

**REVISION NOTICE: This addendum was revised effective May 25, 2005 to remove the temporary income provisions as a result of Amendment 76/2005. Sections amended were points, 2, 12, 21, 23 and 27 (formerly 27). Points 27 and 28 in the prior addendum were deleted.**

This sample addendum has been developed to facilitate the submission of the addendum to be filed with the Commission. Financial institutions may wish to refer to the addendum in preparing their standard addendum. However, institutions are advised to review the applicable provisions of the regulations when preparing a new or amended addendum for submission.

**SAMPLE ADDENDUM TO A (RRIF) CONTRACT  
FOR LOCKED –IN TRANSFERS TO A LRIF  
(LOCKED-IN RETIREMENT INCOME FUND)  
MANITOBA**

Upon receipt of a pension benefit credit that shall be administered as a deferred life annuity under the Act, the financial institution agrees to the following:

Reg. 18.1(15)(b)	1. For purposes of this Addendum, the word “Act” means The Pension Benefits Act, C.C.S.M. c. P32 and the word “Regulation” means Manitoba Regulation 188/87 R, as amended, being The Pension Benefits Regulation under the Act.
Reg. 18.1(15)(b)	2. For purposes of this Addendum, the words, “approved”, “contract”, “financial institution”, “fund”, “LIRA”, “LIF”, “LRIF”, “life annuity contract”, “spouse”, and “transfer” have the same meanings as are respectively given to these words in sections 1, 18.1 and 18.2 of the Regulation, and the words “pension benefit credit”, “common-law partner” and “pension plan” shall have the same meaning as given to these words in section 1 (1) of the Act.
Reg. 18.1(15)(b)	3. Despite anything to the contrary contained in this contract, including any endorsement or declaration of trust forming a part thereof, “spouse” or “common-law partner” does not include any person not recognized as a spouse or common-law partner for the purposes of any provisions of the <i>Income Tax Act (Canada)</i> respecting Registered Retirement Income Funds.
Reg. 18.1(15)(d)	4. In accordance with subsection 21(18) of the Act, this contract does not provide for or permit (i) different pensions, annuities or benefits, or (ii) different options as to pensions, annuities or benefits based on differences in sex.
Reg. 18.1(15)(g)	5. Where the owner who is a member or former member dies the balance of the fund shall be paid (i) where the surviving spouse or common-law partner of the owner has not received or is not entitled to receive a transfer under subsection 31(2) of the Act, to that surviving spouse or partner, and (ii) where there is no surviving spouse or partner, to the designated beneficiary or the estate of the owner.
Reg. 18.1(15)(f)	6. The pension to be provided to the owner who is a member or former member and has a spouse or common-law partner and uses all or any part of the balance of the LRIF to purchase a life annuity contract, is to be a joint pension in accordance with sections 23 and 24 of the Act unless waived by the spouse or partner and the member in the form and manner prescribed.
Reg. 18.1(15)(i)	7. Upon break-up of the marriage or common-law relationship, the balance of the LRIF of an owner who is a member or former member shall be divided between the spouses or common-law partners in accordance with subsection 31(2) of the Act.
Reg. 18.2(3)(b) & (e)	8. The owner will be paid an income, beginning not later than during the second fiscal year of this LRIF, the amount of which may vary annually.
Reg.	9. The fiscal year of this contract ends on December 31 of each year.

18.2(3)(a)	
Reg. 18.2(3)(c)	10. The amount of income to be paid from this contract during a fiscal year shall be established by the owner at the beginning of each fiscal year and after the receipt of the information specified in paragraph 12 of this Addendum.
Reg. 18.1(15)(j)	11. The owner may transfer all or part of the balance of this contract <ul style="list-style-type: none"> <li>(i) to another financial institution's approved LIRA, LIF or LRIF contract,</li> <li>(ii) to purchase a life annuity contract in accordance with the <i>Income Tax Act</i> (Canada), and the date of transfer shall not be more than 30 days after the date of the request for transfer by the owner, unless the term agreed to for the investment has not expired.</li> </ul>
Reg. 18.2(3)(f)	12. The financial institution will supply the information specified in subclause (5.2)(c)(ii) and subsection (11) to (14) of the Regulation.
Reg. 18.1(15)(l)	13. If the balance of the LRIF is paid out contrary to the Act or sections 18.1 and 18.2 of the regulation, the financial institution will provide or ensure the provision of a LRIF equal in value to the balance of the LRIF that was paid out.
Reg. 18.1(15)(n)	14. The financial institution making a transfer will ensure that the name of the transferee financial institution is on the Superintendent of Pension's (Manitoba) list of financial institutions for the LIRA, LIF and LRIF.
Reg. 18.1(15)(n)	15. The financial institution making a transfer must ensure that the transfer is to an approved form of contract, the transferee financial institution is advised in writing that the transferred pension benefit credit must be administered as a deferred life annuity under the Act, and the transferee financial institution accepts and is bound by all of the terms and conditions of sections 18.1 and 18.2 of the Regulation by which the transferor is bound.
Reg. 18.1(15)(o)	16. If the transferring financial institution does not comply with paragraphs 14 and 15 of this Addendum and the transferee financial institution fails to administer the transferred pension benefit credit as a deferred life annuity under the Act or in a manner required by the contract to which it is transferred, the financial institution making the transfer will provide or ensure the provision of a pension benefit credit referred to in paragraph 13 of this Addendum.
Reg. 18.1(15)(c)	17. Subject to paragraph 7 of this Addendum and sections 14.1 to 14.3 of <i>The Garnishment Act</i> , C.C.S.M. c.G20, the balance of the LRIF may not be assigned, charged, anticipated or given as security, and any transaction purporting to do so is void and is exempt from execution, seizure or attachment
Reg. 18.1(15)(p)	18. The monies in this contract will be invested in a manner that complies with the rules for the investment of Registered Retirement Income Funds as provided for in the <i>Income Tax Act</i> (Canada), and will not be invested, directly or indirectly, in any mortgage in respect of which the mortgager is <ul style="list-style-type: none"> <li>(i) the owner of the LRIF,</li> <li>(ii) the spouse, common-law partner, parent, brother, sister or child of the owner of the owner LRIF, or</li> <li>(iii) the spouse or common-law partner of a parent, brother, sister or child of the owner of the LRIF.</li> </ul>
Reg. 18.1(7)	19. The financial institution may amend this Addendum, by advance written notice to the owner, only to the extent that it remains in conformity with the Addendum approved by the Superintendent under subsection 18.1(7) of the Regulation.
Reg. 18.1(16)	20. Despite any provision to the contrary contained in this Addendum, where, as evidenced by the written opinion of a qualified medical practitioner, the life expectancy of the owner is likely to be shortened considerably due to a mental or physical disability, withdrawal of the balance of the LRIF as a payment or series of payments for the purposes of subsection 21(6) of the Act may be made by the owner, provided that if the owner is a member or former member, the joint pension referred to in paragraph 6 is waived by the spouse or common-law partner and the member in the form and manner prescribed. <b>[Note: This is an optional provision; however it is highly recommended that it be included as part of the LRIF Reg.]</b>
Reg.	21. For the purpose of a transfer of assets, purchase of a life annuity contract, transfer or payment on

