

**ADDENDUM TO THE BBS Securities Inc. SELF-DIRECTED RETIREMENT INCOME FUND**

**THIS ADDENDUM** dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**BETWEEN:**

\_\_\_\_\_  
(herein referred to as the "**Annuitant**")

**AND:**

**COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company existing under the laws of Canada, and having an office at 100 University Ave – 11th Floor, Toronto Ontario. M5J 2Y1 (herein referred to as the "**Trustee**")

**WHEREAS** the Annuitant has established a BBS Securities Inc. Self-Directed Retirement Income Fund specimen plan number **RIF-1591** (the "**RIF**") and Annuitant Account number \_\_\_\_\_ with the Trustee under the relevant provisions of the *Income Tax Act* (Canada) and the Regulations thereunder (collectively, the "**Tax Act**"); and

**AND WHEREAS** the Annuitant has established by virtue of this Addendum a life income fund that meets the requirements of Schedule 1.1 of the Regulations (the "**LIF**") established as a locked-in registered retirement income fund under the Tax Act to receive certain benefits (the "**Benefits**"), which are subject to the locking-in provisions of the Act and Regulations as defined below;

**AND WHEREAS** the Annuitant wishes to have the present value of the Benefits transferred to the LIF with the Trustee;

**AND WHEREAS** the Trustee is willing to accept such transfer;

**NOW THEREFORE** this Addendum witnesseth and the parties hereto agree as follows:

**Definitions**

1. For the purposes of this Addendum "**Act**" means the *Pension Benefits Act* (Ontario) and "**Regulations**" means R.R.O. 1990, Reg. 909.
2. Words and phrases used in this Addendum have the following meanings: "**excess amount**" has the meaning given to it in the Regulations; "**former member**", "**member**", "**Minister**", "**pension**", "**pension benefit**", "**spouse**", "**Superintendent**" and "**Year's Maximum Pensionable Earnings**" have the same meaning given to them in the Act; "**life income fund**" means a RRIF that meets the requirements of either Schedule 1 or Schedule 1.1 of the Regulations; "**locked-in retirement account**" means an RRSP that meets the requirements set out in Schedule 3 of the Regulations; "**locked-in retirement income fund**", means a RRIF that meets the requirements set out in Schedule 2 of the Regulations; "**RRIF**" means a registered retirement income fund established in accordance with the Tax Act; "**RRSP**" means a registered retirement savings plan established in accordance with the Tax Act.
3. Notwithstanding anything to the contrary contained in the RIF and this Addendum, including any endorsements forming a part thereof, "**spouse**" 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 RRIFs.

**Contributions**

4. The Annuitant acknowledges that all of the Benefits to be transferred to the LIF and all investment earnings thereon are subject to the locking-in provisions of the Act (the "**LIF Assets**"). Only assets that are locked-in pursuant to the Act will be transferred to, or held under the LIF.

**Investments**

5. The LIF Assets will be invested and reinvested in accordance with the provisions of the RIF, the Act, the Regulations and the Tax Act.

**No Assignment**

6. The Annuitant shall not assign, charge, anticipate or give as security the LIF Assets, except as required by an order under the *Family Law Act* (Ontario) (the "**FLA**") or by a domestic contract as defined in Part IV of the FLA, subject to the maximum set in in subsection 66(4) of the Act. Any transaction purporting to assign, charge, anticipate or give the LIF Assets as security is void.

**No Seizure**

7. All LIF Assets are exempt from execution, seizure or attachment and assets payable from the LIF is exempt from execution, seizure or attachment, except as provided in section 66 of the Act.

**No Withdrawal, Commutation or Surrender**

8. LIF Assets cannot, subject to this Addendum, be commuted, withdrawn or surrendered in whole or in part, except where an amount is required to be paid to the Annuitant, or otherwise permitted or required by law. Any transaction purporting to commute or surrender, in whole or in part, LIF Assets is void.

**Valuation of LIF Assets**

9. Except as otherwise provided in this Addendum, all LIF Assets that are subject to any transfer to or from the LIF are 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. The method and factors used to establish the value of the LIF shall be as follows. The assets of the LIF shall be valued at their fair market value immediately prior to the date (the "**Valuation Date**") on which such assets are used, withdrawn or otherwise transferred out of the LIF. In order to determine fair market value regard may be had to any comparable arm's length transaction that occurs on the Valuation Date or within a reasonable time prior to the Valuation Date. Where possible such arm's length transactions should involve a cash sale of assets of the same class or kind as those held by the LIF. If a comparison of this nature is not possible then regard may be had to arm's length transactions that involve assets of a similar class or kind, with such

modifications as the circumstances may require. If arm's length transactions involving assets of a similar class or kind are not available then regard may be had to such other considerations as may reasonably be considered to be relevant in the discretion of the Trustee, including, without limitation, the book value of the asset, the replacement cost of the asset or such other factors as may be relevant.

