

# NOVA SCOTIA - LOCKED-IN RETIREMENT ACCOUNT ADDENDUM

Despite any other provisions of the contract, if locked-in money has come from a plan that is governed by the Pension Benefits Act (Nova Scotia) (the Act) and Regulation, the following provisions apply to it.

This addendum includes provisions of Schedule 3 of the Pension Benefits Regulations.

“Spouse” has the same meaning as defined in Schedule 3 of the Pension Benefits Regulations attached to this addendum.

Spouse excludes any person who is not recognized as a spouse for the purposes of the Income Tax Act (Canada) (ITA) for registered retirement savings plans.

You, your, and owner mean the owner of the LIRA. Sun Life, we, us and our mean Sun Life Assurance Company of Canada.

When we use the term approved “form”, we mean a form approved by the Superintendent. Superintendent is defined in the Act.

Addendum provisions:

1. “Deferred pension”, “former member”, “pension”, “pension benefit”, “pension plan”, spouse, and Superintendent have the same meanings as in the Act. Locked-in retirement account (LIRA) and life income fund (LIF) have the same meanings as in the Regulation. Other terms not listed here have the meanings set out in the glossary of terms in the contract.
2. This addendum overrides any provision of the contract that is inconsistent with it.
3. Any amendment to the contract must comply with the requirements of the ITA.
4. No money may be transferred in or out of your LIRA unless an agreement is in place between financial institutions to administer the money according to pension law.
5. The transferring financial institution must advise any subsequent financial institution in writing that the amount transferred must be administered as a pension or deferred pension under the Act and the Regulation.
6. If this LIRA has premiums transferred from the commuted value of a pension benefit, we will confirm to you whether this value was determined on a basis that is differentiated by sex. The pension benefit transferred into an account under this Addendum was/was not calculated in a manner that differentiated on the basis of the sex of the member.
7. Your LIRA must be administered as a pension or deferred pension according to the Act and Regulation. No withdrawal or transfer of any part of your LIRA is permitted except to:
  - transfer to another LIRA,
  - purchase an immediate or deferred life annuity described in the Regulation,
  - transfer to a LIF, or
  - withdraw an amount permitted under the provisions for shortened life expectancy, small withdrawal at age 65, non-residency or financial hardship.
8. You may apply to us, using Form 11, to make a lump sum withdrawal from your LIRA if:
  - you are at least 65 years old when you sign the application, and
  - the value of all your LIRAs, LIFs and pension plans providing defined benefit contributions is less than 50% of the yearly maximum pensionable earnings (YMPE) as defined in the Canada Pension Plan for that calendar year. We determine the value of your LIRAs and LIFs when you sign the application according to the most recent statement about your contract we sent to you. The statement can't be dated more than 12 months before signing the application.
9. You may ask us for a lump sum withdrawal if you provide a written statement signed by a licensed doctor in Canada using Form 11. The doctor must be able to state they believe you have a mental or physical disability that is likely to shorten your life expectancy to less than 2 years. You must declare if you have a spouse. If you have a spouse, a spousal waiver is required on Form 11.

10. You may apply to the Superintendent using Form 12 to withdraw funds from your LIRA in circumstances of financial hardship. These circumstances include:

- you, your spouse, or dependant has or will have medical expenses,
- you or your spouse has defaulted on mortgage payments on your principal residence and you risk eviction,
- you or your spouse has received a written demand for arrears for payment of rent on your principal residence and you could face eviction if the debt remains unpaid, or
- your expected income from all sources, before taxes, for the next 12 months is 66 2/3% or less of the Year's Maximum Pensionable Earnings.

If you have a spouse, a spousal waiver on Form 12 is required.

11. For the purposes of shortened life expectancy and unlocking small amounts:

- we may rely on the information provided by you in an application made under the applicable provision, and
- an application that meets the requirements of the applicable provision is our authority to pay you from your LIRA under that provision and releases us from further liability.

12. You may withdraw all or a portion of the balance of the contract, if you are a non-resident of Canada according to the Canada Revenue Agency and the ITA, and your application for withdrawal is made at least 24 months or later after you departed Canada.

