ADDENDUM FOR LOCKED-IN RETIREMENT ACCOUNT (LIRA)
Pursuant to the *Employment Pension Plans Act* (Alberta)

FIDELITY CLEARING CANADA ULC SELF-DIRECTED RETIREMENT SAVINGS PLAN
CRA Specimen Plan No. 0667-001

Plan Issuer – TSX Trust Company

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Acting through its Agent, Fidelity Clearing Canada ULC

Schedule 1
Locked-in Retirement Account Addendum

Part 1
Interpretation

Interpretation

1(1) The following terms, used in this addendum, have the meanings respectively given them as indicated below, except where the context otherwise requires:

(a) "Act" means the *Employment Pension Plans Act* (SA 2012 cE-8.1);

(b) "designated beneficiary", in relation to the owner of this locked-in retirement account, means a beneficiary designated under section 71(2) of the *Wills and Succession Act*;

(c) "life annuity" means a non-commutable arrangement to provide, on a deferred or immediate basis, a series of periodic payments for the life of the annuity holder or for the lives jointly of the annuity holder and the annuity holder's pension partner;

(d) "locked-in retirement account issuer" means the issuer of this locked-in retirement account;

(e) "locked-in money" means

(i) money in a pension plan the withdrawal, surrender or receipt of which is restricted under section 70 of the Act,

(ii) money transferred under section 99(1) of the Act, and

(iii) money to which subclause (i) applies, that has been transferred out of the plan, and any interest on that money, whether or not that money had been transferred to one or more locked-in vehicles after it was transferred from the plan, and includes money that was deposited into this locked-in retirement account under section 116(1)(a) of the Regulation or paid to the locked-in retirement account issuer under section 116(1)(b) or (2) of the Regulation;

(f) "member owner" means an owner of a locked-in vehicle if

(i) the owner was a member of a pension plan, and

(ii) the locked-in vehicle contains locked-in money from that plan;

(g) "owner" means a member owner or a pension partner owner;

(h) "pension partner" means a person who is a pension partner within the meaning of subsection (2);

(i) "pension partner owner" means an owner of a locked-in vehicle if

(i) the owner is a pension partner, former pension partner or surviving pension partner of a pension plan or a member owner,

(ii) the locked-in vehicle contains locked-in money from that plan, and

(iii) the pension partner owner's entitlement to the locked-in money in the locked-in vehicle arose by virtue of

(A) the death of the member of a pension plan or a member owner, or

(B) a breakdown of the marriage between the pension partner owner and the member of a pension plan, or the pension partner owner and the member owner;

(j) "Regulation" means the *Employment Pension Plans Regulation*;

(k) "this locked-in retirement account" means the locked-in retirement account to which this addendum applies.

(2) Persons are pension partners for the purposes of this addendum on any date on which one of the following applies:

(a) they

(i) are married to each other, and

(ii) have not been living separate and apart from each other for a continuous period longer than 3 years;

(b) if clause (a) does not apply, they have been living with each other in a marriage-like relationship

(i) for a continuous period of at least 3 years preceding the date, or

(ii) of some permanence, if there is a child of the relationship by birth or adoption.

(3) Terms used in this addendum and not defined in subsection (1) but defined generally in the Act or Regulation have the meanings assigned to them in the Act or Regulation, respectively.

Part 2
Transfers In and Transfers and Payments Out of Locked-in Retirement Account

Limitation of deposits to this account

2 The only money that may be deposited in this locked-in retirement account is

(a) locked-in money from a pension plan if

(i) this locked-in retirement account is owned by a member owner, or

(ii) this locked-in retirement account is owned by pension partner owner, and

(b) money deposited by the locked-in retirement account issuer under section 116(1)(a) of the Regulation or paid to the locked-in retirement account issuer for deposit to this locked-in retirement account under section 116(1)(b) or (2) of the Regulation.

Limitation on withdrawals from this account

3(1) Money in this locked-in retirement account, including investment earnings, is for use in the provision of retirement income.

(2) Despite subsection (1), money may be withdrawn from this locked-in retirement account in the following limited circumstances:

(a) by way of a transfer to another locked-in retirement account on the relevant conditions specified in this addendum;

(b) to purchase a life annuity in accordance with section 6(3);

(c) by way of a transfer to a pension plan if the plan text document of the plan allows the transfer;

(d) by way of a transfer to a life income fund in accordance with Division 3 of Part 9 of the Regulation;

(e) in accordance with Part 4 of this addendum.