#### **Fiscal Year**

10. The fiscal year of the LIF ends on December 31st of each year and will not exceed twelve months.

#### **Periodic Payment out of the LIF**

11. The Annuitant will be paid an income the amount of which may vary annually.
12. Payments will commence no earlier than the earliest date on which the former member is entitled to receive a pension under any pension plan from which Benefits were transferred into the LIF directly or indirectly.
13. Payments out of the LIF will begin no later than the last day of the second fiscal year of the LIF.
14. The Annuitant shall establish the amount of income to be paid during each fiscal year of the LIF at the beginning of that fiscal year or as may be agreed upon by the Trustee and the Annuitant, and after the receipt of the information specified in paragraph 41 of this Addendum. If the Annuitant does not inform the Trustee of the amount to be paid out of the LIF for a year, the minimum amount determined pursuant to the Tax Act shall be paid out of the LIF for that year.
15. The LIF Assets and payments out of the LIF are subject to division in accordance with the terms of an order under the FLA or a domestic contract as defined in Part IV of the FLA.

#### **Calculation of Payments**

16. Subject to paragraphs 17, 18 and 19 hereof, the amount of income paid during a fiscal year of the LIF will not be less than the minimum amount prescribed for RRIFs pursuant to the Tax Act (the "**Minimum Amount**") and may not exceed the maximum amount determined under Schedule 1.1 of the Regulations (the "**Maximum Amount**").
17. If any LIF Assets are derived from assets transferred directly or indirectly from a locked-in retirement income fund or another life income fund, the Maximum Amount that may be paid out of the LIF in the fiscal year in which the assets are transferred into the LIF will be to zero.
18. If the initial fiscal year of the LIF is not twelve months long, the Maximum Amount shall be adjusted in proportion to the number of months in that fiscal year divided by twelve, with any part of an incomplete month counting as one month.
19. If the Minimum Amount is greater than the Maximum Amount, the Minimum Amount shall be paid out of the LIF during the fiscal year.

#### **Life Annuity Contract**

20. The Annuitant may use all or part of the balance of the LIF to purchase an immediate life annuity contract as stipulated in paragraph 60(l) of the Tax Act.
21. Where the balance in the LIF is to be used to purchase a life annuity contract, the pension to be provided to the Annuitant who is a former member of the pension plan from which the Benefits were transferred, directly or indirectly, and who has a spouse on the date that the pension commences is to be a joint life pension as would be in compliance with section 22 of the Regulations. The determination as to whether the Annuitant has a spouse is to be made on the date the annuity is purchased.
22. An immediate or deferred life annuity purchased with funds from the LIF shall not differentiate on the basis of the sex of the beneficiary if the value of the Benefits was determined in a manner that did not differentiate on the basis of sex.

#### **Transfers from the LIF**

23. The Annuitant may transfer all or part of the LIF Assets:
  - i) to another life income fund governed by Schedule 1.1 of the Regulations; or
  - ii) for the purchase of a life annuity contract, as stipulated in paragraph 60(l) of the Tax Act and that meets the requirements of section 22 of the Regulations.

Upon receipt of the Annuitant's request for transfer, the Trustee will provide to the Annuitant the information described in paragraph 46 of this Addendum, determined as of the date of the transfer. The transfer of the assets of the LIF will occur within thirty days of receipt of the Annuitant's request, except with respect to assets held as securities whose term of investment extends beyond the thirty day period.

24. Where the LIF holds identifiable and transferable securities, the transfers referred to in paragraphs 20, 23, 28 and 34 of this Addendum 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 LIF.

