

ADDENDUM FOR LOCKED IN RETIREMENT ACCOUNT (LIRA)
Pursuant to the *Pension Benefits Act* (Nova Scotia)

FIDELITY CLEARING CANADA ULC SELF-DIRECTED RETIREMENT SAVINGS PLAN
CRA SPECIMEN PLAN NO. 0667-001

Plan Issuer – TSX Trust Company

301- Adelaide Street West

Toronto, Ontario M5H 4H1

Acting through its Agent, Fidelity Clearing Canada ULC

1. **Legislation.** For the purposes of this Addendum, “Act” means the *Pension Benefits Act* (Nova Scotia); “Regulations” means the *Pension Benefits Regulations* made under the Act; “Schedule 3” means “Schedule 3: Nova Scotia LIRA Addendum” to the Regulations and the “Tax Act” means the *Income Tax Act* (Canada) and the regulations made thereunder, as amended from time to time.
2. **Schedule 3.** A copy of Schedule 3 is attached to this Addendum and forms part of this Addendum. If there is a conflict between a provision in this Addendum and a provision in Schedule 3, the provision in Schedule 3 shall prevail.
3. **Definitions.** All terms in this Addendum which are used in the Act or Regulations or Schedule 3 have the same meaning as under the Act or Regulations or Schedule 3. “Plan” means the Fidelity Clearing Canada ULC Self-Directed Retirement Savings Plan. “Planholder” means the planholder or annuitant under the Declaration of Trust and application form in respect of the Plan.
4. **Spouse.** For the purposes of any provision of the Tax Act respecting registered retirement savings plans, “Spouse” does not include any person who is not recognized as a spouse or common-law partner under the Tax Act.
5. **Transfers Into the Plan.** The Plan must be purchased using all or part of the following amounts:
 - (a) an amount transferred under clause 61(1)(b) of the Act,
 - (b) an amount transferred under section 12B of the *Pooled Registered Pension Plans Act*,
 - (c) an amount transferred as a result of a division of any pension benefit, deferred pension or pension under section 74 of the Act;
 - (d) assets in a LIRA;
 - (e) assets in a LIF.
6. **Reliance on Information.** The Plan Issuer is entitled to rely upon the information provided by the Planholder in an application to purchase the Plan.
7. **Subsequent Transfers.** The Plan Issuer will not permit any subsequent transfer unless
 - (a) the transfer is permitted under the Act and the Regulations; and
 - (b) the transferee agrees to administer the amount transferred in accordance with the Act and the Regulations.

The Plan Issuer will advise any transferee in writing that the amount transferred must be administered in accordance with the Act and the Regulations.
8. **Withdrawal for Small Amount.** The Planholder may, upon written application in an approved form to the Plan Issuer, withdraw all or part of the money in the Plan or transfer the assets in the Plan to a registered retirement savings arrangement if,
 - (a) the Planholder is at least 65 years of age; and
 - (b) when the Planholder signs the application, the value of all assets in all LIRAs and LIFs owned by the Planholder is less than 40% of the Year’s Maximum Pensionable Earnings for that calendar year.

The value of all assets in all LIRAs and LIFs owned by the Planholder on the date he or she signs the application must be determined using the most recent statement about each LIRA or LIF given to the Planholder dated no earlier than one year before the Planholder signs the application.

The application form must be signed by the Planholder and accompanied by either

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- (c) a statement signed by the Planholder attesting to the fact that none of the money in the Plan is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Planholder; or
- (d) a declaration about a Spouse in accordance with the Regulations.

If the assets in the Plan consist of identifiable and transferable securities, the Plan Issuer may transfer the securities with the Planholder's consent.

The Plan Issuer is entitled to rely upon the information provided by the Planholder in the application. An application that meets the requirements of the Act and the Regulations constitutes authorization to the Plan Issuer to make the payment or transfer from the Plan in accordance with the Act and the Regulations. The Plan Issuer is required to make the payment to which the Planholder is entitled no later than 30 days after the Plan Issuer receives the completed application and accompanying documents.

