

# Supplementary Terms for Locked-In Retirement Account (LIRA)

Pursuant to the Pension Benefits Act (Nova Scotia)  
Addendum — Nova Scotia LIRA

## BMO InvestorLine Inc. Retirement Savings Plan

Plan Issuer — BMO Trust Company

100 King St. W., 41st Floor, Toronto, Ontario M5X 1H3

Acting through its Agent, BMO InvestorLine Inc.

Client name	Branch code	Account number
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Upon receipt of locked-in pension assets pursuant to the Pension Benefits Act (Nova Scotia), and in accordance with the instructions of the Planholder to transfer the assets to a Nova Scotia locked-in retirement account, the Plan Issuer and Planholder agree that the provisions of these Supplementary Terms are appended to and form additional terms of the declaration of trust for the above-named retirement savings plan:

### 1. Pension Legislation

For the purposes of these Supplementary Terms the word “Act” means the Pension Benefits Act (Nova Scotia) and the word “Regulations” means the Pension Benefits Regulations made under the Act.

### 2. Definitions

All terms in these Supplementary Terms which are used in the Act or Regulations have the same meaning as under the Act or Regulations. In these Supplementary Terms, “Plan” means the above-named retirement savings plan, governed by the declaration of trust and the additional terms herein. “Planholder” means the Planholder, accountholder or annuitant under the declaration of trust and application form for the Plan. “Locked-In Assets” means all the assets in the Plan at any time and includes any interest or other earnings realized or accrued to that time.

### 3. Withdrawal in case of financial hardship

The Plan Carrier will, on application of the Planholder, provide to the Planholder a lump sum amount in the manner provided in the Regulation if the Planholder meets the requirements of the financial hardship exception under the Regulation. The Plan Carrier and the Agent are entitled to rely upon the information provided by the Planholder in the financial hardship unlocking application. An application that meets the requirements of the Act and Regulation constitutes authorization to the Plan Carrier to make the payment from the Plan.

### 4. Investment of Locked-In Assets

The Locked-In Assets shall be invested and re-invested on the direction of the Planholder as provided in the declaration of trust.

### 5. Valuation

For the purpose of a transfer of assets, purchase of an annuity or payment upon the Planholder’s death, the value of the Locked-In Assets shall be the aggregate market value of the assets held in the

Plan, valued in accordance with the Agent’s regular practice as of market closing immediately prior to such transfer or payment.

### 6. Terms of investments; Transfers and payments

All transfers and payments from the Plan are subject to the terms of the investments of the Locked-In Assets and will be subject to the withholding of any applicable tax and deduction of all reasonable expenses, costs, fees and charges. Transfers and payments may be made in cash or in kind, in accordance with the instructions of the Planholder and subject to the terms of the investments and the requirements of the Plan Issuer or the Agent.

### 7. Indemnity

Should the Plan Issuer and/or its Agent be required to make payments or to provide an annuity or a pension as a result of any Locked-In Assets being paid out or transferred otherwise than in accordance with the provisions of these Supplementary Terms, the Regulations or as may be required by applicable law, the Planholder will indemnify and hold harmless the Plan Issuer and/or the Agent to the extent that Locked-In Assets were previously received by or accrued to the benefit of any of them or the Planholder’s estate. This indemnity will be binding upon the Planholder’s legal representatives, successors, heirs and assigns.

### 8. Amendment

No amendment shall be made to the Plan or these Supplementary Terms unless the Plan and these Supplementary Terms as amended remain in conformity with the Act and the Regulations and with section 146 of the Income Tax Act (Canada).

### 9. Headings and renumbering

Headings in these Supplementary Terms are for ease of reference only and do not affect its interpretation. If any provision of the Pension or Income Tax Legislation or Nova Scotia LIRA Addendum referred to in these Supplementary Terms are renumbered due to a change in law, then that reference is considered to be updated to reflect the renumbering.

### 10. Conflict between Legislation and Supplementary Terms

If there is a conflict between the applicable Pension or Income Tax Legislation and these Supplementary Terms, the Legislation will prevail to the extent necessary to resolve the conflict.

**► 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

If the commuted value of the pension benefit that was transferred into the Plan was not determined in a manner that differentiated on the basis of sex, then an annuity purchased with funds from the Plan shall not differentiate on the basis of sex.

