

# The Canada RIF

## DECLARATION OF TRUST

In this declaration of trust:

- *your fund* means The Canada RIF that you own
- *you* means the person named on this application as the owner of the fund. The owner is the annuitant of the fund as defined in subsection 146.3(1) of the Act
- *the Trustee* means The Canada Trust Company and its successor
- *the Act* means the Income Tax Act (Canada)
- *applicable laws* means the Act and any provincial income tax legislation that applies to your fund
- *investment* means any Government of Canada investment product eligible to be held in your fund
- *spouse* means the individual recognized as the spouse under the *Income Tax Act* and shall include common-law partner as defined in the Act.

### About this declaration of trust

The Trustee agrees to act as trustee for your fund under the terms described below.

### What the Trustee will do under your fund

The Trustee will apply for registration of your fund as a Registered Retirement Income Fund (RRIF) under the Act. Your fund and this declaration of trust are governed by the Act and any provincial laws that may apply. The Trustee will comply with all applicable laws.

### The Trustee's responsibilities

You authorize the Trustee to appoint an agent to provide such services and assistance as the Trustee requires. The Trustee is ultimately responsible for the administration of your fund. However, they will not be liable for anything they do or fail to do unless it is the result of their own gross negligence, willful misconduct, or acting in bad faith. In the case of any liability connected to your fund, your recourse is limited to the investments in your fund. The Trustee is not liable if any of the investments in your fund are not qualified or become unqualified for a RRIF under the applicable laws.

Except, as permitted under paragraph 146.3(2)(g) of the Act, the Trustee will not extend to you or any person with whom you deal at non-arm's length any advantage or loan that is conditional in any way on the existence of your fund.

### Your fund

The Trustee will open and maintain a fund in your name. You certify that your date of birth on the application is accurate. The Trustee agrees to hold on deposit any cash and investments you transfer to your fund, as well as any interest your fund earns.

The Trustee will send you any documentation required under applicable laws. At least once a year, they will send you a statement showing the investments in your fund.

### Investments

The Trustee will invest in the investments as you directed. If this is not possible, the Trustee will invest in the investments that are, in their sole discretion, most similar to the ones you directed. If necessary, they may hold transfers to your fund in a non-interest bearing trust account until the transaction is completed.

The Trustee will give you notice when any investments in your fund are to mature. They will automatically reinvest the proceeds in the next available investment, unless you give them written instructions on or before such maturity. If more than one type of investment is available, they will reinvest the proceeds in the investment that is, in their sole discretion, most similar to the one that matured.

### Taxes

The Trustee will pay out of your fund any taxes or other assessments that may be due under any applicable laws. When they make a payment to you, they may withhold any taxes, penalties, or assessments that you owe. They will also withhold additional income tax if you tell them in writing. Any payments you receive from your fund are subject to income tax in the year you receive them.

### Changes to your fund

The Trustee can make changes to your fund or this declaration of trust if they get the consent of the Minister of National Revenue and, if required, any provincial tax authorities who have jurisdiction. They will give you at least 30 days prior written notice, unless such changes are necessary for your fund to be in compliance with the applicable laws. They will not make any changes to your fund if the changes would disqualify it as a RRIF.

### What you can do under your fund

You can only use your fund as described below. You cannot pledge it as security for a loan, assign it or transfer it to the Trustee or to anyone else. Except where permitted by applicable laws, all payments cannot be assigned in whole or in part and must be made to you and no one else.

### Transfers into your fund

You may only transfer cash or investments to your fund from the following:

- a Registered Retirement Savings Plan (RRSP) under which you are the annuitant
- another RRIF under which you are the annuitant
- you, if the money is an amount described in subparagraph 60(1)(v) of the Act
- a provincial pension plan under the circumstances described in subsection 146(21) of the Act
- any other plan permitted to be transferred to a RRIF under the Act.