9. **Withdrawal for Shortened Life Expectancy.** The Planholder may, upon application in an approved form to the Plan Issuer, withdraw all or part of the money in the Plan if, on the date the Planholder signs the application, he or she has an illness or physical disability that is likely to shorten his or her life expectancy to less than 2 years.

The application must be accompanied by a statement signed by a physician that, in the opinion of the physician, the Planholder has an illness or physical disability that is likely to shorten his or her life expectancy to less than 2 years.

The application form must also be accompanied by a declaration about a Spouse in accordance with the Regulations or a statement signed by the Planholder attesting to the fact that none of the money in the Plan is derived, directly or indirectly, from a pension benefit provided in respect of employment of the Planholder.

The Plan Issuer is entitled to rely upon the information provided by the Planholder in the application. An application that meets the requirements of the Act and the Regulations constitutes authorization to the Plan Issuer to make the payment from the Plan in accordance with the Act and the Regulations. The Plan Issuer is required to make the payment to which the Planholder is entitled no later than 30 days after the date the Plan Issuer receives the completed application and accompanying documents.

10. **Withdrawal for Financial Hardship.** The Planholder may, upon written application, apply for the consent of the Superintendent to withdraw funds from the Plan in circumstances of financial hardship as prescribed in the Regulations.

The application must be completed and signed by the Planholder on a form approved by the Superintendent and submitted with statements and any other documents required under the Regulations, by the Planholder to the Superintendent.

Where the Superintendent consents to the application, the Plan Issuer is authorized to pay from the Plan, in accordance with the consent:

- (a) the consented amount to the Planholder;
- (b) the prescribed fee for the application to the Minister of Finance.

The consented amount may be paid in the form of a lump sum payment or as a transfer to a registered retirement savings arrangement designated by the Planholder. The Plan Issuer must pay or transfer the consented amount no later than 30 days after receiving the consent of the Superintendent. The consent is a nullity if the Plan Issuer receives it more than 12 months after the date of the Superintendent signs the consent.

11. **Withdrawal for Non-Residency.** The Planholder may, upon application in an approved form to the Plan Issuer, withdraw all or part of the money in the Plan because he or she is no longer a resident of Canada if

- (a) on the date the Planholder signs the application, he or she is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the Tax Act; and
- (b) the application is made 24 months or later after he or she departed from Canada.

The application must be signed by the Planholder and accompanied by a written determination from the Canada Revenue Agency that the person is a non-resident for the purposes of the Tax Act. The application must also be accompanied by a declaration about a Spouse in accordance with the Regulations or a statement signed by the

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Planholder attesting to the fact that none of the money in the Plan is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Planholder.

The Plan Issuer is entitled to rely upon the information provided by the Planholder in the application. An application that meets the requirements of the Act and the Regulations constitutes authorization to the Plan Issuer to make the payment from the Plan in accordance with the Act and the Regulations. The Plan Issuer is required to make the payment to which the Planholder is entitled no later than 30 days after the date the Plan Issuer receives the completed application and accompanying documents.

12. **Withdrawal for Excess Amount.** If the amount transferable into the Plan is greater than the amount prescribed for transfer under the Tax Act and such excess amount is transferred, directly or indirectly, into the Plan, the Planholder may, upon application in an approved form to the Plan Issuer, withdraw money from the Plan in an amount not greater than the sum of all of the following, calculated as of the date the Plan Issuer pays the withdrawn amount:

- (a) the excess amount;
- (b) any investment earnings since the date of transfer, including any unrealized capital gains or losses, attributable to the excess amount, are calculated by the Plan Issuer.

The application must be signed by the Planholder and accompanied by either a written statement from the administrator setting out the excess amount that was transferred from the pension plan's pension fund into the Plan or a written statement from the Canada Revenue Agency setting out the excess amount that was transferred into the Plan.

The Plan Issuer is entitled to rely upon the information provided by the Planholder in the application. An application that meets the requirements of the Act and the Regulations constitutes authorization to the Plan Issuer to make the payment from the Plan in accordance with the Act and the Regulations. The Plan Issuer is required to make the payment to which the Planholder is entitled no later than 30 days after the date the Plan Issuer receives the completed application and accompanying documents.

13. **Investment.** The assets in the Plan shall be invested and re-invested by the Planholder as provided in the Declaration of Trust in respect of the Plan.
14. **Valuation.** For determining the value of the assets in the Plan on a particular date (including on the death of the Planholder and on the transfer of assets from the Plan) (a "Valuation Date"), the assets in the Plan shall be valued at their fair market value immediately prior to the Valuation Date. The fair market value shall be determined as follows:
- (a) by using information of arm's length transactions involving a cash sale of assets of the same classes or kinds as those in the Plan that occurred on the date immediately prior to the Valuation Date or within a reasonable time prior to the Valuation Date; or
 - (b) if the information under paragraph (a) is not available, by using information of arm's length transactions involving cash sale of assets of similar classes or kinds as those in the Plan that occurred on the date immediately prior to the Valuation Date or within a reasonable time prior to the Valuation Date; or
 - (c) if the information under paragraphs (a) and (b) is not available, by using such other reasonably relevant information such as the book value of the assets in the Plan.
15. **Amendment.** The Plan Issuer agrees not to amend this Addendum except as provided in Schedule 3 and the Regulations.
16. **Information to be Provided by Plan Issuer.** The Plan Issuer will provide the information described in section 4 of Schedule 3 to the persons described in that section.
17. **Conflict.** If there is a conflict between the Act or Regulations and a provision in this Addendum, the Act or Regulations will prevail.

To be completed by the transferor institution:

Determination of Commuted Value on the Basis of Sex. Was the commuted value of the pension benefit that was transferred into the Plan determined in a manner that differentiated on the basis of sex? **YES** ☐ **NO** ☐

Schedule 3: Nova Scotia LIRA Addendum
(Pension Benefits Regulations)

Note: This document is Schedule 3 to the *Pension Benefits Regulations* (Nova Scotia). It forms part of the regulations and must be read, construed and interpreted in conjunction with the *Pension Benefits Act* and its regulations.

Definitions for this Schedule

1 In this Schedule,

“Act” means the *Pension Benefits Act*;

“domestic contract”, as defined in Section 2 of the regulations, means a written agreement referred to in and for the purpose of Section 74 of the Act or Section 14 of the *Pooled Registered Pension Plans Act*, that provides for a division between spouses of any pension benefit, deferred pension, pension, LIRA or LIF, and includes a marriage contract as defined in the *Matrimonial Property Act*;

“federal *Income Tax Act*”, as defined in Section 2 of the regulations, means the *Income Tax Act* (Canada) and, unless specified otherwise, includes the regulations made under that Act;

“owner” means any of the following persons, as set out in subsection 200(2) of the regulations, who has purchased a LIRA:

- (i) a former member who is entitled to make a transfer under clause 61(1)(b) of the Act,
- (ii) a spouse of a person who was a member, and who is entitled to make transfer under clause 61(1)(b) of the Act,
- (iii) a person who has previously transferred an amount under clause 61(1)(b) of the Act into a LIRA or LIF,
- (iv) a person who has previously transferred an amount into a LIRA as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act,
- (v) a spouse who is entitled to transfer a lump sum as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act,
- (vi) if the funds in the account of a pooled registered pension plan are used for the purchase, a person who transfers the amount in accordance with the Pooled Registered Pension Plans Act and the Pooled Registered Pension Plans Regulations;

“regulations” means the Pension Benefits Regulations made under the Act;

“spouse”, as defined in the Act, means either of 2 persons who

- (i) are married to each other,
- (ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity,
- (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the 12-month period immediately preceding the date of entitlement,
- (iv) are domestic partners within the meaning of Section 52 of the Vital Statistics Act, or
- (v) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least
 - (A) 3 years, if either of them is married, or
 - (B) 1 year, if neither of them is married.

