

Brokerage account number: 

Name of the Annuitant: \_\_\_\_\_

**ADDENDUM TO THE DESJARDINS SECURITIES INC.  
SELF-DIRECTED RETIREMENT INCOME FUND DECLARATION OF TRUST (RIF 0694)  
FOR LOCKED-IN PENSION TRANSFERS TO A RESTRICTED LIFE INCOME FUND (RLIF)  
PURSUANT TO THE *PENSION BENEFITS STANDARDS ACT, 1985* (FEDERAL)**

In this Addendum, “Carrier” means Desjardins Trust Inc., “Fund” means the Desjardins Securities Inc. Self-Directed Restricted Life Income Fund (Federal) and “Declaration of Trust” means the declaration of trust which sets forth the terms and conditions governing the Desjardins Securities Inc. Self-Directed Retirement Income Fund. “Annuitant” has the same meaning as that term is used in the Declaration of Trust. “Locked-In Assets” means all the assets in the Fund at any time and includes any interest or other earnings realized or accrued to that time. “Agent” means Desjardins Securities Inc.

Upon receipt of a locked-in benefit pursuant to the *Pension Benefits Standards Act, 1985* (Federal) or to the *Pooled Registered Pension Plans Act* (Federal), the Carrier and the Annuitant agree that these presents shall form part of the terms and conditions of the Fund.

1. **Pension legislation.** For the purposes of this Addendum, the word “Act” means the “*Pension Benefits Standards Act, 1985*” and the word “Regulation” means the regulation thereunder, as amended from time to time.
2. **Spouse.** “Common-law Partner” shall have the meaning given to that word in the Act. “Spouse” shall have the meaning given to that word in the Act and, where applicable, shall include the term “common-law partner” as defined in the Act, but shall 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) respecting registered retirement income funds.
3. **Locked-In Assets Only.** No money that is not locked-in will be transferred to or held under the Fund.
4. **Transfers.** The Annuitant may transfer all or part of the balance of the Fund:
  - a) to another RLIF;
  - b) to a restricted locked-in savings plans (RLSP); or
  - c) for the purchase of an immediate life annuity or a deferred life annuity.
5. **Requirement to Pay Annual Income and Minimum Amount.** The Annuitant shall, at the beginning of each calendar year or at any other time agreed on with the Carrier, decide the amount to be paid out of the Fund in that year. In the event that the Annuitant does not decide the amount to be paid out of the Fund in a calendar year, the minimum amount determined in accordance with the *Income Tax Act* (Canada) shall be paid out of the Fund in that year.
6. **Amount of Annual Income.** For any calendar year before the calendar year in which the Annuitant reaches 90 years of age, the amount of income paid out of the Fund shall not

exceed “M”, calculated in accordance with the following formula:

$$M = C/F$$

where C = the balance of the money in the Fund:

- (i) at the beginning of the calendar year, or
- (ii) if the amount determined in (i) is zero, at the date on which the initial amount was transferred into the Fund,

F = the value, as at the beginning of the calendar year, of a pension benefit of which the annual payment is \$1, payable on January 1 of each year between the beginning of that calendar year and December 31 of the year in which the Annuitant reaches 90 years of age, established using an interest rate that:

- (i) for the first 15 years after January 1 of the year in which the Fund is valued, is less than or equal to the monthly average yield on Government of Canada marketable bonds of maturity over 10 years, as published by the Bank of Canada, for the month of November before the beginning of the calendar year, and
- (ii) for any subsequent year, is not more than 6%.

7. **Where Annuitant 90 Years Old or Greater.** For the calendar year in which the Annuitant reaches 90 years of age and for all subsequent calendar years, the amount of income paid out of the Fund shall not exceed the value of the funds held in the Fund immediately before the time of the payment.
8. **Annual Income in Initial Calendar Year.** For the initial calendar year of the Fund, the minimum amount to be paid, as referred to in paragraph 5 of this Addendum, shall be set at zero and the limit “M”, determined under paragraph 6 or 7, shall be multiplied by the number of months remaining in that year divided by 12, with any part of an incomplete month counting as one month. If, at the time the Fund was established, part of the Fund was composed of funds that had been held in another RLIF of the Annuitant earlier in the calendar year in which the fund was established, the amount under paragraph 6 or 7 is deemed to be zero in respect of that part of the Fund for that calendar year.
9. **Payment of Small Amount at Age 55 or Older.** In the calendar year in which the Annuitant reaches 55 years of age or in any subsequent calendar year, the funds may be paid to the Annuitant in a lump sum if:
  - a) the Annuitant certifies that the total value of all assets in all locked-in registered retirement savings plans

(LRSP), LIF, RLSP and RLIF that were created as a result of a transfer under the Act or a transfer from a pooled registered pension plan is not more than 50% of the year's maximum pensionable earnings, and

- b) the Annuitant obtains the consent of his/her Spouse or Common-law Partner, if any, and gives the prescribed forms to the Carrier, acting through the Agent.

