

**LOCKED-IN RETIREMENT INCOME FUND ENDORSEMENT
Newfoundland and Labrador (LRIF)**

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**”, “**we**” and “**our**” 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 Regulation* 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, including any endorsements forming a part thereof, “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 RRIFs.

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

For great certainty, “**life annuity contract**” means an arrangement made to purchase through a person authorized under the laws of Canada or a province to sell annuities as defined in the Tax Act, a non-commutable pension, in accordance with Directive No. 6, that

will not commence before you attain the age of 55 years, or if you provide evidence to our satisfaction that the plan or any of the plans from which the money was transferred provided for payment of the pension at an earlier age, that earlier age.

The other words used in this Endorsement have the same meaning given to them in the Contract. You will refer to the Contract if you 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. **LRIF:** We will maintain the Contract as an LRIF according to the requirements of the Pension Act, the Regulation, the Directives and the Tax Act.
4. **Investment Powers:** The powers you have respecting the investment of the funds in the Contract are set out in the Contract.
5. **No Assignment:** You agree not to assign, charge, alienate, anticipate or give as security money payable under the Contract.
6. **Valuation:** The method for determining the value of the Contract, for the purposes of establishing the value of the Contract upon your death, upon the establishment of a life annuity or upon a transfer of funds from the Contract, is set out in the Contract.
7. **Fiscal Year:** The fiscal year of the Contract ends on December 31 of each year and will not exceed 12 months.
8. **Income Entitlement:** You will be paid an income, the amount of which may vary annually, and that must not begin before the earlier of age 55 or the earliest date on which the member could receive a pension benefit under the Pension Act or the originating registered pension plan from which the funds in the Contract were transferred and not later than the last day of the second fiscal year of the Contract.
9. **Establishment of Income:** You must decide the amount of income to be paid out of the Contract each year, either at the beginning of the fiscal year of the Contract or at another time agreed to by us and the decision expires at the end of the fiscal year to which it relates.
10. **Failure to Establish:** If you do not decide the amount to be paid out of the Contract for a year, the minimum amount determined under paragraph 15 of this Endorsement shall be deemed to be the amount paid.
11. **Amount of Income:** The amount of income paid out of the Contract during a fiscal year will not exceed the maximum, being the greatest of:

- (a) the income, gains and losses earned from the time the Contract was established to the end of most recently completed fiscal year and, with respect to any funds in the Contract that are derived directly from money transferred from a LIF, the income, gains and losses earned in the final complete fiscal year of the LIF under the LIF, less the sum of all income paid to you from the Contract;
 - (b) the income, gains and losses earned in the immediately previous fiscal year; and
 - (c) if the payment is being made in the fiscal year in which the Contract was established or in the fiscal year immediately following its establishment, 6% of the fair market value of the Contract at the beginning of that fiscal year.
12. **Additional Temporary Income:** Subject to paragraph 13 of this Endorsement, you are entitled to receive additional temporary income where:
- (a) the total pension income received by you for the calendar year in which the application is made, calculated as “B” under paragraph 13 of this Endorsement, is less than 40% of the year’s maximum pensionable earnings under the *Canada Pension Plan (Canada)* for the calendar year in which the application is made; and
 - (b) you have not reached your 65th birthday at the beginning of the fiscal year in which you make application for additional temporary income.
13. **Maximum Temporary Income:** The amount of the additional temporary income paid out of the Contract in a fiscal year must not exceed the maximum in the following formula:
- Maximum Temporary Income = A – B
- where
- A = 40% of the year’s maximum pensionable earnings under the *Canada Pension Plan (Canada)* for the calendar year in which the application is made; and
- B = the total pension income received by you for the calendar year in which the application is made from all LIFs, LRIFs, life annuities and registered pension plans governed by Newfoundland and Labrador pension benefits legislation or established by or governed by an Act of Canada or a province, except income from a pension under the *Canada Pension Plan (Canada)*.
14. **Applications:** An application for additional temporary income under paragraph 12 of this Endorsement shall be:
- (a) on a form approved by the Superintendent;
 - (b) where you are a former member of a registered pension plan, accompanied by the written consent of your Principal Beneficiary; and

