payments under the contract will not begin before the earlier of:

- a) the year the Annuitant reaches age 55; or
- b) the earliest date on which the Annuitant is entitled to a Pension Benefit under a Pension Plan from which the money in this LIRA originated;

"LIRA" means a registered retirement savings plan registered and maintained in accordance with the Tax Act and which also meets all of the requirements of a "locked-in retirement account" under the Pension Act and Directive Number. 4 under the Pension Act;

"LRIF" means an arrangement which meets the requirements in the Pension Act and Pension Regulations for a "locked-in retirement income fund" and which has been registered as a registered retirement income fund under the Tax Act;

"Pension Benefit" and "Registered Pension Plan" have the meanings given to them by the Pension Act or the regulations under the Pension Act, as amended from time to time (the "Pension Regulations");

"Proceeds of the Plan" has the meaning set out in the Declaration of Trust;

"Spouse" means a person who is a "spouse" or a "cohabiting partner" as defined in the Pension Act; however, a person who is not recognized as a spouse or common-law partner for the purpose of any provision of the Tax Act regarding registered retirement savings plans is not a "Spouse"; and

"Tax Act" means the *Income Tax Act* (Canada) and the *Regulations* under it, as amended from time to time.

2. Locked-In Funds

- a) **Meaning of "Locked-In Funds":** This agreement applies only to funds which are transferred to this LIRA directly or indirectly from a Pension Plan in which the Annuitant was a member (or the Spouse of the Annuitant was a member). "Locked-In Funds" means the funds which are subject to this agreement and any interest or earnings on them.
- b) **Permitted Withdrawals:** The Locked-In Funds must be used to provide a Pension Benefit and may not be withdrawn during the Annuitant's lifetime, except:
 - i) before maturity, to be transferred to the pension fund of a Registered Pension Plan in which the Annuitant is a member;
 - ii) before maturity, to be transferred to another LIRA owned by the Annuitant;
 - iii) to purchase a Life Annuity for the Annuitant in accordance with subsection 146(1) of the Income Tax Act;
 - iv) before maturity, to be transferred to a LIF owned by the Annuitant;
 - v) to be transferred to an LRIF owned by the Annuitant; or
 - vi) where an amount is required to be paid to the Annuitant to reduce the amount of tax which is otherwise payable under Part X.1 of the Tax Act.
- c) **Requirements Before Transfer Out:** If the Annuitant wishes to transfer out any Locked-In Funds under paragraph 2(b), the Annuitant must provide CIBC Trust with the name and address of the proposed transferee. Before CIBC Investor Services will process the transfer, CIBC Investor Services must: ensure that the transfer is permitted under the Pension Act and the Pension Regulations; advise the subsequent transferee that the amount to be transferred must be administered as a Pension Benefit; and obtain the subsequent transferee's agreement to so administer the funds.

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If Locked-In Funds are paid out contrary to the Pension Act or Pension Regulations (including Directive No. 4 under the Pension Act), CIBC Investor Services will provide or ensure the provision of a Pension Benefit equal in value to the Pension Benefit that would have been provided, had the Locked-In Funds not been so paid out.

3. If there is a Spouse

If the Annuitant has a Spouse at the date on which Pension Benefit payments start, the Pension Benefit must be a joint and survivor Pension Benefit under which at least 60% will continue to be paid to the survivor for life after either the Annuitant or Spouse dies unless the Spouse waives his/her entitlement in a form and manner set out in a form provided by the Newfoundland and Labrador Superintendent of Pensions (the "**Superintendent**"). This requirement for a joint and survivor Pension Benefit applies only if the Annuitant is a "**Former Pension Plan Member**". This term refers to a Annuitant who is a former member of the Pension Plan from which the Locked-In Funds originated; this term does not apply to an Annuitant who obtained the Locked-In 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 a Former Pension Plan Member.

4. Exceptions to Lock-In Requirement

- a) **Exception for Disability:** Despite section 2 above, Locked-In Funds may be withdrawn in a lump sum or a series of payments if a medical practitioner certifies to the Trustee or its agent, CIBC Investor Services satisfaction that, due to the Annuitant's mental or physical disability, the Annuitant's life expectancy is likely to be shortened considerably. If the Annuitant has a Spouse, this withdrawal may be made only if the Spouse has waived the joint and survivor Pension Benefit entitlement in a form and manner provided by the Superintendent. (No waiver is required if the Annuitant is not a Former Pension Plan Member).
- b) **Cash-Out of "Small" Plan:** CIBC Investor Services will pay the Annuitant a lump sum equal to the Proceeds of the Plan (less any amount which must be withheld for tax) if the Annuitant provides CIBC Investor Services with a properly completed copy of the form approved for this purpose by the Superintendent and the following additional requirements are also met:
 - i) if the Annuitant has a Spouse, the Spouse has waived the joint and survivor Pension Benefit entitlement in a form and manner provided by the Superintendent. (No waiver is required if the Annuitant is **not** a Former Pension Plan Member);
 - ii) and either:
 - A. the value of all assets in all Newfoundland and Labrador LIFs, LRIFs and LIRAs owned by the Annuitant is less than 10% of the YMPE under the CPP for the current year ("**YMPE**" means the year's maximum pensionable earnings under the CPP; "**CPP**" means the Canada Pension Plan); or
 - B. the Annuitant is at least age 55 or the age under which he or she was entitled to receive a Pension Benefit under a Pension Plan from which the Locked-In Funds originated and the value of all assets in all Newfoundland and Labrador LIFs, LRIFs and LIRAs owned by the Annuitant is less than 40% of the YMPE under the CPP for the current year.

5. Treatment of Locked-In Funds on Annuitant's Death

Should the Annuitant die before withdrawing or transferring out the balance of the Locked-In Funds in accordance with the terms of this agreement, the Proceeds of the Plan (less any amount required to be withheld by the Tax Act) will be paid by CIBC Investor Services as follows:

- a) If the Annuitant has a Spouse on the date of the Annuitant's death, to the Annuitant's Spouse. This requirement does not apply if the Annuitant is not a Former Pension Plan Member or if the Spouse waives spousal entitlement in the form and manner provided by the Superintendent.
- b) If (a) does not apply, to the person(s) designated by the Annuitant in accordance with the Declaration of Trust.
- c) If (a) and (b) do not apply, to the Annuitant's estate.

6. Differentiation on Basis of Annuitant's Sex

The Annuitant understands that the Pension Act requires that if the commuted value of a Pension Benefit which is transferred from a Pension Plan to this LIRA was determined in a manner that did not differentiate on the basis of the Annuitant's sex, then any Life Annuity bought by the Annuitant with the Locked-In Funds cannot differentiate on the basis of the Annuitant's sex, either. The Annuitant has provided CIBC Investor Services with the Pension Plan administrator's written confirmation identifying what portion, if any, of the Locked-In Funds were determined on the basis of the Annuitant's sex.

7. Miscellaneous

- a) **No Assignment, etc.:** The Locked-In Funds cannot be assigned, charged, anticipated or given as security, except as permitted by the Pension Act or Pension Regulations and the Tax Act. Any transaction purporting to do so is void.

The Locked-In Funds cannot be commuted or surrendered during the Annuitant's lifetime, except as permitted by Part VI of the Pension Act and the Tax Act. Any transaction purporting to do so is void.
- b) **Division on Marriage Breakdown:** This agreement is subject to the division of Pension Benefits on marriage breakdown provisions in Part VI of the Pension Act, with any necessary modifications.
- c) **Permitted Investments:** The Locked-In Funds must be invested in a manner that complies with the Tax Act's rules for the investment of retirement savings plans (RSPs). Additionally, they cannot be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the Annuitant, or the parent, brother, sister or child of the Annuitant or the Spouse of any such person.

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- d) **Locked-In Funds, Only:** If the Annuitant also wishes to transfer into a plan funds which are not Locked-In Funds, the Annuitant acknowledges that they must be held in a separate account and will not be governed by the terms of this agreement.
- e) **Conflict with Agreement, Pension Act or Tax Act:** If there is a conflict between this agreement and the Declaration of Trust, the provisions of this agreement prevail but only to the extent that they do not contravene the provisions of the Tax Act. If there is a conflict between this agreement or the Declaration of Trust and the Pension Act or the Pension Regulations, the provisions of the Pension Act or the Pension Regulations, as applicable, prevail but only to the extent that they do not contravene the provisions of the Tax Act. The Trustee and CIBC Investor Services take no responsibility for any adverse tax consequences to the Annuitant or the Annuitant's Spouse or estate which may result from a conflict between the Tax Act and the Pension Act or Pension Regulations. Headings in this agreement are for ease of reference only and will not affect interpretation.

Date (Month day, year)

X

Annuitant's Signature (sign within box)

Date (Month day, year)

X

This application is accepted by CIBC Investor Services Inc.
on behalf of the Trustee (sign within box)