**10. Withdrawal for Financial Hardship.** The Annuitant may withdraw Locked-in Assets in an amount up to the lesser of the amount determined by the formula  $M + N$  and 50% of the year's maximum pensionable earnings minus any amount withdrawn in the calendar year for financial hardship (from any LRSP, RLSP, LIF or RLIF), where

M is the total amount of the expenditures that the Annuitant expects to make on medical or disability-related treatment or adaptive technology during the calendar year, and

N is the greater of zero and the amount determined by the formula

$P - Q$  where

P is 50% of the year's maximum pensionable earnings, and

Q is two-thirds of the Annuitant's total expected income for the calendar year determined in accordance with the *Income Tax Act* (Canada), other than any amount withdrawn in the calendar year for financial hardship (from any LRSP, RLSP, LIF or RLIF)

and if

- a) the Annuitant certifies that he/she has not made a withdrawal in the calendar year for financial hardship (from any LRSP, RLSP, LIF or RLIF) other than within the last 30 days before this certification;

b) if,

(A) in the event that the value of "M" is greater than zero,

(i) the Annuitant certifies that he/she expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Annuitant's total expected income for that calendar year determined in accordance with the *Income Tax Act* (Canada), excluding withdrawals in the calendar year for financial hardship (from any LRSP, RLSP, LIF or RLIF), and

(ii) a physician certifies that such medical or disability-related treatment or adaptive technology is required; or

(B) the Annuitant's expected income for the calendar year determined in accordance with the *Income Tax Act* (Canada), other than any amount withdrawn for financial hardship during that year (from any LRSP, RLSP, LIF or RLIF) within the last 30 days before the day on which the certification is made, is less than 75% of the year's maximum pensionable earnings, and

- c) the Annuitant obtains the consent of his/her Spouse or Common-law Partner, if any, and gives the prescribed forms to the Carrier, acting through the Agent.

**11. Payment Due to Shortened Life Expectancy.** Notwithstanding any provision to the contrary contained in this Addendum, the funds may be paid to the Annuitant in a lump sum if a physician certifies that, owing to mental or physical disability, the Annuitant's life expectancy is likely to be considerably shortened. Any payment claimed as a result of a right under this paragraph shall be subject to the maturity of investments held in the Fund.

**12. Payment to Non-resident.** Locked-in Assets may be paid to the Annuitant if the Annuitant has ceased to be a resident of Canada for at least two years.

**13. One-Time 50% Unlocking at Age 55 or Older.** If the Fund is established in the calendar year in which the Annuitant reaches 55 years of age or in any subsequent calendar year, the Annuitant may transfer 50% of the Locked-In Assets to a registered retirement savings plan or a registered retirement income fund within 60 days of the establishment of the Fund if:

- a) the Fund was created as the result of a transfer from a LRSP, a LIF or a pooled registered pension plan; and  
b) the Annuitant obtains the consent of his/her Spouse or Common-law Partner, if any, and gives the prescribed forms to the Carrier, acting through the Agent.

**14. Death of Annuitant.** On the death of the Annuitant, if the Annuitant is a member or former member of the pension plan from which the Locked-In Assets originate and is survived by a Spouse or Common-law Partner, the funds in the Fund shall be paid to the survivor of the Annuitant, by

- a) transferring the funds to another RLIF or to a LIF, or  
b) transferring the funds to a LRSP or to a RLSP, or  
c) using the funds to purchase an immediate life annuity or a deferred life annuity.

Where the Annuitant has no entitled Spouse or Common-law Partner, the designated beneficiary or, if there is no valid designation of beneficiary, the personal representatives of the estate of the Annuitant in their representative capacity shall be entitled to a benefit equal to the value of the funds in the Fund.

**15. No Assignment, etc.** Subject to subsection 25(4) of the Act and subsection 53(3) of the *Pooled Registered Pension Plans Act*, the funds in the Fund or any interest or right in those funds may not be transferred, assigned, charged, anticipated, attached or given as security and any transaction appearing to do so is null and void.

**16. Valuation of Locked-In Assets.** The Locked-In Assets shall be invested and re-invested on the direction of the Annuitant as provided by the Declaration of Trust. The value of the Locked-In Assets at any time will be determined by the Agent according to regular practice.

**17. Restriction on Type of Annuity.** Where the commuted value of the pension benefit credit transferred to the Fund

