

**LOCKED-IN RETIREMENT ACCOUNT ENDORSEMENT
Newfoundland and Labrador (LIRA)**

1. **What the Words Mean:**

Please remember that in this Endorsement, “**you**” and “**your**” mean the owner of the Contract and who is the “annuitant” as defined in the *Income Tax Act* (Canada) (the “Tax Act”) and “**us**” and “**we**” means RBC Life Insurance Company.

Please also remember that in this Endorsement:

“**Cohabiting Partner**”, means:

- (i) if you have a Spouse, the individual who is not your Spouse who has cohabited continuously with you in a conjugal relationship for not less than 3 years, or
- (ii) if you do not have a Spouse, the individual who has cohabited continuously with you in a conjugal relationship for not less than one year,

and is cohabiting or has cohabited with you within the preceding year;

“**Directives**” means the directives issued by the Superintendent under the Pension Act, as changed or replaced from time to time;

“**Pension Act**” means the *Pension Benefits Act, 1997* (Newfoundland and Labrador), as changed or replaced from time to time;

“**Principal Beneficiary**” means your Spouse, or where you have a Cohabiting Partner, your Cohabiting Partner;

“**Regulation**” means the *Pension Benefits Act Regulations* in force under the Pension Act, as changed or replaced from time to time; and

“**Spouse**” means the individual who is considered to be your spouse according to section 2 of the Pension Act, however, notwithstanding anything to the contrary contained in the Contract and this Endorsement, “spouse” does not include any person who is not recognized as your spouse or common-law partner, as the case may be, for the purposes of any provision of the Tax Act respecting RRSPs.

As well, the words “**financial institution**”, “**life annuity contract**”, “**life income fund** (“**LIF**”)”, “**locked-in retirement account** (“**LIRA**”)”, “**locked-in retirement income fund** (“**LRIF**”)”, “**owner**”, “**pension benefit**”, “**RRSP**” and “**Superintendent**” have the same meanings given to them in the Pension Act, the Regulation and the Directives.

The other words used in this Endorsement have the same meaning given to them in the Contract. you will refer to the Contract if need to when reading those words.

You agree with us as follows:

2. **General Terms:** This Endorsement will form part of the Contract. If there is a conflict between this Endorsement and the Contract, this Endorsement will prevail.
3. **LIRA:** We will maintain the Contract as a LIRA according to the requirements of the Pension Act, the Regulation, the Directives and the Tax Act.
4. **Transfers from the Contract:** All funds from the Contract shall be used to provide a pension benefit and shall not be withdrawn from the Contract except:
 - (a) before maturity, to transfer the funds to the pension fund of a registered pension plan;
 - (b) before maturity, to transfer the funds to another LIRA that meets the requirements of Directive No. 4;
 - (c) to purchase a life annuity contract, in accordance with the definition of retirement income in subsection 146(1) of the Tax Act, that is provided by a person authorized under the laws of Canada or a province to sell annuities under an insurance contract that meets the requirements of the Directives, commencing not before you reach the earlier of age 55 or the earliest date on which the former member is entitled to receive a pension benefit under a registered pension plan from which the funds from the Contract originated as a result of termination of employment or termination of the registered pension plan, and provided the annuity commences by December 31 of the year in which you attain the maximum age for the commencement of a retirement income as prescribed by the Tax Act, the Pension Act, the Regulation and the Directives from time to time;
 - (d) to transfer the funds to a LIF that meets the requirements of Directive No. 5; or
 - (e) to transfer the funds to an LRIF that meets the requirements of Directive No. 17.
5. **No Assignment:** Funds from the Contract may not be assigned, charged, alienated, anticipated or given as security except as permitted by section 37 of the Regulation, and any transaction purporting to assign, charge, alienate, anticipate or give funds from the Contract as security is void.
6. **No Withdrawals:** Subject to this Endorsement, funds from the Contract may not be commuted or surrendered during your lifetime, where you are a member, and any transaction purporting to surrender or commute funds from the Contract is void, except where an amount is required to be paid to the taxpayer to reduce the amount of tax otherwise payable under Part X.1 of the Tax Act.
7. **Investment:** All funds in the Contract shall be invested in a manner which complies with the rules of investment contained in the Tax Act and will not be invested directly or indirectly in any mortgage in respect of which you are, or your Principal Beneficiary is, the mortgagor or the mortgagor is your parent, brother, sister or child or the Principal Beneficiary of any of those persons.