(3) Without limiting subsections (1) and (2) and in accordance with in section 72 of the Act, money in this locked-in retirement account must not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment.

(4) The locked-in retirement account issuer must comply with any applicable requirements of the Act and the Regulation before allowing a payment or transfer of any of the money in this locked-in retirement account.

General liability on improper payments or transfers

4 If the locked-in retirement account issuer pays or transfers money from this locked-in retirement account contrary to the Act or the Regulation,

(a) subject to clause (b), the locked-in retirement account issuer must,

(i) if less than all of the money in this locked-in retirement account is improperly paid or transferred, deposit into this locked-in retirement account an amount of money equal to the money that had been improperly paid or transferred, or

(ii) if all of the money in this locked-in retirement account is improperly paid or transferred, establish a new locked-in retirement account for the owner and deposit into that new locked-in retirement account an amount of money equal to the amount of money that had been improperly paid or transferred,

or

(b) if

(i) the money is transferred out of this locked-in retirement account to an issuer that is authorized under the Regulation to issue locked-in retirement accounts,

(ii) the act or omission that is contrary to the Act or the Regulation is the failure of the locked-in retirement account issuer to advise the transferee issuer that the money is locked-in money, and

(iii) the transferee issuer deals with the money in a manner that is contrary to the manner in which locked-in money is to be dealt with under the Act or the Regulation,

the locked-in retirement account issuer must pay to the transferee issuer, in accordance with the requirements of the Act and the Regulation relating to transfers of locked-in money, an amount equal to the amount dealt with in the manner referred to in subclause (iii).

Remittance of securities

5(1) If this locked-in retirement account holds identifiable and transferable securities, the transfers referred to in this Part may, unless otherwise stipulated in the contract to which this is an addendum, be effected, at the option of the locked-in retirement account issuer and with the consent of the owner, by the transfer of any such securities.

(2) Subject to section 2, there may be transferred to this locked-in retirement account identifiable and transferable securities, unless otherwise stipulated in the contract to which this is an addendum, if that transfer is approved by the locked-in retirement account issuer and consented to by the owner.

Retirement income

6(1) This locked-in retirement account may be converted to retirement income, whether in the form of a life income fund or a life annuity, at any time after the owner of the locked-in retirement account reaches 50 years of age, and must be converted to retirement income on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to start receiving a pension from a registered pension plan.

(2) The money in this locked-in retirement account must not be transferred to a life income fund unless

(a) payments under the life income fund cannot commence before the owner of the locked-in retirement account reaches 50 years of age,

(b) subject to clause (c)(ii), the owner has made an election for unlocking under section 71(5)(b) of the Act that meets the conditions set out in Schedule 3 and the amount unlocked, if any, has been paid to the owner, and

(c) if the owner is a member owner who has a pension partner,

(i) a waiver in Form 10 has been signed by the owner's pension partner and provided to the locked-in retirement account issuer, and

(ii) if the owner has elected the unlocking option, a waiver in Form 14 has been signed by the owner's pension partner and provided to the locked-in retirement account issuer.

(3) The money in this locked-in retirement account must not be transferred to an insurance company for the purchase a life annuity unless

(a) payments under the annuity will not commence before the owner of the locked-in retirement account reaches 50 years of age,

(b) payments under the annuity commence on or before the last date on which a person is allowed under the *Income Tax Act* (Canada) to start receiving a pension from a registered pension plan,

(c) there is no differentiation amongst the annuitants on the basis of gender, and

(d) if the owner is a member owner and if the member owner has a pension partner,

(i) the life annuity is in the form of a joint and survivor pension as described in section 90(2) of the Act, or

(ii) in the case of a life annuity that is in a form that is different from the form of pension described in subclause (i), a waiver in Form 11 signed by the member owner's pension partner has been provided to the locked-in retirement account issuer not more than 90 days before the transfer.

(4) A transfer under subsection (2) or (3) must be made within 60 days after the delivery to the locked-in retirement account issuer of the documents required to effect the transfer.