**► Client/Planholder acknowledgement**

Client/Planholder name (please print)	Client/Planholder signature 	Date (DD-MMM-YYYY)
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**► Plan carrier (by its agent)**

Authorized person signature 	Date (DD-MMM-YYYY)
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Department of Labour and Workforce Development
Pension Regulation Division
P. O. Box 2531, Halifax, NS B3J 3N5

Form 3 - Application to Transfer Commuted Value of Deferred Pension Pursuant to Section 50 of the Pension Benefits Act

I, \_\_\_\_\_, am a member/surviving spouse of a member \_\_\_\_\_ (give name of member) of the registered pension plan known as \_\_\_\_\_ and hereby apply to:

Check one

- 1. transfer the commuted value of my deferred pension to a locked-in registered retirement savings plan as prescribed under Section 18 of the regulations under the Pension Benefits Act
2. transfer the commuted value of my deferred pension to a life income fund as prescribed under Section 18A of the regulations under the Pension Benefits Act
3. use my pension benefit to purchase an immediate life annuity as prescribed under Section 19 of the regulations under the Pension Benefits Act
4. use my pension benefit to purchase a deferred life annuity as prescribed under Section 19 of the regulations under the Pension Benefits Act
5. transfer my pension benefit to a pension plan of which I am currently a member, which is known as \_\_\_\_\_.

My address is: \_\_\_\_\_

Signed at \_\_\_\_\_ (place) in the Province of \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Signature of member (surviving spouse of member)

Signature of witness

Name of member (surviving spouse of member)

Name of witness

Application having been received for:

Check one

1. a locked-in registered retirement savings plan as prescribed under Section 18 of the regulations under the *Pension Benefits Act* \_\_\_\_\_
2. a life income fund as prescribed under Section 18A of the regulations under the *Pension Benefits Act* \_\_\_\_\_
3. an immediate life annuity as prescribed under Section 19 of the regulations under the *Pension Benefits Act* \_\_\_\_\_
4. a deferred life annuity as prescribed under Section 19 of the regulations under the *Pension Benefits Act* \_\_\_\_\_
5. transfer to a registered pension plan \_\_\_\_\_

The funds shall only be transferred to a locked-in registered retirement savings plan or life income fund or used to purchase an immediate life annuity or a deferred life annuity that meets the requirements of the regulations under the *Pension Benefits Act* and shall be administered in accordance with the *Pension Benefits Act*.

Signed at \_\_\_\_\_ (place) in the Province of \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Signature of administrator/transferor

\_\_\_\_\_  
Signature of administrator/transferee

\_\_\_\_\_  
Name of administrator/transferor

\_\_\_\_\_  
Name of administrator/transferee

\_\_\_\_\_  
Name of institution transferring funds

\_\_\_\_\_  
Name of institution accepting funds

### **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 or pension, 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;

<b>Note Re Requirements of the <i>Pension Benefits Act and Regulations</i> and the <i>Pooled Registered Pension Plans Act</i> and its regulations</b>
<b>Prohibitions on transactions from Section 91 of Act</b>
<p>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:</p> <ul style="list-style-type: none"> <li>• Sections 211 through 230, respecting withdrawal in circumstances of financial hardship</li> <li>• Section 231, respecting withdrawal in circumstances of considerably shortened life expectancy</li> <li>• Section 232, respecting withdrawal in circumstances of non-residency</li> <li>• Section 233, respecting withdrawal of small amounts at age 65</li> <li>• Section 198, respecting the transfer of an excess amount, as defined in that Section.</li> </ul> <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>
<b>Value of assets in LIRA subject to division</b>
<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"> <li>• 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></li> <li>• 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></li> </ul>

- the regulations

### **Money held in LIRA**

The following requirements are set out in the *Pension Benefits Act* and are applicable to LIRAs governed by this Schedule:

- 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 *Pooled Registered Pension Plans Act* or Section 13 of the *Pooled Registered Pension Plans Act*, 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 *Pooled Registered Pension Plans Act*.