“Superintendent”, means the Superintendent of Pensions, as defined in the Act;

Note Re Requirements of the <i>Pension Benefits Act</i> and <i>Regulations</i> and the <i>Pooled Registered Pension Plans Act</i> and its regulations
Prohibitions on transactions from Section 91 of Act
Under Section 91 of the Act and Section 12 of the <i>Pooled Registered Pension Plans Act</i> , money held in a LIRA must not be commuted or surrendered in whole or in part except as permitted by this Schedule and the regulations including, without limiting the generality of the foregoing, the following Sections of the regulations:

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<ul style="list-style-type: none"> • Sections 211 through 230, respecting withdrawal in circumstances of financial hardship • Section 231, respecting withdrawal in circumstances of considerably shortened life expectancy • Section 232, respecting withdrawal in circumstances of non-residency • Section 233, respecting withdrawal of small amounts at age 65 • Section 198, respecting the transfer of an excess amount, as defined in that Section. <p>Pursuant to subsection 91(2) of the Act and subsection 12(2) of the <i>Pooled Registered Pension Plans Act</i>, any transaction that contravenes Section 91 of the Act or Section 12 of the <i>Pooled Registered Pension Plans Act</i> is void.</p>
Value of assets in LIRA subject to division
<p>The value of the assets in a LIRA is subject to division in accordance with all of the following:</p> <ul style="list-style-type: none"> • an order of the Supreme Court of Nova Scotia that provides for a division of a pension benefit, deferred pension or pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the <i>Pooled Registered Pension Plans Act</i> • a domestic contract that provides for the division of a pension benefit, deferred pension or pension under Section 74 of the Act, or a division of the funds in a pooled registered pension plan account under Section 14 of the <i>Pooled Registered Pension Plans Act</i> • the regulations
Money held in LIRA
<p>The following requirements are set out in the <i>Pension Benefits Act</i> and are applicable to LIRAs governed by this Schedule:</p> <ul style="list-style-type: none"> • Money held in a LIRA must not be assigned, charged, or given as security except as permitted by subsection 88(3) of the Act, Section 90 of the Act, subsection 12(3) of the <i>Pooled Registered Pension Plans Act</i> or Section 13 of the <i>Pooled Registered Pension Plans Act</i>, and any transaction purporting to assign, charge, anticipate or give the money in the LIRA as security is void. • Money held in a LIRA is exempt from execution, seizure or attachment except for the purpose of enforcing a maintenance order as permitted by Section 90 of the Act or Section 13 of the <i>Pooled Registered Pension Plans Act</i>.

Transferring assets from LIRAs

2(1) An owner of a LIRA may transfer all or part of the assets in the LIRA to any of the following:

- (a) the pension fund of a pension plan registered under the pension benefits legislation in any Canadian jurisdiction or to the pension fund of a pension plan provided by a government in Canada;
- (b) a LIRA held by another financial institution;
- (c) a LIF;
- (d) a life annuity;
- (e) a pooled registered pension plan.

(2) The date of a transfer under subsection (1) must not be later than 30 days after the owner requests it, unless any of the following apply:

- (a) the financial institution providing the LIRA does not have all the information necessary to complete the transaction, in which case the 30-day period begins to run from the date the financial institution has all the necessary information;
- (b) the transfer is in respect of assets held as securities whose term of investment extends beyond the 30-day period.

(3) If assets in a LIRA consist of identifiable and transferable securities, the financial institution providing the LIRA may transfer the securities with the consent of the owner of the LIRA.