- (c) submitted to us at the beginning of the fiscal year of the Contract, unless otherwise permitted by us.
15. **Minimum Income:** The amount of income paid out of the Contract during a fiscal year must not be less than the minimum amount prescribed for RRIFs under the Tax Act, and where the maximum amount is less than the minimum amount required by the Tax Act, the minimum amount will prevail.
16. **First Fiscal Year:** For the initial fiscal year of the Contract, the “maximum” and the “Maximum Temporary Income” in paragraphs 11 and 13 of this Endorsement, respectively, will be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an incomplete month counting as one month.
17. **Transfers from Other LIFs or LRIFs:** If part of the Contract purchased at the beginning of a fiscal year corresponds to sums transferred directly or indirectly during the same year from another LRIF or LIF of yours, the “maximum” and the “Maximum Temporary Income” in paragraphs 11 and 13 of this Endorsement, respectively, will be equal to zero, except to the extent that the Tax Act requires the payment of a higher amount.
18. **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 a form and manner provided by the Superintendent.
19. **Small Pensions:** You are entitled to withdraw a lump sum payment equal to the Total Contract Value on application to us if, at the time you sign the application:
- (a) 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 the funds in the Contract were transferred; and
 - (b) 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.
20. **Applications:** An application under paragraph 19 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.

21. **Transfers from the Contract:** You may transfer all or part of the Total Contract Value:
 - (a) to another LRIF that meets the requirements of Directive No. 17;
 - (b) to a LIF that meets the requirements of Directive No. 5;
 - (c) for the purchase of an immediate life annuity contract that meets the requirements of the Superintendent, in accordance with paragraph 60(1) of the Tax Act, provided the annuity commences by December 31 in 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 or the Directives from time to time; or
 - (d) before December 31 in 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 or the Directives from time to time, to a LIRA that meets the requirements of Directive No. 4.
22. **No Withdrawals:** Subject to this Endorsement, no withdrawal, commutation or surrender of funds from the Contract is permitted, except where an amount is required to be paid to the taxpayer to reduce the amount of tax otherwise payable under Part X.I of the Tax Act.
23. **Time for Transfer:** We agree to make the transfer referred to in paragraph 21 of this Endorsement within 30 days after receipt of your request, except with respect to the securities whose term of investment extends beyond the 30 day period.
24. **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 had 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 receive a lump sum payment of the Total Contract Value.
25. **Survivor's Benefits if Not Former Member:** Where you are not a former member, upon your death, the Total Contract Value shall be paid to your designated beneficiary or, where there is no designated beneficiary, to your estate.
26. **Notice of Amendments:** Subject to paragraph 27 of this Endorsement, we will not amend the Contract except where we give you at least 90 days notice of a proposed amendment.
27. **Permitted Amendments:** An amendment to the Contract that would result in the reduction of your benefits under the Contract is only permitted where:
 - (a) we are required by law to make the amendment; and
 - (b) you are entitled to transfer the Total Contract Value under the terms of the Contract that existed before the amendment is made;

and, when making such a reducing amendment, we must notify you of the nature of the amendment and allow you at least 90 days after the notice is given to transfer all or part of the value of the Contract.

28. **Procedure for Notices:** Notices under paragraphs 26 and 27 of this Endorsement shall be sent by registered mail to your address, as set out in our records.
29. **Information Statements:** We agree to provide the information specified in paragraphs 22, 23 and 24 of Directive No. 17 as, when and to those persons described therein.
30. **Satisfaction of Minimum Amount:** Prior to transferring funds from the Contract under any provision of this Endorsement, we shall withhold an adequate amount to satisfy the minimum amount payable to you in the particular fiscal year, as required, and in accordance with paragraph 146.3(2)(e) of the Tax Act.