

# Addendum

## Addendum For Federal RLSPs

This Addendum sets out further provisions that apply to Scotia Self-Directed Federal RLSPs which are subject to the *Pension Benefits Standards Act, 1985* of Canada (the "Act").

This Addendum forms a part of the main Scotia Self-Directed Federal RLSP Agreement to which it is attached. In the case of any inconsistency between the main Scotia Self-Directed Federal RLSP Agreement and this Addendum, this Addendum shall prevail in all cases.

### 1. Definitions

All of the definitions regarding restricted locked-in savings plans set out in the Act and the Regulations to it are incorporated in this Scotia Self-Directed Federal RLSP Agreement.

### 2. Transfers

Funds in your Scotia Self-Directed Federal RLSP may only be:

- (a) transferred to another Federal RLSP,
- (b) transferred to a pension plan if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with two years' membership in the plan,
- (c) used to purchase an immediate life annuity or a deferred life annuity, or
- (d) transferred to a Federal RLIF.

### 3. Withdrawals

#### A. YMPE-based Lump Sum Payment

- (a) In the calendar year in which you reach 55 years of age or in any subsequent calendar year, the funds in your Scotia Self-Directed Federal RLSP may be paid to you in a lump sum if
  - (i) you certify that the total value of all assets in all LRSPs, LIFs, Federal RLSPs and Federal RLIFs that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by the Regulations to the Act is less than or equal to 50% of the Year's Maximum Pensionable Earnings, and
  - (ii) you give us a completed copy of Form 2 and Form 3 of Schedule V to the Regulations to the Act.

#### B. Financial Hardship

- (a) You may withdraw an amount from your Scotia Self-Directed Federal RLSP up to the lesser of the amount determined by the formula set out in subparagraph (b) of this paragraph B. and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year under this paragraph B. -- from any Federal RLSP -- or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m) of the Regulations to the Act
  - (i) if you certify that you have not made a withdrawal in the calendar year under this paragraph B. from -- any Federal RLSP -- or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m) other than within the last 30 days before this certification,
  - (ii) if, in the event that the value of M in subparagraph (b) of this paragraph B. is greater than zero,
    - (A) you certify that you expect to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of twenty per cent (20%) of your total expected income for that

calendar year determined in accordance with the Tax Act, excluding withdrawals in the calendar year under this paragraph -- from any Federal RLSP -- or under 20(1)(d), 20.1(1)(m) or 20.3(1)(m) of the Regulations to the Act, and

- (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required, and
- (iii) if you give us a completed copy of Form 1 and Form 2 of Schedule V to the Regulations to the Act.

- (b) The amount referred to in subparagraph (a) of this paragraph B. is determined by the following formula:

$$M + N$$

where

"M" is the total amount of the expenditures that you expect to make on medical or disability-related treatment or adaptive technology for 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 your total expected income for the calendar year determined in accordance with the Tax Act, excluding withdrawals in the calendar year under this paragraph B. or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m) of the Regulations to the Act.

#### C. Shortened Life Expectancy

If a physician certifies that owing to mental or physical disability your life expectancy is likely to be shortened considerably, the funds in your Scotia Self-Directed Federal RLSP may be paid to you in a lump sum.

### 4. Estate Matters

Upon your death, the funds in your Scotia Self-Directed Federal RLSP shall be paid to your survivor (as defined in the Act) by

- (a) transferring the funds to another Federal RLSP or to an LRSP,
- (b) transferring the funds to a pension plan, if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with two years' membership in the plan,
- (c) using the funds to purchase an immediate life annuity or a deferred life annuity, or
- (d) transferring the funds to a LIF or to a Federal RLIF.

### 5. Prohibition

Except as provided in subsection 25(4) of the Act, the funds in your Scotia Self-Directed Federal RLSP shall not be assigned, charged, anticipated or given as security and any transaction purporting to assign, charge, anticipate or give the funds as security is void.

### 6. Differentiation on Basis of Sex

If a pension benefit credit transferred to your Scotia Self-Directed Federal RLSP was not varied according to the sex of the plan member, an immediate life annuity or a deferred life annuity purchased with funds accumulated in your Federal RLSP shall not differentiate as to sex.