#### **Financial Hardship Withdrawals**

25. If the Trustee receives from the Annuitant a duly completed application, in a form that is both current and approved by the Superintendent for use with a particular category of financial hardship, and if the Trustee determines that all related requirements of section 11.1, 11.2, 11.3 or 11.4, as applicable, of Schedule 1.1 of the Regulations have been satisfied, the Trustee shall permit a withdrawal from the LIF of the amount applied for by the Annuitant and permitted under the Regulations, and shall pay such amount to the Annuitant, outside of any tax-deferred account, in a lump sum, less any applicable withholding tax and fees. Only one application per calendar year under each of sections 11.2, 11.3 and 11.4 is permitted and only one application per calendar year in respect of a particular person is permitted under section 11.1.
26. The Trustee may rely upon the information provided by the Annuitant in an application made pursuant to paragraph 25 and such application shall constitute sufficient authorization for the Trustee to make the withdrawal from the LIF as requested by the Annuitant. The withdrawal will occur within thirty days of receipt by the Trustee of a completed application form and accompanying documentation.

#### **Withdrawals of Transferred Amounts**

27. If assets are transferred into the LIF from a pension fund, a locked-in retirement account, a locked-in retirement income fund or another life income fund, the Annuitant may, upon application to the Trustee in accordance with section 8 of Schedule 1.1 of the Regulations, either withdraw from the LIF or transfer from the LIF to an RRSP or RRIF an amount representing up to fifty per cent

(50%) of the total market value of the assets transferred into the LIF in relation to a transfer of assets made on or after January 1, 2010, provided that the following conditions are met:

- i) the application for a withdrawal or transfer must be given to the Trustee within sixty days after the assets are transferred into the LIF; and
  - ii) the application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within sixty days of execution, and accompanied by one of the following documents:
    - a) a Declaration about a Spouse, as described in paragraph 39; or
    - b) a statement signed by the Annuitant within sixty days of receipt of the above-noted application by the Trustee attesting to the fact that none of the money in the LIF is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.
28. The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to paragraph 27 and any such application shall constitute sufficient authorization for the Trustee to make the withdrawal or transfer from the LIF as requested by the Annuitant. The withdrawal or transfer will occur within thirty days of receipt by the Trustee of a completed application form and accompanying documentation. The total market value of the assets transferred into the LIF is to be determined as of the date the assets were transferred into the LIF.
29. Despite paragraph 27, if the assets are transferred into the LIF from another life income fund or a locked-in retirement income fund, the Annuitant cannot make a withdrawal or transfer described in paragraph 27 unless the transfer into the LIF was made in accordance with the terms of an order under the FLA or a domestic contract as defined in Part IV of the FLA.

#### **Withdrawal of Excess Amount**

30. If an excess amount is transferred directly or indirectly to the LIF, the Annuitant may, upon application to the Trustee in accordance with section 22.2 of the Regulations, withdraw an amount which is not greater than the sum of the excess amount and any subsequent investment earnings, including any unrealized capital gains or losses, attributable to the excess amount as calculated by the Trustee, provided that the application is made on a form approved by the Superintendent, signed by the Annuitant and accompanied by one of the following documents:
- i) a written statement from the administrator of the pension plan from which money was transferred into the LIF setting out the excess amount that was transferred into the LIF; or
  - ii) a written statement from the Canada Revenue Agency setting out the excess amount that was transferred into the LIF.
31. The Trustee may rely upon the information provided by the Annuitant in an application made pursuant to paragraph 30 and such application shall constitute sufficient authorization for the Trustee to make the withdrawal from the LIF as requested by the Annuitant. The withdrawal will occur within thirty days of receipt by the Trustee of a completed application form and accompanying document.

#### **Withdrawal of Small Amount at 55**

32. A withdrawal equal to the value of the entire LIF or a transfer of the entire LIF assets to an RRSP or a RRIF may be made upon application by the Annuitant to the Trustee in accordance with section 9 of Schedule 1.1 of the Regulations provided the following conditions are met:
- i) the Annuitant has attained the age of fifty-five years at the time of execution of the application;
  - ii) the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the Annuitant is less than 40% of the Year's Maximum Pensionable Earnings for the calendar year in which the application is made; and
  - iii) the application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within sixty days of execution, and accompanied by one of the following documents:
    - a) a Declaration about a Spouse, as described in paragraph 39; or
    - b) a statement signed by the Annuitant within sixty days of receipt of the above-noted application by the Trustee attesting to the fact that none of the money in the LIF is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.
33. The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the Annuitant when the Annuitant signs the application shall be determined in accordance with the most recent statement about each fund or account of the Annuitant, which must be provided to the Trustee. Each such statement must be dated within one year of the execution of the application by the Annuitant.
34. The Trustee may rely upon the information provided by the Annuitant in an application made pursuant to paragraph 32 and such application shall constitute sufficient authorization for the Trustee to make the withdrawal or transfer from the LIF as requested by the Annuitant. The withdrawal or transfer will occur within thirty days of receipt by the Trustee of a completed application form and accompanying documentation.