- You must apply to us to withdraw the money from your contract. The application must be made on Form 11. The application must be signed by you and accompanied by the following documents: a written determination from the Canada Revenue Agency that you are a non-resident for the purposes of the ITA

- You must declare if you have a spouse. If you have a spouse, a spousal waiver on Form 11 is required.

An application that meets these requirements is our authorization to make the withdrawal. We will pay you the amount that you are entitled to, within 30 days after we receive the completed application and accompanying documents. Payment discharges us from any liability for the amount released.

13. We rely on information provided by you in your application to withdraw money. An application that meets the requirements of the unlocking rules can be found on the Service Nova Scotia website. It is our authorization to pay or transfer from your LIRA, the funds requested, if your application meets unlocking rules. Payment discharges us from any liability for the amount of the funds released.

14. If there is a breakdown of your spousal relationship, your LIRA may be divided between you and your spouse according to a court order.

15. Income payments cannot begin from an annuity before the date on which you would have been permitted to begin income payments under the original pension plan.

16. If you have a spouse when you begin income payments, the income must be based on a joint life annuity that complies with the Act and Regulation, unless you and your spouse provide a waiver on Form 6.

## 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, pension, LIRA or LIF, and includes a marriage contract as defined in the Matrimonial Property Act; Definition of “domestic contract” amended: O.I.C. 2016-III, N.S. Reg. 89/2016.

“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;

Subclause (vi) of definition of “owner” added: O.I.C. 2016-III, N.S. Reg. 89/2016.

“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;

**Note Re Requirements of the Pension Benefits Act and Regulations and the  
Pooled Registered Pension Plans Act and its regulations**

**Prohibitions on transactions from Section 91 of Act**

Under Section 91 of the Act and Section 12 of the Pooled Registered Pension Plans Act, 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:

- Sections 211 through 230, respecting withdrawal in circumstances of financial hardship
- Section 231, respecting withdrawal in circumstances of considerably shortened life expectancy
- Section 232, respecting withdrawal in circumstances of non-residency
- Section 233, respecting withdrawal of small amounts at age 65
- Section 198, respecting the transfer of an excess amount, as defined in that Section.

Pursuant to subsection 91(2) of the Act and subsection 12(2) of the Pooled Registered Pension Plans Act, any transaction that contravenes Section 91 of the Act or Section 12 of the Pooled Registered Pension Plans Act is void.

**Value of assets in LIRA subject to division**

The value of the assets in a LIRA is subject to division in accordance with all of the following:

- 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 Pooled Registered Pension Plans Act
- 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 Pooled Registered Pension Plans Act
- 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.

**Section 1, table amended: O.I.C. 2016-111, N.S. Reg. 89/2016.**

**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.

Clause 2(1)(e) added: O.I.C. 2016-111, N.S. Reg. 89/2016.

(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.

Subsection 5(4) replaced: O.I.C. 2016-111, N.S. Reg. 89/2016.

- (5) A spouse who is living separate and apart from the owner of a LIRA without a reasonable prospect of resuming cohabitation on the date the owner dies 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 spouse is not entitled to receive any amount in respect of the assets in the LIRA in accordance with the terms of a domestic contract that provides for the division of any pension benefit, deferred pension or pension under Section 74 of the Act or the funds in a pooled registered pension plan account under subsection 14(2) of the Pooled Registered Pension Plans Act;

Clause 5(5)(b) amended: O.I.C. 2016-111, N.S. Reg. 89/2016.

- (c) the spouse is not entitled to receive any amount in respect of the assets in the LIRA in accordance with a court order respecting a division of a pension benefit, deferred pension or pension under Section 74 of the Act or the funds in a pooled registered pension plan account under subsection 14(2) of the Pooled Registered Pension Plans Act.

Clause 5(5)(c) amended: O.I.C. 2016-111, N.S. Reg. 89/2016.

- (6) The benefit described in subsection (1) may be transferred to a registered retirement savings arrangement in accordance with the federal Income Tax Act.

Information to be provided by financial institution on transfers of assets of LIRAs

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 transfers of assets of LIRAs

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.