

**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 in this addendum were points, 2, 12, 21, 23 and 29 (formerly 31). Points 29 and 30 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 this 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 LIF  
(LIFE 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”, “reference rate”, “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</i> (Canada) 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 LIF 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 LIF 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 LIF, the amount of which may vary annually.
Reg. 18.2(3)(a)	9. The fiscal year of this contract ends on December 31 of each year.
Reg. 18.2(3)(c)(d)	10. After the receipt of the information specified in paragraph 12 of this Addendum, 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, except that if the financial institution managing the LIF contract guarantees the return for a period of two or more fiscal years, the amount of income to be paid from the LIF during each of those years must be set by the owner at the beginning of the period in accordance with subsection 18.2(10).
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),</li> </ul> and the date of transfer shall not be more than 30 days after the date of request for the transfer by the owner, unless the term agreed to for the investment has not expired.
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 LIF is paid out contrary to the Act or sections 18.1 or 18.2 of the regulation, the financial institution will provide or ensure the provision of a LIF equal in value to the balance of the LIF 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 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 the 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 LIF 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 LIF,</li> <li>(ii) the spouse, common-law partner, parent, brother, sister or child of the owner of the LIF, or</li> <li>(iii) the spouse or common-law partner of a parent, brother, sister or child of the owner of the LIF.</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 LIF 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 LIF.]</b>
Reg. 18.2(3)(h)	21. For the purpose of a transfer of assets, purchase of a life annuity contract, transfer or payment on 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>
Reg. 18.2(6)	22. The amount of income paid during a fiscal year of the LIF will not be less than the minimum amount that would be required to 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.
Reg. 18.2(7)	23. The maximum will not exceed “M” calculated in accordance with the following formula: $M = F \times B$ <p>In this formula,  F = the factor (from the table in the Schedule) that corresponds to the reference rate for the year and the owner’s age at the end of the immediately preceding year, and  B = the balance of the fund on January 1 of the year plus, in the case of a transfer that has never been in a LIF or LRIF before, the amount on the date of transfer.</p>
Reg. 18.2(6)	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.
Reg. 18.2(7)	25. If the money in the fund is transferred to it directly or indirectly from another LIF or an LRIF of the owner, then, during 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 Income Tax Act (Canada) requires the payment of a higher amount.
Reg. 18.2(7)	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 LIF or an LRIF, 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.
Reg. 18.2(2)	27. That reference rate in paragraph 23 of this Addendum for a year means the greater of 6% and the percentage determined for the year by (a) adding 0.5% of the average yield as at November 30 of the immediately preceding year, as published by the Bank of Canada in the <i>Bank of Canada Review</i> and expressed as a percentage, for Government of Canada long-term bonds identified as CANSIM series no. V122487; and (b) converting the rate determined under clause (a), based on semi-annual

	compounding of interest, to an effective annual rate of interest, and rounding it to the nearest multiple of 0.5%.
Reg. 18.2(10)	<p>28. Where, in the application of paragraph 10 of this Addendum, the amount of income to be paid to the owner is fixed at an interval of more than one year, the amount in the second or later year in the period can not exceed the amount determined in accordance with the following formula:</p> <p style="padding-left: 40px;"><math>L = M \times J/K</math> where,</p> <p style="padding-left: 40px;">L = the maximum for the year  M = the maximum determined under paragraph 23  J = the LIF balance on January 1 of the year  K = the reference balance determined on January 1 calculated as</p> <p style="padding-left: 80px;">(a) the reference balance at the beginning of the previous year reduced by M, plus  (b) the amount determined under clause (a) multiplied by the reference rate for the year if within the first 16 years of the fund, or 6% in any other case.</p>
Reg. 18.1(18)	<p>29. 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)