Part 3
Death of Owner

Transfers on death of member owner

7(1) Subject to subsections (2) and (3), if a member owner dies and he or she is survived by a pension partner, the locked-in retirement account issuer must transfer any money that remains in this locked-in retirement account, within 60 days after the delivery to the locked-in retirement account issuer of the documents required to effect the transfer, to whichever of the following the surviving pension partner elects:

(a) a pension plan if the plan text document of the plan allows the transfer;

(b) another locked-in retirement account;

(c) a life income fund in accordance with section 6(2);

(d) an insurance company to purchase a life annuity in accordance with section 6(3).

(2) If the surviving pension partner is a non-resident, any money that remains in the locked-in retirement account must be paid to the surviving pension partner in a lump sum.

(3) If a member owner of a locked-in retirement account dies and

(a) he or she is not survived by a pension partner, or

(b) he or she has a surviving pension partner and a waiver in Form 12 signed by the surviving pension partner is provided to the locked-in retirement account issuer

the locked-in retirement account issuer must pay any money that remains in the locked-in retirement account, within 60 days after the delivery to the issuer of the documents required to effect the payment, to the designated beneficiary or, if there is no living designated beneficiary, to the personal representative of the member owner's estate.

(4) Where a waiver in Form 12 is signed by the surviving pension partner and provided to the locked-in retirement account issuer, that pension partner is not entitled to receive money in the locked-in retirement account under subsection (3) as the member owner's designated beneficiary.

Transfers on death of pension partner owner

8 If a pension partner owner dies, the locked-in retirement account issuer must pay any money that remains in this locked-in retirement account, within 60 days after the delivery to the locked-in retirement account issuer of the documents required to effect the transfer,

(a) to the pension partner owner's designated beneficiary, or

(b) if there is no living designated beneficiary, to the personal representative of the to the pension partner owner's estate.

Part 4
Withdrawal, Commutation and Surrender

YMPE based lump sum payment

9 The locked-in retirement account issuer will, on application, provide to the owner of the locked-in retirement account the lump sum amount referred to in section 71(2) of the Act if, at the time of the application,

(a) the balance of the locked-in retirement account does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan for the calendar year in which the application is made, or

(b) the owner is at least 65 years of age and the balance of the locked-in retirement account does not exceed 40% of the YMPE for the calendar year in which the application is made.

Splitting of contract

10 If this locked-in retirement account is not eligible for a lump sum payment option referred to in section 9, assets in the locked-in retirement account must not be divided and transferred to 2 or more locked-in retirement accounts, life income funds, pension plans or annuities or any combination of them if that transfer would make the money in any one or more of those vehicles eligible to be paid out by way of a lump sum payment under section 71(1) or (2) of the Act.

Shortened life payments

11 On application by the owner of this locked-in retirement account referred to in section 71(4)(a) of the Act, the locked-in retirement account issuer will pay, to the owner, a payment, or series of payments for a fixed term, of all or part of the money held in the locked-in retirement account if

(a) a medical practitioner certifies that the owner has a disability or illness that is terminal or to likely shorten the owner's life considerably, and

(b) at the time of the application, if the owner is a member owner and has a pension partner, a waiver in Form 13 signed by the pension partner has been provided to the locked-in retirement account issuer,

Non residency for tax purposes

12 The locked-in retirement account issuer will, on application, provide to the owner of the locked-in retirement account the lump sum amount referred to in section 71(4)(b) of the Act if,

(a) the owner includes in the application written evidence that the Canada Revenue Agency has confirmed that the owner is a non-resident for the purposes of the *Income Tax Act* (Canada), and

(b) at the time of the application, a waiver in Form 13 signed by the pension partner has been provided to the locked-in retirement account issuer.

Financial hardship

13 The locked-in retirement account issuer will, on application made in accordance with section 121(3) of the Regulation, provide to the owner of the locked-in retirement account a lump sum amount, up to the amount prescribed under section 121(5) of the Regulation, if, at the time of the application, the owner meets the requirements of the financial hardship exception set out in section 121(4) of the Regulation.

Maximum 50% unlocking

14 The locked-in retirement account issuer will, on a transfer to a life income fund, provide to the owner of the locked-in retirement account a lump sum amount equal to a maximum of 50% of the value of the locked-in retirement account, if, at the time of the transfer,

(a) the owner meets the requirements for the 50% unlocking set out in Schedule 3 of the Regulation, and

(b) at the time of the application, if the owner is a member owner and has a pension partner, a waiver in Form 14 signed by the pension partner has been provided to the locked-in retirement account issuer not more than 90 days before the transfer.