### **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

- (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, as of the date the owner of a LIRA dies, living separate and apart from the owner without a reasonable prospect of resuming cohabitation, 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 terms of a written agreement respecting the division of the LIRA that was entered into before the date of the owner's death disentitle, or do not expressly or impliedly entitle, the spouse to receive an amount under the LIRA;
  - (c) the terms of a court order issued before the owner's death disentitle, or do not expressly or impliedly entitle, the spouse to receive an amount under the LIRA.
- (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

**SUPPLEMENTARY TERMS FOR LOCKED-IN RETIREMENT ACCOUNT (LIRA)**  
**Pursuant to the Pension Benefits Act (Nova Scotia)**  
**RETIREMENT SAVINGS PLAN (RSP Specimen XXX)**  
**Plan Carrier – BMO Trust Company**  
**100 King St. W., 41st Floor Toronto, Ontario M5X 1H3**  
**Acting through its Agent, Name of the Agent**

Customer name:

Branch:

Account #:

Upon receipt of locked-in pension assets pursuant to the Pension Benefits Act (Nova Scotia), and in accordance with the instructions of the Planholder to transfer the assets to a Nova Scotia locked-in retirement account, the Plan Carrier and Planholder agree that the provisions of these Supplementary Terms are appended to and from additional terms of the declaration of trust for the above-named retirement savings plan:

1. Pension Legislation. For the purposes of these Supplementary Terms the word "Act" means the Pension Benefits Act (Nova Scotia) and the word "Regulations" means the Pension Benefits Regulations made under the Act.
2. Definitions. All terms in these Supplementary Terms which are used in the Act or Regulations have the same meaning as under the Act or Regulations. In these Supplementary Terms, "Plan" means the above-named retirement savings plan, governed by the declaration of trust and the additional terms herein. "Planholder" means the Planholder, accountholder or annuitant under the declaration of trust and application form for the Plan. "Locked- In Assets" means all the assets in the Plan at any time and includes any interest or other earnings realized or accrued to that time.
3. Withdrawal in Case of Financial Hardship. The Plan Carrier will, on application of the Planholder, provide to the Planholder a lump sum amount in the manner provided in the Regulation if the Planholder meets the requirements of the financial hardship exception under the Regulation. The Plan Carrier and the Agent are entitled to rely upon the information provided by the Planholder in the financial hardship unlocking application. An application that meets the requirements of the Act and Regulations constitutes authorization to the Plan Carrier to make the payment from the Plan in accordance with the Act and Regulations. The value of the assets in the Plan owned by the Planholder on the date an application is signed must be determined using the most recent statement about the Plan given to the Planholder and dated no earlier than 1 year before the date the Planholder signs the application. The Plan Carrier is required to make the payment to which the Planholder is entitled no later than 30 days after the date the Plan Carrier receives the completed application and accompanying documents and any additional information provided under Section 219 of the Act.

4. Investment of Locked-In Assets. The Locked-In Assets shall be invested and re-invested on the direction of the Planholder as provided in the declaration of trust.
5. Valuation. For the purpose of a transfer of assets, purchase of an annuity or payment upon the Planholder's death, the value of the Locked-In Assets shall be the aggregate market value of the assets held in the Plan, valued in accordance with the Agent's regular practice as of market closing immediately prior to such transfer or payment.
6. Terms of Investments; Transfers and Payments. All transfers and payments from the Plan are subject to the terms of the investments of the Locked-In Assets and will be subject to the withholding of any applicable tax and deduction of all reasonable expenses, costs, fees and charges. Transfers and payments may be made in cash or in kind, in accordance with the instructions of the Planholder and subject to the terms of the investments and the requirements of the Plan Carrier or the Agent.
7. Indemnity. Should the Plan Carrier and/or its Agent be required to make payments or to provide an annuity or a pension as a result of any Locked-In Assets being paid out or transferred otherwise than in accordance with the provisions of these Supplementary Terms, the Regulations or as may be required by applicable law, the Planholder will indemnify and hold harmless the Plan Carrier and/or the Agent to the extent that Locked-In Assets were previously received by or accrued to the benefit of any of them or the Planholder's estate. This indemnity will be binding upon the Planholder's legal representatives, successors, heirs and assigns.
8. Amendment. No amendment shall be made to the Plan or these Supplementary Terms unless the Plan and these Supplementary Terms as amended remain in conformity with the Act and the Regulations and with section 146 of the Matrimonial Property Act (Canada).
9. Headings and Renumbering. Headings in these Supplementary Terms are for ease of reference only and do not affect its interpretation. If any provision of the Pension or Income Tax Legislation or Nova Scotia LIRA Addendum referred to in these Supplementary Terms are renumbered due to a change in law, then that reference is considered to be updated to reflect the renumbering.
10. Conflict between Legislation and Supplementary Terms. If there is a conflict between the applicable Pension or Income Tax Legislation and these Supplementary Terms, the Legislation will prevail to the extent necessary to resolve the conflict.

Plan Carrier, by its Agent:

Planholder: