

# PENSION BENEFITS STANDARDS ACT – RESTRICTED LIFE INCOME FUND ADDENDUM

Despite any other provisions of the contract, if locked-in money has come from a plan that is governed by the Pension Benefits Standards Act, 1985, (the Act) and Regulations, the following provisions apply to it.

Spouse excludes any person who is not recognized as a spouse or common-law partner for the purposes of the Income Tax Act (Canada) (the “ITA”) for registered retirement income funds. Common-law partner means a person who is cohabiting with you in a conjugal relationship for at least one year. Spouse includes a person who is party to a void or null marriage with you.

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

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

Addendum provisions:

1. Deferred life annuity, immediate life annuity, life income fund (LIF), locked-in registered retirement savings plan (LRSP), restricted life income fund (RLIF), restricted locked-in savings plan (RLSP), member, pension benefit credit, plan and spouse have the same meanings as they have in the Act or the Regulation. Survivor, in relation to a member or former member means:
  - a) if there is no person described in (b), the spouse of the member or former member at the time of the member’s or former member’s death, or
  - b) a person who was the common-law partner of the member or former member at the time of the member’s or former member’s death.

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. Your contract describes the method of determining the value of your RLIF, including the value on your death or on the transfer of funds from the RLIF.
5. Except as provided in subsection 25(4) of the Act, no money in the contract or transferred out of the contract, including interest, may be assigned, charged, anticipated or given as security except as permitted by the Act. Any transaction attempting to assign, charge, anticipate or give as security the value of the contract is void, unless permitted by law.
6. You may transfer all or part of your contract:
  - to another restricted life income fund,
  - to a restricted locked-in savings plan, or
  - to purchase an immediate life annuity or a deferred life annuity that meets the requirements of the Act and the ITA.
7. No money may be transferred in or out of your RLIF unless an agreement is in place between financial institutions to administer the money according to pension law.
8. 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.
9. If this contract has premiums transferred from the commuted value of a pension benefit, we will tell you if this value was determined on a basis that differentiated by sex. If a pension benefit transferred into your RLIF was not differentiated by sex, an immediate life annuity or a deferred annuity purchased by the funds in your RLIF will not differentiate on the basis of sex.
10. At the beginning of each calendar year or at any other time that we agree to, you must decide the amount to be paid out of your contract in that year. If you don’t decide the amount to be paid out of your contract in a calendar year, the minimum amount based on the ITA will be paid out of your contract in that year.
11. If your RLIF has been set up with money transferred from another RLIF, then during the year of the transfer, the maximum amount of income paid to you out of your contract will be zero.
12. If the first year of the RLIF is not 12 months long, the maximum amount of income paid to you out of your contract in that year will be adjusted in proportion to the number of months in the year divided by 12. Any incomplete month will count as one month.

13. For any calendar year before the calendar year in which you turn age 90, the maximum amount of income paid to you out of your contract will be calculated by the formula  $C/F$ . 'C' is the balance of your contract at the beginning of the calendar year or, if that value is zero, the balance on the date when the initial amount was transferred into your contract. 'F' is the value, as of the beginning of the calendar year, of a pension benefit where the annual payment is \$1, payable on January 1 of each year between the beginning of that calendar year and December 31 of the year in which you turn age 90. The value in 'F' is calculated using an interest rate based on the requirements in the Regulation.
14. For the calendar year in which you turn age 90 and all years after, the amount of income paid to you out of your contract will not be more than the value of your contract immediately before the time of payment.
15. You may ask us for a lump sum withdrawal if you provide a written statement signed by a licensed and practising doctor in Canada. The doctor must be able to state they believe you have a mental or physical disability that is likely to shorten your life expectancy considerably.
16. You may withdraw the balance of the contract if you are a non-resident of Canada according to the Canada Revenue Agency and the ITA, and if your application for withdrawal is made at least two calendar years after the date of departure from Canada.
17. In the year you turn age 55 or in any year after, you may apply to us, on an approved form, to withdraw a lump sum from your contract if you certify that the total value in all your LRSPs, RLSPs, LIFs and RLIFs is less than or equal to 50% of the year's maximum pensionable earnings. Your application must be accompanied by the spousal declaration and the declaration of amounts held in federally regulated locked-in plans required by the Regulation.
18. If you establish your contract in the calendar year in which you turn age 55 or in any year after, you may transfer 50% of the value of your contract to a registered retirement savings plan or a registered retirement income fund within 60 days of establishing your contract. Your contract had to be established based on a transfer from a pension benefit credit, a locked-in registered retirement savings plans or a life income fund. Your application must be accompanied by the spousal declaration required by the Regulation.
19. You may apply to us, on an approved form, to withdraw a lump sum from your contract due to financial hardship. You must meet the conditions described in section 20.3(1)(m) of the Regulation. You must certify that you have not made a withdrawal in the calendar year because of financial hardship from any LRSP, RLSP, LIF or RLIF, except for within the last 30 days before this certification. Your application must be accompanied by the financial hardship declaration and spousal declaration required by the Regulation. Payment discharges us from any liability for the amount of the funds released.
20. On your death, the balance of the contract will be paid to your survivor by:
  - transferring the funds to another restricted life income fund or a life income fund,
  - transferring the funds to a locked-in registered retirement savings plan or a restricted locked-in savings plan, or
  - using the funds to purchase an immediate life annuity or a deferred life annuity that meets the requirements of the Act and the ITA.

If you die without a survivor, the funds remaining in the contract will be paid to your designated beneficiary, or if none is named, to your estate.