(4) A financial institution providing a LIRA must advise the financial institution to which the assets of the LIRA are transferred

Schedule 3: Nova Scotia LIRA Addendum
(Pension Benefits Regulations)

- (a) that the assets were held in a LIRA in the current year; and
- (b) whether the assets were determined in a manner that differentiated on the basis of sex.

Information to be Provided by Financial Institution on Transfers of Assets of LIRAs

- 3** If the assets in a LIRA are transferred, the financial institution providing the LIRA must give the owner the information required by Section 4 of this Schedule, determined as of the date of the transfer.

Information to be Provided Annually by Financial Institution

- 4** At the beginning of each fiscal year of a LIRA, a financial institution providing the LIRA must provide all of the following information to the owner about their LIRA as of the end of the previous fiscal year:
- (a) with respect to the previous fiscal year,
 - (i) the sums deposited,
 - (ii) any accumulated investment earnings, including any unrealized capital gains or losses,
 - (iii) the payments made out of the LIRA,
 - (iv) any withdrawals from the LIRA,
 - (v) the fees charged against the LIRA;
 - (b) the value of the assets in the LIRA at the beginning of the fiscal year of the LIRA.

Death Benefits

- 5(1)** If the owner of a LIRA dies, the following are entitled to receive a benefit equal to the value of the assets in the LIRA, subject to subsections (4) and (5):
- (a) the owner's spouse;
 - (b) if there is no spouse or if the spouse is disentitled under subsection (4) or (5), the owner's named beneficiary;
 - (c) if there is no named beneficiary, the personal representative of the owner's estate.
- (2)** For the purposes of subsection (1), a determination as to whether an owner of a LIRA has a spouse must be made as of the date the owner dies.
- (3)** For the purposes of subsection (1), the value of the assets in a LIRA includes all accumulated investment earnings, including any unrealized capital gains and losses, of the LIRA from the date of death until the date of payment.
- (4)** A spouse is not entitled to receive the value of the assets in a LIRA under clause (1)(a) if the owner of the LIRA was not
- (a) a member or former member of a pension plan from which the assets were transferred, directly or indirectly, to purchase the LIRA; or
 - (b) a member of a pooled registered pension plan from which the assets were transferred, directly or indirectly, to purchase the LIRA.
- (5)** A spouse who is living separate and apart from the owner of a LIRA without a reasonable prospect of resuming cohabitation on the date the owner dies is not entitled to receive the value of the assets in the LIRA under clause (1)(a) if any of the following conditions apply:
- (a) the spouse delivered a written waiver to the financial institution in accordance with Section 6 of this Schedule;
 - (b) the spouse is not entitled to receive any amount in respect of the assets in the LIRA in accordance with the terms of a domestic contract that provides for the division of any pension benefit, deferred pension or pension under Section 74 of the Act or the

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funds in a pooled registered pension plan account under subsection 14(2) of the *Pooled Registered Pension Plans Act*;

- (c) the spouse is not entitled to receive any amount in respect of the assets in the LIRA in accordance with a court order respecting a division of a pension benefit, deferred pension or pension under Section 74 of the Act or the funds in a pooled registered pension plan account under subsection 14(2) of the *Pooled Registered Pension Plans Act*.

- (6) The benefit described in subsection (1) may be transferred to a registered retirement savings arrangement in accordance with the federal *Income Tax Act*.

Waiver of Entitlement to Death Benefits by Spouse

- 6(1) A spouse of an owner of a LIRA may waive their entitlement to receive a benefit described in Section 5 of this Schedule from the LIRA, by delivering, any time before the death of the owner, a written waiver in an approved form to the financial institution providing the LIRA.
- (2) A spouse who delivers a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date the owner of the LIRA dies.

Information to be Provided by Financial Institution on Death of Owner

- 7 If the owner of LIRA dies, the financial institution providing the LIRA must give the information required by Section 4 of this Schedule, determined as of the date of the owner's death, to any person who is entitled to receive the assets in the LIRA under subsection 5(1) of this Schedule.