

# Addendum

## Addendum for Newfoundland & Labrador LIFs

This Addendum sets out further provisions required by the applicable pension legislation of the province of **Newfoundland & Labrador**, including applicable regulations and any directives of the Superintendent of Pensions thereunder (collectively the 'applicable pension legislation').

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

The carrier of this Plan is The Bank of Nova Scotia Trust Company (Scotiastrust), 44 King St. West, Toronto, Ontario M5H 1H1 acting through its agent Scotia Capital Inc.

### 1. Definitions

All of the definitions pertaining to life income funds set out in the applicable pension legislation are incorporated in this Addendum by reference.

The term "spouse" means a "principal beneficiary", as that term is defined in the applicable pension legislation, except where such inclusion would conflict with the requirements of the Tax Act, in which the Tax Act will prevail.

### 2. Transfers

Notwithstanding the last paragraph of Section 4 of the main LIF Agreement, a LIF may only be purchased by you with respect to an entitlement to a pension under a pension plan if:

- (a) you are a member or former member of the pension plan who has obtained the written consent of his or her spouse, if any; or
- (b) you are the spouse or former spouse of a member or former member and if you as a spouse or former spouse are entitled to a pension benefit as a result of the death of the member or former member, or as a result of marriage breakdown.

An administrator of a pension plan shall not effect a transfer to a financial institution unless the administrator has ascertained that the financial institution's name and LIF are currently on the list of approved contracts, and advised the financial institution in writing that, subject to the applicable pension legislation, no withdrawal, commutation or surrender of money is permitted.

### 3. Calculating Payments

The last paragraph of Section 7 of the main LIF Agreement does not apply. Instead, if your Scotia Self-Directed LIF includes funds transferred from a LRIF or another LIF that you own, the maximum income and maximum temporary income that may be paid out of your Scotia Self-Directed LIF in the fiscal year in which the money is transferred is zero, unless applicable tax legislation requires the payment of a higher amount.

### 4. Payments

Payment out of your Scotia Self-Directed LIF must not begin before the earlier of age 55 or the earliest date on which you could receive a pension benefit under the applicable pension legislation or the originating pension plan from which the money was transferred and no later than the last day of the second fiscal year.

Notwithstanding anything in section 8 of the main LIF Agreement to the contrary, you must decide the amount to

be paid out of your LIF each year, either at the beginning of the fiscal year of the LIF or at another time agreed to by you and us and the decision expires at the end of the fiscal year to which it relates. If you do not decide the amount to be paid out of the LIF for a year, the minimum amount payable shall be deemed to be the amount paid.

In the first year of your LIF, the maximum income and maximum additional temporary income payment is adjusted in proportion to the number of months in that fiscal year, with any part of an incomplete month counting as one month.

The part of the sentence in Section 7 of the main LIF Agreement starting with 'For the first 15 years of the LIF' is replaced by 'For the 15 years after the date of valuation'.

Notwithstanding anything in Section 8 of the main LIF Agreement to the contrary, you shall use any assets remaining in your LIF on the 31st day of December in the year in which you reach eighty years of age to purchase an immediate life annuity that meets the requirements of the Superintendent. If you do not purchase the life annuity on or before March 31 in the year after the year in which you reach eighty years of age, we shall issue or arrange for the issuance of a life annuity contract on your behalf.

### 5. Temporary Income

You may apply in the form and manner required by the applicable pension legislation to receive additional temporary income from your Scotia Self-Directed LIF in a lump sum or in a series of payments in an amount that does not exceed the maximum allowed by the applicable pension legislation if:

- (i) the total pension income to be received by you for the calendar year in which the application is made from all LIFs, LRIFs, life annuities and pension plans governed by the legislation of Newfoundland & Labrador or of any other province, or governed by federal legislation (except income from a pension under the *Canada Pension Plan*) is less than 40% of the Year's Maximum Pensionable Earnings under the *Canada Pension Plan* for the calendar year in which the application is made, and
- (ii) you have not reached your 65th birthday at the beginning of the fiscal year in which you make application for the additional temporary income.

Your application for additional temporary income may be submitted to us at any time in a fiscal year, however, only one such application may be submitted in a fiscal year.

To calculate the maximum additional temporary income payable under your Scotia Self-Directed LIF in a fiscal year, we subtract from the amount that is equal to 40% of the Year's Maximum Pensionable Earnings under the *Canada Pension Plan* for the calendar year in which an application is made the amount that is equal to the total pension income to be received by you for the calendar year in which the application is made from all LIFs, LRIFs, life annuities and pension plans governed by the legislation of Newfoundland & Labrador or of any other province, or governed by federal legislation (except income from a pension under the *Canada Pension Plan*).

Your application for additional temporary income must be accompanied by a written consent from your spouse, in the form and manner required by the applicable pension legislation.

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## 6. Lump Sum Withdrawals

You may also apply in the form and manner required by the applicable pension legislation for a lump sum payment equal to the entire value of your Scotia Self-Directed LIF if, at the time you sign the application,

- (i) you have reached the earlier of age 55 or the earliest date on which you would have been entitled to receive a pension benefit under the plan from which money was transferred, and
- (ii) the value of all assets in all your LIFs, LRIFs and LIRAs governed by Newfoundland & Labrador pension benefits legislation is less than 40% of the Year's Maximum Pensionable Earnings under the *Canada Pension Plan* for that calendar year.

The application for a lump sum withdrawal must be accompanied with a waiver by your spouse of the spouse's joint and survivor pension entitlement, in the form and manner required by the applicable pension legislation. However, this requirement for spousal waiver does not apply, if the money in your LIF does not derive directly or indirectly from a pension benefit provided in respect of your past or current employment.

An application for a withdrawal due to shortened life expectancy pursuant to Section 8 of the main LIF Agreement must be accompanied with a waiver by your spouse of the spouse's joint and survivor pension entitlement, in the form and manner required by the applicable pension legislation. This requirement for spousal waiver does not apply if the money in your LIF does not derive directly or indirectly from a pension benefit provided in respect of your past or current employment.

## 7. Security

You agree not to assign, charge anticipate or give as security money payable under your Scotia Self-Directed LIF.

## 8. Estate Matters

We will pay the funds in your Plan to your beneficiary, if any, in accordance with the applicable provisions of the fourth paragraph of Section 10 of the main LIF Agreement and we will also pay the funds in our Plan to your beneficiary, if any, if you are not a former member of the pension plan from which the money in your Scotia Self-Directed LIF was directly or indirectly transferred.

## 9. Amendments

For greater certainty, and notwithstanding anything in Section 16 of the main LIF Agreement to the contrary, we shall not amend the main LIF Agreement or this Addendum without giving you at least 90 days notice in writing of the proposed amendment.

In addition, the date before which a transfer must be made, as outlined in paragraph 2 of Section 16 of the main LIF Agreement, will be at least 90 days after the notice of amendment is given.

Notwithstanding anything to the contrary in section 20 of the main LIF Agreement, the prescribed notice of any amendment to the main LIF Agreement or this Addendum shall be sent to you by registered mail to your address as set out in our records.