#### **Shortened Life Expectancy Withdrawal**

35. A withdrawal of all or part of the balance of the LIF may be made on application by the Annuitant to the Trustee in accordance with section 11 of Schedule 1.1 of the Regulations for the withdrawal provided the following conditions are met:
- i) at the time of execution of the application the Annuitant has an illness or physical disability that is likely to shorten the Annuitant's life expectancy to less than two years;
  - ii) the application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within sixty days of execution, and accompanied by the following documentation:
    - a) a statement signed within the twelve months before it is provided to the Trustee by a physician who is licensed to practice medicine in a jurisdiction in Canada that, in the opinion of the physician, the Annuitant has an illness or physical disability that is likely to shorten the Annuitant's life expectancy to less than two years; and
    - b) 1) a Declaration about a Spouse, as described in paragraph 39; or

- 2) a statement signed by the Annuitant within sixty days of receipt of the above-noted application by the Trustee attesting to the fact that none of the money in the LIF is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.
36. The Trustee may rely upon the information provided by the Annuitant in an application made pursuant to paragraph 35 and such application shall constitute sufficient authorization to the Trustee to make the withdrawal from the LIF as requested by the Annuitant. The withdrawal will occur within thirty days of receipt by the Trustee of a completed application form and accompanying documentation.

#### **Withdrawal by Non-Resident Annuitants**

37. A withdrawal equal to the value of the entire LIF may be made upon application by the Annuitant to the Trustee in accordance with section 10 of Schedule 1.1 of the Regulations provided the following conditions are met:
- i) at the time of signing such application, the Annuitant is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the Tax Act and the application is made a least twenty-four months after the Annuitant's date of departure from Canada;
  - ii) the application is made on a form approved by the Superintendent, signed by the Annuitant, provided to the Trustee within sixty days of execution, and accompanied by the following documents:
    - a) written determination from the Canada Revenue Agency that the Annuitant is a non-resident for the purposes of the Tax Act; and
    - b)
      - 1) a Declaration about a Spouse, as described in paragraph 39; or;
      - 2) a statement signed by the Annuitant within sixty days of receipt of the above-noted application by the Trustee attesting to the fact that none of the money in the LIF is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Annuitant.
38. The Trustee may rely upon the information provided by the Annuitant in an application made pursuant to paragraph 37 and such application shall constitute sufficient authorization for the Trustee to make the withdrawal from the LIF as requested by the Annuitant. The withdrawal will occur within thirty days of receipt by the Trustee of a completed application form and accompanying documentation.

#### **Declaration about a Spouse**

39. Any of the following documents constitutes a Declaration about a Spouse for the purposes of a withdrawal from the LIF under paragraphs 27, 32, 35 and 37 or a transfer to an RRSP or RRIF under paragraphs 27 and 32, provided that it is received by the Trustee within sixty days of execution:
- i) a statement signed by the Annuitant's spouse that the spouse consents to the withdrawal from the LIF or transfer to an RRSP or RRIF;
  - ii) a statement signed by the Annuitant attesting to the fact that the Annuitant does not have a spouse; or
  - iii) a statement signed by the Annuitant attesting to the fact that the Annuitant is living separate and apart from the Annuitant's spouse on the date the Annuitant signs the application to make the withdrawal from the LIF or transfer to an RRSP or RRIF.

#### **Death of Annuitant**

40. On the death of the Annuitant, the Trustee shall (i) administer the assets in the LIF in accordance with sections 14 and 15 of Schedule 1.1 of the Regulations; and (ii) give the person entitled to such assets the information described in subsection 17(2) of Schedule 1.1 of the Regulations, determined as of the date of the Annuitant's death.

#### **Information**

41. The Trustee will provide the Annuitant with the information specified in section 17(2) of Schedule 1.1 of the Regulations.

#### **Amendment**

42. The Trustee will not amend this Addendum except in accordance with section 16 of Schedule 1.1 of the Regulation, including by giving ninety days' notice of a proposed amendment when required.  
No amendment shall have the effect of disqualifying the LIF as a registered retirement income fund within the meaning of the Tax Act.

