Effective date of the rider:

Annexed and incorporated into Plan number:

Annuitant:

Life Income Fund Rider – Newfoundland and Labrador

This rider will form part of the RIF declaration of trust (the “Plan”) if the annuitant has requested, or where the annuitant has attained age 71 on a registered contract and has not selected another option, that the Plan be registered as a life income fund (hereinafter referred to as “LIF”). The Plan will be modified as such.

1. For purposes of this rider the word:
   - "Act" means the *Pension Benefits Act* (Newfoundland), as amended from time to time.
   - "Regulations" means the *Pension Benefits Regulations* passed under the Act, as amended from time to time.
   - “Fiscal Year” means a fiscal year of the LIF.
   - “LIF” means a retirement savings arrangement, known as a Life Income Fund, as defined in the Regulations, that meets the conditions set out in Directive 5 issued under the Act.
   - “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 Income Tax Act (Canada), a non-commutable pension, in accordance with Directive 6 issued under the Act, that will not commence before that person attains the age of 55 years, or, if that person provides evidence to the satisfaction of the financial institution that the plan or any of the plans from which the money was transferred provided for payment of the pension at an earlier age, that earlier age.
   - “Annuitant” means the member or former member of a pension plan who has made a transfer pursuant to section 40 of the Act to this LIF contract and, unless otherwise stated, includes the Principal Beneficiary or former Principal Beneficiary of the member or former member if the Principal Beneficiary of former Principal Beneficiary is entitled to a pension benefit as a result of the death of the member or former member or as a result of marriage breakdown.
   - “Principal Beneficiary” means the spouse of a member or former member, or where the member or former member has a cohabiting partner, the member or former member’s cohabiting partner.
   - “Superintendent” means the Superintendent of Pensions (Newfoundland).

   All other capitalized terms used in this rider but not defined herein have the definition provided for by the Act or Regulations.

2. Notwithstanding anything to the contrary contained in this Plan, including any riders forming a part thereof, “spouse” does not include any person who is not recognized as a spouse or common law partner for the purpose of any provision of the *Income Tax Act* (Canada) respecting a registered retirement income fund.

3. Subject to paragraph 7 of this rider, all money including interest, gains and losses, is to be used to provide or secure a pension that would, but for the transfer and previous transfer, if any, be required by the Act and the Regulations.

4. The Annuitant shall be paid an income, the amount of which may vary annually and which must not begin before the earlier of age 55 or the earliest date on which the Annuitant could receive a pension benefit under the Act or the originating pension plan from which money was transferred and not later than the last day of the Plan’s second Fiscal Year.

5. The Fiscal Year of the Plan ends on December 31 of each year and will not exceed 12 months.

6. The Annuitant must decide the amount to be paid out of the Plan each year, either at the beginning of the Fiscal Year or at another time agreed to by the Trustee and the decision expires 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 Fund for a Fiscal Year, the minimum amount determined in paragraph 24 of this rider shall be deemed to be the amount paid.

7. Prior to using the balance of the Plan to purchase an immediate Life Annuity Contract, the Annuitant may transfer, to the extent permitted by

the Income Tax Act (Canada), all or part of the balance of the Plan:

i) to another Life Income Fund;
ii) to a Locked-In Retirement Income;
iii) to purchase an immediate life annuity that meets the requirements of the Superintendent; or
iv) before December 31st in the year in which the Annuitant reaches 71 of age, to a Locked-In Retirement Account.

8. The Trustee agrees to make such a transfer within thirty days after receipt of the Annuitant's request. This does not apply with respect to the transfer of sums whose term of investment extends beyond the thirty day period.

9. In the case of a transfer, the Trustee shall retain an amount equal to the lower of the following amounts:
   i) the minimum amount for the year such as defined in subsection 146.3(1) of the Income Tax Act (Canada) exceeding amounts received out of or under the Plan before the transfer that are included in the Annuitant's income for that year, or
   ii) the Market Value of the Plan.