In addition, you may transfer cash or investments from a RRIF or an RRSP belonging to your spouse or former spouse if you have been awarded the cash or investments as part of a division of property between the two of you arising out of marriage or relationship breakdown. In this case, you must prove you have the right to the property by giving the Trustee a written separation agreement or a decree, order or judgment from a court with the proper authority.

### Transfers out of your fund

Subject to the terms and conditions of your investments, you can transfer all or part of the investments in your fund to another registered plan. The Trustee may only make transfers that are allowed in accordance with paragraph 146.3(2)(e) of the Act. You must give them written instructions and any other documents they may require. They will retain the lesser of the funds needed in order to make the minimum payment for that year and the value of the investments remaining in your fund.

You may also tell the Trustee in writing to transfer all or part of the investments in your fund to a RRIF or an RRSP of your spouse or former spouse if the investments have been awarded as part of a division of property between the two of you arising out of marriage or relationship breakdown. In this case, you must give the Trustee details of the division of property by providing a written separation agreement or a decree, order or judgment from a court with the proper authority.

### Receiving payments from your fund

In each year, you must receive at least the minimum amount stated in the Act from your fund. The Trustee will pay you in a series of regular periodic payments or in a lump sum. The payments will begin no later than the year after your fund is opened. The amount of the payments will not be larger than the value of the investments in your fund immediately before the Trustee makes the payment.

In order to make regular periodic payments, the Trustee will redeem investments in your fund. The Bank of Canada or its agent, in its sole discretion, will tell the Trustee which investments to redeem.

You can receive regular periodic payments every month, two months, three months, four months, six months, or twelve months. You can change the frequency of the regular payments by giving the Trustee five business days prior written notice. You can also change the amount of the regular payments as long as the total payments you receive equal the required minimum amount. All payments must conform with the terms and conditions of the investments in your fund. The Trustee may make an additional payment before the end of the calendar year if it is needed to make the annual minimum payment required by the Act.

You may also withdraw a lump sum from your fund in addition to your regular payments. To do so, you should give the Trustees at least three business days notice in writing or by telephone. Lump sum payments are not part of your regular payments and are subject to the terms and conditions of the investments in your fund.

The Trustee will process your requests in a timely manner. No interest is paid on any amounts you withdraw from your fund after the date that the Trustee processes the withdrawal request.

### What happens if you die

Once the Trustee receives proof of your death and any other documents they may require, they will make payment to one of the following:

#### Your spouse

When allowed by applicable laws, you may name in writing your spouse as successor annuitant of your fund. This means that your spouse will become the owner of your fund, and the Trustee will continue to make regular payments to your spouse.

#### Your beneficiary

When allowed by applicable laws and by telling the Trustee in writing, you may:

- name a beneficiary to receive the value of your fund, and
- change your beneficiary at any time.

The Trustee will deduct any taxes from your fund and pay the balance to your beneficiary.

#### Your estate

If you have not named a beneficiary or your spouse as the successor annuitant, the Trustee will deduct any taxes from your fund and pay the balance to your estate.

### What happens if the Trustee stops acting as trustee

If the Trustee merges with another corporation or another corporation acquires most or all of their trust business, that corporation will automatically become the new trustee as long as your fund continues to qualify as a RRIF.

If the Trustee resigns or is replaced as trustee, a new trustee may be appointed by the Bank of Canada and the Trustee will deliver the investments held in your fund and your records to the new trustee.

### Giving notices

You may send any instructions to the Trustee in writing by delivering or mailing them to their head office. Your notice of the instructions will be deemed to be delivered on the day the Trustee receives it.

The Trustee will send any notices to you at the address on this application or the most recent address shown in their records. Their notice will be deemed to be delivered the day they mail it.

### Privacy

The Trustee will collect, use and disclose personal information to establish and service your fund, as required or permitted by law and as disclosed in the Trustee's privacy policy. The Trustee may, from time to time, disclose or transfer personal information given to it by you. By applying for your fund, you are consenting to these collections, uses and disclosures. The Trustee's privacy policy is available on request from any of the Trustee's offices.