

Standard Life Locked-in Retirement Account

Endorsement issued in accordance with the Ontario *Pension Benefits Act 1990*

Ontario

This endorsement applies only to annuitants in respect of whom locked-in benefits have been transferred which are to be administered as a locked-in retirement account in accordance with the Ontario *Pension Benefits Act, 1990*.

Contract no. _____

Annuitant _____

Introduction

This Endorsement is in addition to, and forms an integral part of, the above numbered Standard Life Retirement Savings Plan (the "Plan") and establishes the Plan as a locked-in retirement account for purposes of the Ontario Pension Benefits Act, 1990. In the event of any conflict between the following conditions and any provision of the Plan, the following conditions will prevail.

Interpretation

1. For the purposes of this Endorsement, the following definitions will apply:

"Act" means the Ontario Pension Benefits Act, 1990;

"Declaration about a spouse" means any one of the following documents:

- a) A statement signed by the Spouse, if any, of the Annuitant, that the Spouse consents to the withdrawal.
- b) A statement signed by the Annuitant attesting to the fact that the Annuitant does not have a spouse.
- c) A statement signed by the Annuitant attesting to the fact that the Annuitant is living separate and apart from his or her Spouse on the date the Annuitant signs the application to make the withdrawal.

"Regulation" means the regulations under the Act;

"Spouse" means, in relation to another person:

- a) a person who at the relevant time was married to that other person and was not living separate and apart, or
- b) if there is no person to whom a) applies, a person, whether of the opposite sex or not, who lived with that other person for the 3-year period immediately preceding the relevant time in a conjugal relationship or in a relationship of some permanence if both are natural or adoptive parents of a child.

A spouse living separate and apart from the Annuitant is not an eligible spouse for the purpose of the Plan. The determination of the spousal status is established as of the day of the Annuitant's death.

Notwithstanding anything to the contrary contained in the Plan, including any endorsements forming a part thereof, "spouse" does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the *Income Tax Act (Canada)* respecting Registered Retirement Savings Plans (RRSPs).

"Standard Life" means The Standard Life Assurance Company of Canada;

"Superintendent" means the Superintendent, Pension of the Financial Services Commission of Ontario;

"Transfer" means a transfer of money, subject to the conditions set out in Section 18 of the Regulation.

2. In case of any conflict between the terms of this endorsement and applicable legislation, the terms found under applicable legislation shall prevail.

Locked-in Provisions

1. The Plan will accept deposits which are to be administered as "locked-in" in accordance with the meaning conveyed under the Act or its Regulation. No additional funds that are not "locked-in" will be accepted under this Plan. Such funds will be segregated from all other funds and maintained as a separate locked-in retirement account.
2. The monies held in the locked-in retirement account, which may be subject to any transfer, must be used to secure or provide a pension in accordance with the Act and its Regulation, and in accordance with subsection 146(1) of the *Income Tax Act (Canada)*. The monies held in the account may only be transferred by the Annuitant or by the surviving spouse:
 - a) before December 31st in the year in which the Annuitant reaches 71 years of age, to another locked-in retirement account which meets the requirements of the Act and the *Income Tax Act (Canada)*, or
 - b) to a registered pension plan, subject to the conditions referred to in Section 42(1)(a) of the Act, or
 - c) to purchase a life annuity contract which meets the requirements of Section 22 of the Regulation and as described in section 146 of the *Income Tax Act (Canada)*, or
 - d) to a life income fund governed by Schedule 1.1 which meets the requirements of the Regulation and is registered as a retirement income fund.
3. The monies held in the locked-in retirement account cannot be withdrawn, commuted or surrendered, except as provided for in section 9 of this Endorsement, as provided for in Section 67 of the Act, as provided for in Sections 22.2 to 22.5 of the Regulation, and as stipulated in section 10 of this Endorsement.
4. In the event of a transfer of monies held in the locked-in retirement account, Standard Life will a) ensure that the transfer is permitted under the Act, b) advise the transferee in writing of the locked-in status of the monies, and c) make acceptance of the transfer by the transferee subject to the provisions provided for in this Endorsement.
5. The pension to be provided to an Annuitant with a spouse at the date when the pension commences is to be such joint life pension as would be in compliance with Section 44 of the Act, unless the spouse waives the entitlement in the form and manner prescribed in the Regulation.
6. Upon the death of an Annuitant before the pension payments commence, the Annuitant's spouse or, if there is none or if the Spouse is otherwise disentitled, the Annuitant's named

beneficiary or, if there is none, the Annuitant's estate is entitled to receive a benefit equal to the value of the assets in the account. The Annuitant's spouse is allowed to transfer his or her survivor benefit directly to an RRSP or RRIF, where permitted by the *Income Tax Act* (Canada).

