

TERMS AND CONDITIONS

Canada Savings Bonds (CSBs) purchased pursuant to the Payroll Savings Program are subject to terms and conditions approved by the Minister of Finance, which are summarized below.

In these terms and conditions:

- *bonds* mean the series of compound interest CSBs on sale through the Payroll Savings Program on the date *you* completed this application and purchased the *bonds* pursuant to this application;
- *you* means the purchaser of the *bonds*.

Buying *bonds*

You may only buy *bonds* with Canadian currency and in whole dollar amounts subject to the minimum and maximum purchase amounts per regular payroll deduction.

The minimum purchase amounts for each regular payroll deduction per type of registration are as follows:

- \$2 if *you* are paid once a week;
- \$4 if *you* are paid every two weeks or twice a month; and
- \$8 if *you* are paid once a month.

Regardless of how often *you* are paid, the maximum purchase amount for each regular payroll deduction is \$9,999.

Unless *you* have told your employer otherwise and your employer transmitted your new instructions to the Bank of Canada and/or *you* provided them directly to the Bank of Canada, *you* will have bought *bonds* according to the instructions *you* have correctly provided on the application form as of the date the Bank of Canada receives your regular payroll deductions from your employer.

The Bank of Canada will calculate an annual amount based on the frequency and amount that *you* have specified on your enrollment application submitted by your employer to the Bank of Canada. During the ongoing contribution period, *you* can stop or decrease the amount of *bonds* *you* purchase by decreasing your contribution amount. In the event *you* had stopped contributing towards your purchase of *bonds*, *you* can resume contributions at any time during the year.

During the annual fall campaign sales period, *you* may increase or decrease the purchase amount to buy into the next available series.

The Minister of Finance may end the sale of CSBs at any time.

Who can own *bonds*

At the time of purchase, *bonds* may be registered only in the names of bona fide residents of Canada.

Bonds may be registered in the following manner:

- in the name of an individual, whether adult or minor;
- in your name together with the name of another individual, whether adult or minor, with right of survivorship (except in the province of Quebec).

The *bonds* have no certificates.

If there is any doubt whether a person is eligible to own CSBs and how the *bonds* may be registered, the Minister of Finance has the right to make the final decision.

Ownership Limits

The maximum amount of principal that a person may own per series and per type of registration of CSBs is \$500,000. A person may own CSBs above this limit if they are purchased with the proceeds of a maturing series, or because the person received them upon the death of the registered owner or a co-owner. Otherwise, the Minister of Finance may order that the *bonds* purchased above the annual amount be redeemed. No further interest will be earned on the amount of CSBs owned above this limit after the Minister's order to redeem. The Minister of Finance may change the \$500,000 maximum ownership limit at any time.

Compound interest *bonds*:

Bonds will accrue simple daily interest, based on the daily closing principal balance outstanding for a particular series. In addition to simple interest, *bonds* will accrue compound interest daily, based on the daily closing credited interest balance outstanding for a particular series. Accrued compound interest will be credited on each annual anniversary of the issue date for a particular series. Interest is earned and accrued on the *bond* until the earlier of maturity or redemption by the registered owner. Compound interest shall initially be payable only after the first annual anniversary of the issue date. Simple and compound interest shall be payable to the registered owner at the time of redemption (please refer to **Redeeming *bonds***).

Redeeming *bonds*

Bonds may be redeemed by the registered owner **at any time**. Ongoing contributions are subject to a 15 day hold period following the date the contribution is posted to the registered owner's account.

The minimum amount that the registered owner may redeem is \$100 per series, or the entire balance held in that series, whichever is less. The amount redeemed will be comprised of both principal and interest.

Automatic Reinvestment and Payment of Interest

Upon the maturity of CSBs purchased pursuant to The Payroll Savings Program, and held in the Canada Savings Plan, the registered owner will be deemed to have authorized that the principal and interest will be reinvested by the Bank of Canada in a similar subsequent series, unless other instructions by the registered owner are received by the Bank of Canada. If no similar subsequent series is available upon the maturity of the above-mentioned CSBs, the registered owner will be deemed to have authorized the Bank of Canada to redeem these CSBs.

Exchanging *bonds*

Bonds cannot be exchanged for other Government of Canada investment products.

Transferring and assigning *bonds*

Subject to applicable laws and in a manner acceptable to the Bank of Canada, *bonds* may only be transferred and assigned in the following cases:

- the registered owner has died and the funds become transferable to the registered co-owner
- the registered owner has died and the funds become transferable to the beneficiaries named in the registered owner's last will and testament.

Pre-Authorized Debit (PAD) contributions

If for any reason *you* should cease to be able to make payroll contributions pursuant to the Payroll Savings Plan as an employee of a current or future employer, *you* may continue to make monthly contributions by entering into a Pre-Authorized Debit agreement directly with the Bank of Canada.

Please note that if *you* are transferring to this option from the Payroll Savings Program, *you* must do so within 12 months following the cessation of contributions. At the time of enrolment for recurring PAD contributions, the *bond* registration must remain the same as the name currently on file with the Bank of Canada.

For PAD contributions, the minimum monthly contribution is \$25. Should *you* be purchasing *bonds* in more than one plan, the \$25 minimum monthly contribution can be split between the plans as long as no less than \$8 is allocated to any one plan.

Errors

Neither the Bank of Canada nor the Minister of Finance will be responsible for any errors or omissions in any correspondence, statements, or receipts sent unless the Bank of Canada is advised in writing of such error or omission within 30 days.

Contacting the Bank of Canada

By mail:

Canada Savings Bonds
P.O. Box 2770, Station D
Ottawa, ON K1P 1J7

By phone:

1 877 899-3599
1 800 354-2222 (TTY/Teletypewriter)

CORRESPONDENCE

Statements will be sent to the address shown on record, and these will include a notification of upcoming bond maturities. For purchasers who signed-up to receive electronic statements, an email notice will be sent to the email address on record once the electronic statements are ready. They will be accessible at mybonds.gc.ca

A REMINDER ABOUT THE PAYROLL SAVINGS PROGRAM

Unless *you*, the purchaser, tell your employer otherwise and your employer transmits your new instructions to the Bank of Canada and/or *you* provided instructions directly to the Bank of Canada, your regular payroll deductions will continue in future years to purchase new series of similar CSBs, according to the instructions *you* have provided.