#### **Declaration of Trust Affirmed**

43. The Trustee hereby affirms the provisions contained in the RIF and this Addendum to take effect as of the date first above written.

#### **Interpretation**

44. The conditions of this Addendum will take precedence over the provisions in the Declaration of Trust in the case of conflicting or inconsistent provisions. Should any provisions of this Addendum be inconsistent with any provisions or requirements of the Act, the Regulations or the Tax Act, including any provisions amended or enacted after the date hereof, then the provisions of the Act, the Regulations or the Tax Act (as the case may be) shall prevail to the extent of any such inconsistency.
45. All references herein to any statute, regulation or any provision thereof shall mean such statute, regulation or any provision thereof as the same may be re-enacted or replaced from time to time.
46. This Addendum shall be construed and enforced according to the laws of the Province of Ontario and all provisions hereof shall be administered according to the laws of that Province and of Canada as applicable hereunder.

#### **Counterparts**

47. This Addendum may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one instrument.

**IN WITNESS WHEREOF** the parties have executed this Addendum as of the date first written above and shall bind the Trustee, its agents and the Annuitant and their respective successors and assigns effective from the date of transfer of assets into the LIF.

**YOUR CURRENT MARITAL STATUS:**

(This data is necessary in order to complete prescribed government forms.)

<input type="checkbox"/>	Single	<input type="checkbox"/>	Married
<input type="checkbox"/>	Common law	<input type="checkbox"/>	Divorced
<input type="checkbox"/>	Separated	<input type="checkbox"/>	Widowed

\_\_\_\_\_  
**NAME OF ANNUITANT (PRINT)**

\_\_\_\_\_  
**SIGNATURE OF ANNUITANT**

BBS Securities Inc. as agent for:  
**COMPUTERSHARE TRUST COMPANY OF CANADA**

per: \_\_\_\_\_

**TO BE COMPLETED BY THE TRANSFERRING INSTITUTION:**

UNLESS INDICATED BELOW\*, THE COMMUTED VALUE OF THE BENEFITS TRANSFERRED TO THE LIF GOVERNED BY THIS ADDENDUM WAS NOT DETERMINED IN A MANNER THAT DIFFERENTIATED ON THE BASIS OF SEX.

\* \_\_\_\_\_ (Check here)

**SPOUSAL CONSENT TO TRANSFER**  
(To be completed by Annuitant's Spouse, if applicable)

\_\_\_\_\_  
LAST NAME OF SPOUSE

\_\_\_\_\_  
FIRST NAME OF SPOUSE

\_\_\_\_\_  
DATE OF BIRTH OF SPOUSE  
(DAY/MONTH/YEAR)

I am the spouse, as defined in the *Pension Benefits Act* (Ontario), of \_\_\_\_\_  
*(name of Annuitant)*

who has requested a transfer of locked-in money from \_\_\_\_\_  
*(name of pension plan or financial institution administering LIRA, LIF or LRIF)*

I am aware that the administrator of the pension plan or of the LIRA, LIF or LRIF as the case may be, will not comply with the Annuitant's request to transfer locked-in money to a LIF unless my written consent is given. However, I am aware that neither the *Pension Benefits Act* nor the Regulations thereunder require me to provide this consent, and it is solely my choice whether I wish to do so.

I understand that by providing this written consent, I am not waiving my rights under the *Pension Benefits Act* and Regulation 909 to survivor benefits or benefits which may be available on marriage breakdown.

I understand that as a spouse who is not living separate and apart from the owner of the LIF at the owner's date of death, I will be entitled to receive a death benefit of the balance of the LIF as an unlocked lump sum payment.

I understand that as a spouse who is not living separate and apart from the owner of the LIF when LIF assets are used to purchase a life annuity, the annuity must provide a survivor pension of at least 60% of the pension received by my spouse.

I understand that, in the event of marriage breakdown prior to the date an annuity is purchased, no more than 50% of the LIF assets may be transferred to my LIRA, LIF, or LRIF or to purchase an immediate or deferred life annuity.

I understand, in the above situation, any interest I may have in the assets held in the LIF is effective only where a court order or domestic agreement under the *Family Law Act* (Ontario) is provided to the administrator.

I hereby consent to the establishment of a LIF by my spouse and to the transfer of locked-in money to the LIF in accordance with the terms and conditions of the Declaration of Trust and this Addendum.

\_\_\_\_\_  
SIGNATURE OF SPOUSE

\_\_\_\_\_  
DATE