10. The money in the Plan, may not be assigned, charged, alienated, anticipated or otherwise given as security and is exempt from execution, seizure or attachment and any transaction purporting to assign, charge, alienate, anticipate or otherwise give the money as security is void.

11. The Annuitant may withdraw all the money in the Plan if, at the time he or she signs the application,
   a) he or she has reached the earlier of age 55 or the earliest date on which he or she would have been entitled to receive a pension benefit under the plan from which money was transferred, and
   b) the value of all assets in all LIFs, Locked-in Retirement Income Funds and Locked in Retirement Accounts owned by him or her and governed by Newfoundland pension benefits legislation is less than 40 percent or the year's maximum pensionable earnings (YMPE) under the Canada Pension Plan (CPP) for that calendar year.

12. An application under the preceding paragraph of this rider shall be:
   i. on a form approved by the Superintendent;
   ii. where the Annuitant is a former member of a pension plan, accompanied by a waiver of the Principal Beneficiary of the Annuitant of joint and survivor pension entitlement, in the form and manner required by the Superintendent.

13. The Annuitant shall use any assets remaining in the Plan on the 31st day of December in the year in which he or she reaches eighty years of age to purchase an immediate Life Annuity that meets the requirements of the Superintendent.

14. If the Annuitant does not purchase the Life Annuity on or before the 31st day of March in the year after the year in which he or she reaches eighty years of age, the Trustee shall issue or arrange for the issuance of a Life Annuity Contract

15. The Trustee will provide the Annuitant the information specified in section 24 of Directive 5 issued under the Act.

16. The Annuitant may invest the sums in the Plan as prescribed in the Plan provisions specific to each investment.

17. The method and factors used to establish the value of the Plan for purpose of the transactions listed below are found in the Plan provisions specific to each investment:
   a) a transfer of assets,
   b) the purchase of a Life Annuity Contract, and;
   c) a payment or transfer on the death of the Annuitant.

18. The Trustee, before transferring out money from the Plan pursuant to paragraph 7 of this rider, will advise the transferee in writing of the locked-in status of the money and make acceptance of the transfer subject to the conditions provided for in the Regulations.

19. If the Trustee does not comply with paragraph 18 of this rider and the transferee fails to pay the money transferred in the form of a pension or in the manner required by the Regulations, the Trustee will provide or ensure the provision or the pension referred to in paragraph 13 of this rider.

20. On the death of the Annuitant who has a Principal Beneficiary, the surviving Principal Beneficiary, or where there is no surviving Principal Beneficiary or the surviving Principal Beneficiary had waived entitlement in the form and manner required by the Superintendent, a designated beneficiary, or where there is no designated beneficiary, the estate of the Annuitant is entitled to received a lump sum payment of the full value of the Plan.

21. Where the Annuitant is not a former member of a pension plan, the full value of the Plan shall be paid to the designated beneficiary or, where there is no beneficiary, to the Annuitant's estate.

22. The money invested in the Plan shall be invested in a manner that complies with the rules for the investment of money in a registered retirement

income fund pursuant to the Income Tax Act (Canada*)* and the regulations thereunder.

23. A lump sum or series of payments may be made to the Annuitant from the sums invested in the Plan, if a medical practitioner certifies that due to mental or physical disability the life expectancy of the Annuitant is likely to be shortened considerably, but where the Annuitant is a former member of a pension plan such payment may only be made if the Principal Beneficiary of the Annuitant has waived the joint and survivor pension entitlement in a form and a manner provided by the Superintendent.

24. The minimum amount to be paid out of the Plan in a Fiscal Year must not be less than the minimum amount required to be paid under the Income Tax Act (Canada) and must not exceed the "maximum" determined by the following formula:

$$\text{Maximum} = \frac{C}{F}$$

in which

C = the balance in the Plan at the beginning of the Fiscal Year, and

F = the value, at the beginning of the Fiscal Year, of a pension of which the annuity payment is $1 payable at the beginning of each Fiscal Year between that date and the 31st day of December of the year in which the Annuitant attains 90 years of age.