18.2(3)(h)	<p>the death of the owner, transfer to the spouse or common-law partner on breakup of the marriage or common-law relationship, a payment made subject to a garnishment order issued under the <i>Garnishment Act</i>, or a prescribed transfer, the value of the contract shall be the aggregate market value of the securities held in the contract as of the market closing immediately prior to such payment or transfer. <b>[Note: this is only a sample provision. This provision must stipulate, in accordance with section 18.2(3)(h) of the Regulation, the methods and factors to be used to establish the value, if fair market value is not used.]</b></p>
Reg. 18.2(6)	<p>22. The amount of income paid during a fiscal year of the LRIF will not be less than the minimum amount that would be paid to the owner under the <i>Income Tax Act</i> (Canada) if the fund were a Registered Retirement Income Fund. There is no minimum amount that must be paid in the initial fiscal year of the fund.</p>
Reg. 18.2(8)	<p>23. The total of the amounts paid as income to the owner during the year must not exceed</p> <ul style="list-style-type: none"> <li>(a) for the LRIF's first fiscal year, 6% of the total of its balance on January 1 of the year and all amounts transferred to the fund in the year other than amounts transferred to it directly or indirectly from a LIF or LRIF;</li> <li>(b) for the LRIF's second fiscal year, the greatest of the following amounts that apply: <ul style="list-style-type: none"> <li>(i) the LRIF balance at the beginning of the year less the difference between the amounts transferred to the LRIF before that time and the amounts transferred out of the LRIF before that time,</li> <li>(ii) the income and gains earned by the LRIF during the immediately preceding year, net of any losses realized by it in that year,</li> <li>(iii) 6% of its balance at the beginning of the year,</li> <li>(iv) if money in the LRIF was transferred to it directly from a LIF, the total investment income earned by the LRIF and the LIF in the first fiscal year, plus 6% of the total of all amounts transferred to the LRIF in the year, other than amounts transferred to it directly or indirectly from a LIF or LRIF; and</li> </ul> </li> <li>(c) for third and any subsequent fiscal year, the greater of <ul style="list-style-type: none"> <li>(i) the LRIF balance at the beginning of the year less the difference between the amounts transferred to the LRIF before that time and the amounts transferred out of the LRIF before that time,</li> <li>(ii) the income and gains earned by the LRIF during the immediately preceding year, net of any losses realized by it in that year,</li> </ul> </li> </ul> <p>plus 6% of the total of all amounts transferred to the LRIF in the year, other than amounts transferred to it directly or indirectly from a LIF or LRIF.</p>
Reg. 18.2(6)	<p>24. If prior to the transfer, the minimum required payment for the year, by reason of the application of paragraph 22 of this Addendum, has not been satisfied, the financial institution will withhold adequate funds to satisfy this minimum payment requirement</p>
Reg. 18.2(8)	<p>25. If the money in the fund is transferred to it directly or indirectly from a LIF or LRIF of the owner, then, in the year in which the transfer is made, the maximum amount specified in paragraph 23 of this Addendum in relation the transferred money will be equal to zero, except to the extent that the <i>Income Tax Act</i> (Canada) requires the payment of a higher amount.</p>
Reg. 18.2(8)	<p>26. If in any fiscal year of the contract, an additional transfer is made to the contract other than an additional transfer of an amount transferred directly or indirectly from another LRIF or LIF, an additional withdrawal will be allowed in that year in respect of the transfer and shall be calculated in accordance with paragraph 23 of this Addendum.</p>
Reg. 18.1(18)	<p>27. Where the contract holds identifiable and transferable securities, the transfer or purchase referred to in paragraph 11 of this Addendum, may, unless otherwise stipulated, at the option of the financial institution and with the consent of the owner, be effected by transferring transferable securities of the fund.</p>

By execution of this Addendum, the financial institution hereby undertakes to administer the transferred funds and all subsequent earnings on these funds in accordance with the provisions of this Addendum.

By execution of this Addendum, the Owner hereby agrees to abide by the provisions stated in this Addendum.

Owners Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Owner Identification Name: \_\_\_\_\_

Address: \_\_\_\_\_

Agent for the Financial Institution / Trustee: \_\_\_\_\_

Financial Institution Address: \_\_\_\_\_

(Rev 05/05)