

**CREDIT UNION
RETIREMENT INCOME FUND, RIF 988**

**AGREEMENT UNDER
Pension Benefits Standards Act, 1985
for Transfers of
LOCKED-IN PENSION MONIES
to a
Restricted Life Income Fund (RLIF)**

WHEREAS the undersigned Annuitant has applied for a restricted life income fund (the "RLIF") with Concentra Trust (the "Trustee") to receive funds and hold those funds governed in accordance with the "*Pension Benefits Standards Act, 1985*" (the "Act") and the regulations thereto (the "Regulations"), as both may be amended from time to time.

AND WHEREAS the RLIF consists of an application, a declaration of trust and the addendum or addenda thereto, where applicable.

AND WHEREAS the Trustee has agreed to apply for registration of the RLIF, as a retirement income fund, with the Canada Revenue Agency (the "CRA") and to accept the funds referred to above.

NOW IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Annuitant and the Trustee, that the full amount of funds transferred to this RLIF, inclusive of all future investment earnings and gains or losses accruing thereto, shall be governed by the terms and conditions of this agreement (the "Agreement"), as set out below, and thereafter by the RLIF as approved by the CRA from time to time, effective from the time of transfer of the locked-in funds to the RLIF.

Terms and Conditions

1. "Common-law partner" shall have the meaning as given to this word in the Act. "Spouse" shall have the meaning as given to this word in the Act and, where applicable, shall include the term "Common-law Partner" as defined in the Act, but will not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the *Income Tax Act* (Canada) (the "*Income Tax Act*") respecting registered retirement income funds.
2. All money, including all investment earnings, that is subject to any transfer to or from this RLIF, is to be used to provide or secure a pension that would, but for the transfer and previous transfers, if any, be required or permitted by the Act and the Regulations.
3. The Annuitant, may transfer all or part of the balance of this RLIF
 - a) to another RLIF on the relevant conditions specified in the Regulations and in accordance with the provisions of Paragraph 146.3(2)(e) and (e.1) or (e.2) of the *Income Tax Act*;

- b) for the purchase of an immediate life annuity contract, as stipulated in Paragraph 60(l) of the *Income Tax Act* and that meets the requirements of the Regulations, or
 - c) not later than the registered retirement savings plan ("RRSP") maturity date provided in the *Income Tax Act*, to a restricted locked-in retirement savings plan ("RLSP") that meets the requirements of the Regulations.
4. Subject to Subsection 20.3 of the Regulations, the money in this RLIF may not be assigned, charged, anticipated or given as security and is exempt from execution, seizure or attachment and any transaction purporting to assign, anticipate or give the money as security is void.
 5. The Trustee hereby affirms that the money in the RLIF will be invested in a manner that complies with the rules for the investment of money in a registered retirement income fund.
 6. The Trustee hereby acknowledges that, where a balance in this RLIF is to be used to purchase a life annuity contract, the pension to be provided to the Annuitant with a spouse at the date when s/he commences the pension is to be such joint life pension as would, if s/he were a former member as defined by the Act, be in compliance with the Act. The spousal status of the Annuitant is to be determined on the date the annuity is purchased.
 7. On the death of the Annuitant, the full value of the RLIF shall:
 - a) if, prior to death, the Annuitant was a member or former member of the registered pension plan from which the RLIF assets originated and is survived by a spouse, be paid to the surviving spouse by:
 - i. transfer to another restricted life income fund that meets the requirement of the Act and Regulations;
 - ii. transfer to a life income fund that meets the requirements of the Act and Regulations;
 - iii. purchase of an immediate life annuity provided by any company authorized to issue an insurance contract that meets the requirements of the Act, the Regulations and paragraph 60(l) of the *Income Tax Act*, or
 - iv. transfer to a locked-in registered retirement savings plan or a restricted locked-in savings plan, not later than the RRSP maturity date provided in the *Income Tax Act*, that meets the requirements of the Act and Regulations.
 - b) if, prior to death, the Annuitant was not a member or former member of the registered pension plan from which the RLIF assets originated, or if there is no spouse entitled to the RLIF assets pursuant to paragraph 7(a), be paid:
 - i. to the Annuitant's designated beneficiary; or
 - ii. if there is no designated beneficiary, to the Annuitant's estate.
 8. The fiscal year of this RLIF ends on December 31 of each year and will not exceed 12 months.
 9. The Annuitant will be paid an income from this RLIF, the amount of which may vary annually and that will commence not later than the last day of the second fiscal year of this RLIF.

10. Funds held under this RLIF Agreement are subject to division in accordance with the terms of an agreement between the spouses or a court order. Any resultant amount to be paid to an estranged or ex-spouse can be paid only by transfer to an RRSP that meets the requirements of the Regulations, to an eligible RLIF or to a life annuity contract.
11. Where the Trustee is properly required, within the terms of this Agreement, to liquidate investments held in this RLIF for the purposes of any of
 - a) a transfer of assets to another RLIF, or
 - b) for the purchase of an immediate annuity contract, or
 - c) to effect payment or transfer on death of the owner,

the value of the assets will be determined as the equivalent of the full principal value plus the full amount of any accrued interest owing, both without deduction, at the date of transfer. It is understood between the Trustee and the Annuitant, that unmatured investments held within the RLIF are not capable of being redeemed for the purposes of transfer to another RLIF, or for the purposes of the purchase of a life annuity contract. Where the Annuitant requests the Trustee to make a transfer to another RLIF or to an annuity, the Trustee will effect such transfer within 30 days of the request except where the term of any investment extends beyond the 30 day period. If the minimum payment required for the year, by reason of the application of paragraph 13 of this Agreement, has not been satisfied prior to the transfer occurring, the Trustee will withhold adequate funds to satisfy this minimum payment requirement.