25. The value of F in the preceding paragraph of this rider is calculated as follows:
   a) the amount "F" must be established at the beginning of each Fiscal Year of the Plan using an interest rate of not more than 6%;
   b) for the fifteen years after the date of the valuation, the value of the pension may be determined by using a percentage that is greater than 6%, and less than or equal to the percentage obtained on long-term bonds issued by the Government of Canada for the month of November preceding the date of the valuation, as compiled by Statistics Canada and published in the Bank of Canada Review under identification number B-14013 in the CANSIM System.

26. Subject to the preceding paragraph of this rider, the Annuitant is entitled to receive temporary income where:
   i) the total pension income received by the Annuitant for the calendar year in which the application is made, calculated as "B" under the following paragraph of this rider, is less than 40% of the YMPE under the CPP for the calendar year in which the application is made; and
   ii) the Annuitant has not reached his or her 65th birthday at the beginning of the Fiscal Year in which he or she makes application for additional temporary income.

27. The amount of the additional temporary income paid out of this Plan in a Fiscal Year must not exceed the "maximum" in the following formula:

Maximum Temporary Income = A-B

in which

A = 40% of the YMPE under the CPP for the calendar year in which an application is made.

B = the total pension income to be received by the Annuitant for the calendar year in which the application is made from all LIFs, Locked in Retirement Income Funds, Life Annuities and pension plans governed by Newfoundland pension benefits legislation or established by or governed by an Act of Canada or Province, except income from a pension under the Canada Pension Plan.

28. An application for additional temporary income under paragraph 26 of this rider shall be
   i. on a form approved by the Superintendent,
   ii. where the Annuitant is a former member of a pension plan, accompanied by the written consent of the Principal Beneficiary of the Annuitant, and
   iii. submitted to the Trustee at the beginning of the Fiscal Year of the Plan, unless otherwise permitted by the financial institution.

29. For the initial year or the Fund, the "maximum" in paragraphs 24 and 27 of this rider shall 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 one month.

30. If a part of sums invested in the Plan at the beginning of a Fiscal Year corresponds to sums transferred directly or indirectly during the same year from another Life Income Fund or Locked-In Retirement Income Fund of the Annuitant, the "maximum" in paragraphs 24 and 27 of this rider shall be deemed to be zero.

31. Where the amount of income to be paid to the Annuitant of a Plan is fixed at an interval of more than one year, paragraphs 24, 26 and 27 of this rider shall apply with such modifications as the circumstances require to determine, at the date of the beginning of the first Fiscal Year in the interval, the amount of income to be paid for each Fiscal Year in that interval.

32. No money that is not locked-in will be transferred to or held under the Plan.

33. Subject to paragraph 34 of this rider, the Trustee shall not amend the Plan except where it has given the Annuitant at least 90 days notice of a proposed amendment.

34. An amendment that would result in a reduction in the Annuitant's benefits under the Plan is permitted only where:
   i. the Trustee is required by law to make the amendment; and
   ii. the Annuitant is entitled to transfer the balance in the Plan in accordance with the terms of the Plan that existed before the amendment is made.

35. When making an amendment under paragraph 34 of this rider the Trustee shall:
   i. notify the Annuitant of the nature of the amendment; and
   ii. allow the Annuitant at least 90 days after the notice is given to transfer all or part of the balance in the Plan.

36. Notice under paragraphs 33 and 35 of this rider shall be sent by registered mail to the Annuitant's address as set out in the records of the Trustee.

37. The Trustee hereby affirms the provisions contained in the Plan.

38. The conditions of this rider will take precedence over the provisions in the Plan in the case of conflicting or inconsistent provisions.

Denis Ricard
President

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Director

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