

Addendum

Addendum for Newfoundland & Labrador LIRAs

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

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

1. Definitions

All of the definitions pertaining to locked-in retirement accounts 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 case the Tax Act will prevail.

2. Differentiation on the Basis of Sex

If the commuted value of the pension benefit that was transferred to your Scotia Self-Directed LIRA was determined in a manner that did not differentiate on the basis of sex, the immediate or deferred life annuity purchased with the funds in your Scotia Self-Directed LIRA shall not differentiate on the basis of the sex of the recipient.

3. Payments

Your Scotia Self-Directed LIRA shall be used to provide a pension benefit and funds shall not be withdrawn except as provided under section 10 of the main LIRA Agreement. For the fourth bullet point in the LIRA part of section 10 of the main LIRA Agreement, the prescribed requirements under the applicable pension legislation are as follows:

- to purchase a life annuity contract that is provided by a person authorized under the laws of Canada or a province to sell annuities as defined in the Tax Act under an insurance contract that meets the requirements of the applicable pension legislation, commencing not before the person who is to receive the pension benefit obtains the earlier of;

(A) age of 55 years, or

(B) the earliest date on which the former member is entitled to receive a pension benefit under a pension plan from which the money was transferred to the LIRA as a result of termination of your employment or termination of the plan.

4. Lump-Sum Withdrawals

In addition, you may 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 LIRA if, at the time you sign the application,

- (a) the value of all assets in all LIFs, LRIFs and LIRAs owned by you and governed by Newfoundland & Labrador pension benefits legislation is less than 10% of the Year's Maximum Pensionable Earnings under the *Canada*

Pension Plan for that calendar year; or

- (b) (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 your assets in all 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 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 Scotia Self-Directed LIRA does not derive directly or indirectly from a pension benefit provided in respect of your past or current employment.

An application pursuant to the second paragraph of Section 9 of the main LIRA 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. However, this requirement for spousal waiver does not apply if the money in your Scotia Self-Directed LIRA does not derive directly or indirectly from a pension benefit provided in respect of your past or current employment.

5. Transfers

Funds shall not be transferred unless permitted under the applicable pension legislation. Before we transfer funds out of your Scotia Self-Directed LIRA, we will tell the institution which is to receive the funds that it must be administered as a pension benefit and make acceptance of the transfer subject to the applicable pension legislation.

6. Joint Life and Survivor Benefit

The pension benefit payable to you if you have a spouse at the date the pension commences shall be a joint and survivor pension benefit with at least 60 per cent continuing to be payable to the survivor for life after the death of either unless the spouse waives the entitlement in a form and manner required by the applicable pension legislation.

7. Responsibility

If we pay out funds from your Scotia Self-Directed LIRA in a way that is contrary to the applicable pension legislation, we will ensure that you receive a pension equivalent to what you would have received if the funds had not been paid out.

8. Investments

Your Scotia Self-Directed LIRA shall be invested in a manner that complies with the rules of investment contained in the Tax Act and will not be invested directly or indirectly in any mortgage in respect of which you or your spouse are the mortgagor or your parent, brother, sister or child or their spouse is the mortgagor.

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9. General

Your Scotia Self-Directed LIRA shall not be assigned, charged, anticipated or given as security by you except as permitted by the applicable pension legislation and any transaction purporting to assign, charge, anticipate or give the LIRA as security is void.

If money is paid out contrary to the applicable pension legislation we will provide or ensure the provision of a pension benefit that would have been provided had the money not been paid out.

10. Estate Matters

The provisions of the second paragraph of Section 12 of the main LIRA Agreement do not apply if the money in your Scotia Self-Directed LIRA does not derive directly or indirectly from a pension benefit provided in respect of your past or current employment. In this event, upon your death, instead of paying the funds in your Scotia Self-Directed LIRA to your spouse, if any, we will pay the funds to your beneficiary or, if there is no beneficiary, to your estate.