12. The Annuitant is to establish the amount of income to be paid during each fiscal year of this RLIF at the beginning of that fiscal year and after the receipt of the information specified in paragraph 19 of this Agreement. If the Annuitant fails to establish and advise the Trustee of the income requirement for any year, the Trustee will make provision for payment at minimum during such forthcoming year.
13. The amount of income paid during a fiscal year of this RLIF will not be less than the minimum amount required to be paid under the *Income Tax Act* and, for any calendar year before the calendar year in which the Annuitant reaches age 90, will not exceed M, with that symbol being calculated in accordance with the following formula:

$$\frac{C}{F} = M$$

Where C = the balance of the money in this RLIF:

- i) at the beginning of the calendar year, or
- ii) if the amount under i) is zero, at the date the initial amount was transferred into the RLIF,

and F = the value on January 1 of the year in which the calculation is made of a guaranteed amount of which the annual payment is \$1 payable at the beginning of each fiscal year between that date and December 31 of the year during which the owner attains the age of 90 years.

14. That the value F in paragraph 13 of this Agreement will be calculated for the first 15 years after the date of the valuation, using an interest rate that does not exceed the interest rate obtained on long-term bonds issued by the Government of Canada for the month of November preceding the year of the valuation, as compiled by Statistics Canada and published in the Bank of Canada Review, (CANSIM Series B-14013/V122487), and using an interest rate not exceeding 6% in subsequent years.

15. For the initial fiscal year of this RLIF, the minimum amount to be paid, as referred to in paragraph 13 of this Agreement, will be set at zero and the limit M 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.
16. If the money in the RLIF is derived from money transferred directly or indirectly during the first fiscal year of the RLIF from another RLIF of the Annuitant, the limit M will be equal to zero, except to the extent that the *Income Tax Act* requires the payment of a higher amount.
17. Where the RLIF holds identifiable and transferable securities, the transfer or purchase referred to in paragraphs 3 and 11 of this Agreement may, unless otherwise stipulated, at the option of the Trustee and with the consent of the Annuitant, be effected by remittance of the investment securities of the RLIF.
18. Notwithstanding any provision to the contrary contained in this Agreement, the balance in this RLIF may be unlocked in the year the Annuitant attains age 90 or in any subsequent year.
19. At the beginning of each fiscal year the Trustee will provide the Annuitant with the following information:
 - a) the sums deposited, the accumulated earnings, the payments made out of this RLIF and the fees charged against it during the previous fiscal year,
 - b) the balance in this RLIF,
 - c) the minimum amount that must be paid out of this RLIF to the Annuitant during the current fiscal year and each subsequent one, and
 - d) the maximum amount that may be paid out of this RLIF to the Annuitant during the current fiscal year and each subsequent one.

If the balance of this RLIF is transferred as described in paragraph 3, the Trustee will supply the Annuitant with the information described above as determined at the date of the transfer. If the Annuitant dies before the balance in this RLIF is used to purchase an immediate life annuity, the person entitled to receive the balance will be given the information described above as determined as of the date of the Annuitant's death.

20. No money that is not locked-in will be transferred to or held under this RLIF.
21. Where the commuted value of the pension benefit credit transferred to the RLIF was determined in a manner that did not differentiate on the basis of sex, the life annuity purchased with the funds in the arrangement shall not differentiate on the basis of the sex of the recipient. For purposes of this specific RLIF, the pension benefit transferred
 - differentiated
 - did not differentiateon the basis of the sex of the Annuitant.
22. Notwithstanding any provision to the contrary contained in this Agreement, where as evidenced by the written certification of a physician, that due to mental or physical disability, the life expectancy of the Annuitant is likely to be shortened considerably, the Annuitant may receive the monies from the RLIF as a lump sum. Any payment claimed as a result of a right under this paragraph shall be subject to the maturity of investments held in the RLIF.

- 23. Notwithstanding any provision to the contrary contained in this Agreement, where an Annuitant has ceased to be a resident of Canada for at least 2 calendar years, the funds may be paid to the Annuitant in a lump sum. An Annuitant is deemed to have been a resident of Canada if s/he sojourned in Canada in the year for a period of, or periods the total of which is, 183 days or more.
- 24. Notwithstanding any provision to the contrary in the Agreement, the Annuitant may withdraw all or a portion of the RLIF as permitted under the Regulations under 20.3(1)(l) – Small Amounts; 20.3(1)(m) – Financial Hardship; 20.3(1)(n) – One-Time 50% Unlocking.
- 25. The Trustee hereby affirms the provisions contained in the Declaration of Trust.
- 26. This Agreement may be amended by the Trustee as permitted by, and in accord with the Act.

By execution of this Agreement the Trustee hereby undertakes to administer the transferred funds and all subsequent earnings on these funds in accordance with the provisions of this Agreement.

By execution of this Agreement the Annuitant hereby agrees to abide by the provisions stated and to waive any right to request amendment of the RLIF or of this Agreement to receive any funds except as expressly provided for herein.

Signed this _____ day of _____, 20 _____.

Signature of Annuitant _____

Accepted by authorized officer, as agent for the Trustee

ANNUITANT IDENTIFICATION
(print annuitant information)

NAME _____
CONTRACT # _____