8. **Indemnity:** If funds from the Contract are paid out contrary to the Pension Act, the Regulation or the Directives, we will provide or ensure the provision of a pension benefit equal in value to the pension benefit that would have been provided had the funds not been paid out.
9. **Permitted Transfers:** We will not permit any subsequent transfer of funds from the Contract except where such transfer would be permitted under the Pension Act and the transferee agrees to administer the amount transferred as a pension benefit in accordance with the Pension Act.
10. **Conditions for Transfer:** Before transferring out funds from the Contract, we will advise the transferee in writing that the amount transferred must be administered as a pension benefit under the Pension Act.
11. **Joint Pension:** Where you are a former member with a Principal Beneficiary at the time the pension commences, the pension benefit payable will be a joint and survivor pension benefit with at least 60% continuing to be payable to the survivor for life after the death of either unless your Principal Beneficiary waives the entitlement in a form and manner set out in a form provided by the Superintendent.
12. **Survivor's Benefits if Former Member:** Where you are a former member, upon your death, your surviving Principal Beneficiary, or where you have no surviving Principal Beneficiary or your surviving Principal Beneficiary has waived entitlement in the form and manner required by the Superintendent, your designated beneficiary, or where there is no designated beneficiary, your estate, is entitled to a lump sum payment of the Total Contract Value (after deduction of any redemption, withdrawal or other fees specified in the Contract).
13. **Survivor's Benefits if Not Former Member:** Where you are not a former member, upon your death, the Total Contract Value (after deduction of any redemption, withdrawal or other fees specified in the Contract) shall be paid to your designated beneficiary or, where there is no designated beneficiary, to your estate.
14. **Separate Accounts:** Money that is not locked-in under the Pension Act and Regulation will not be transferred to or held under the Contract, other than a life annuity contract that holds or will hold locked-in money, unless the locked-in money is to be held in a separate account.
15. **Division on Marriage Breakdown:** Funds from in the Contract are subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Pension Act.
16. **Shortened Life Expectancy:** You may withdraw funds from the Contract as a lump sum or series of payments if a medical practitioner certifies that due to mental or physical disability your life expectancy is likely to be shortened considerably, but where you are a former member of a registered pension plan, such payment may only be made if your Principal Beneficiary has waived the joint and survivor pension entitlement in the form and manner required by the Superintendent.

17. **Small Pensions:** You are entitled to withdraw a lump sum payment equal to the Total Contract Value (after deduction of any redemption, withdrawal or other fees specified in the Contract) on application to us if, at the time you sign the application, the following conditions are met:
- (a) the value of all assets in all LIFs, LRIFs and LIRAs owned by you and governed by Newfoundland and Labrador pension benefits legislation is less than 10% of the year's maximum pensionable earnings under the *Canada Pension Plan (Canada)* for that calendar year; or
 - (b)
 - (i) you have reached the earlier of age 55 or the earliest date on which you would have been entitled to receive a pension benefit under the registered pension plan from which funds from in Contract were transferred; and
 - (ii) the value of all assets in all LIFs, LRIFs and LIRAs owned by you and governed by Newfoundland and Labrador pension benefits legislation is less than 40% of the year's maximum pensionable earnings under the *Canada Pension Plan (Canada)* for that calendar year.
18. **Applications:** An application for payment under paragraph 17 of this Endorsement shall be:
- (a) on a form approved by the Superintendent; and
 - (b) where you are a former member of a registered pension plan, accompanied by a waiver by your Principal Beneficiary of joint and survivor pension entitlement, in the form and manner required by the Superintendent.
19. **Differentiation on the Basis of Sex:** The commuted value of the pension benefit transferred to the Contract, if any, was (was not) determined on a basis that differentiated on the basis of sex.

Where the commuted value of a pension benefit which was transferred to the Contract was determined in a manner that did not differentiate on the basis of sex, the immediate or deferred life annuity purchased with the funds from the Contract shall not differentiate on the basis of sex of the recipient.