7. The monies under the locked-in retirement account are to be invested in a manner that complies with the rules for investment of RRSP money contained in the *Income Tax Act* (Canada) and the Regulations thereunder.
8. The monies under the locked-in retirement account cannot be assigned, charged, anticipated or given as security except as permitted by subsection 65(3) (marriage breakdown order or separation agreement) of the Act. Any transaction purporting to assign, charge, anticipate or give the monies as security will be void.
9. Standard Life will permit the payment of an amount to the Annuitant when the amount is paid to reduce the amount of tax otherwise payable under Part X.1 of the *Income Tax Act* (Canada).
10. Withdrawals from the Plan

a) *Age 55 or over and total Locked-in Assets less than 40% of YMPE*

The value of the property in the Plan that is governed by this Schedule may be paid in cash or transferred to the Annuitant's RRSP or RRIF, provided the Annuitant is at least 55 years of age and the value of all assets in all locked in accounts owned by him or her is less than 40% of the Year's Maximum Pensionable Earnings for the year during which the withdraw is requested by the Annuitant.

The Annuitant must complete Form 5.0 issued by the Superintendent and submit it to Standard Life. It must be accompanied by a Declaration about a spouse.

The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the Annuitant when he or she signs the application under this section is to be determined using the most recent statement about each Plan given to the Annuitant. Each such statement must be dated within one year before the Annuitant signs the application.

b) *Non-Residents of Canada*

A lump sum withdraw of the total balance of the Plan may be made if the Annuitant applies to Standard Life with written evidence that the Canada Revenue Agency has confirmed that he or she has become a non-resident for at least two years, for the purpose of the *Income Tax Act* (Canada).

The application shall be on Form 5.0 approved by the Superintendent and must be made at least 24 months after the Annuitant's departure from Canada. The application must be accompanied by a Declaration about a spouse;

c) *Shortened Life Expectancy*

The Annuitant of the Plan may, upon application in accordance with this section, withdraw all or part of the money in the fund if, when the Annuitant signs the application, he or she has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

The application must be made on Form 5.0 approved by the Superintendent and must be signed by the Annuitant and be accompanied by the following documents:

- (i) A statement signed by a physician who is licensed to practice medicine in a jurisdiction in Canada that, in the opinion of the physician, the Annuitant has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.
- (ii) A Declaration about a spouse.

d) *Financial Hardship*

A lump sum withdrawal or series of payments will be made to the Annuitant, where the Annuitant applies to the Superintendent, in the prescribed manner, for a withdrawal of all or part of the money in his or her Plan due to financial hardship. The Superintendent must first consent to the withdrawal of the money.

The application must be made on a Form 6.0 prescribed by the Superintendent and it must be accompanied by:

- (i) a Declaration about a spouse
- (ii) a statement from the Annuitant that he or she understands that any funds released will not be exempt from execution, seizure or attachment;
- (iii) a copy of the most recent statement issued by Standard Life.

Standard Life is required to make the payment or the first payment to which the Annuitant is entitled under this section within 30 days after receiving the Superintendent's consent.

e) *For the purpose of sections 10 a), 10 b) and 10 c), the following applies:*

- (i) Standard Life is entitled to rely upon the information provided by the Annuitant in an application made under any of these sections;
- (ii) An application that meets the requirements of these sections constitutes authorization to Standard Life to make the payment or transfer from the Plan in accordance with these sections;
- (iii) Standard Life is required to make the payment or transfer to which the Annuitant is entitled under any of these sections within 30 days after Standard Life receives the completed application form and accompanying documents.

11. Designation of Funds Subject to Unisex Provision

The proportion of the locked-in funds resulting from a value originally determined on a basis that does not differentiate on the basis of sex is ____%. Standard Life reserves the right to complete or revise this section upon the receipt of the locked-in funds and proper communication of this information by the transferor. In the absence of this information being communicated, Standard Life will assume all funds to have been determined on a basis that does not differentiate on the basis of sex.