



Part 1: New Brunswick LIF Addendum

We are pleased to provide you with this Addendum which forms part of the DOT contained in the Application signed by you. This Addendum contains additional provisions that govern your Life Income Fund (LIF).

We ask that you review this Addendum and keep this copy for your records.

If you have any questions regarding this Addendum, please contact your Financial Advisor or Client Relations at 1-800-387-0614.

Thank you for continuing to make Mackenzie Investments a part of your long-term investment plan.

Sincerely,

MACKENZIE INVESTMENTS

Part 2 – Addendum

Definitions

1. The “Application” refers to the Mackenzie Multi-Plan Application. The “DOT” refers to the Mackenzie Retirement Income Fund Declaration of Trust.
2. This Addendum shall form part of the DOT contained in the Application. The provisions of this Addendum shall take precedence over any provisions to the contrary contained in the DOT, so long as those provisions do not contravene the *Income Tax Act* (Canada)
3. “Pension Legislation” refers to the Pension Benefits Act of New Brunswick (“the Act”) and its Regulations (“the Regulations”).
4. A “New Brunswick LIF” refers to a Life Income Fund governed by the Pension Legislation, and will hereinafter be referred to in this Addendum as a “LIF”.
5. The “Applicant” under the Retirement Income Fund (referred to within Appendix A as the “Owner”) hereby transfers money and other property to the B2B Trustco (the Trustee), which agrees to act as Trustee of the trust created hereunder. The Trustee’s Head Office is located at 199 Bay Street, Suite 600, PO Box 279 STN Commerce Court, Toronto, Ontario M5L 0A2.
6. The following terms, where used in this Addendum, shall have the same meaning as in the Pension Legislation:
 - a. “Common-law Partner”;
 - b. “Common-law Partnership”;
 - c. “Designated Jurisdiction”;
 - d. “Life Income Fund” (“LIF”);
 - e. “Locked-in Retirement Account” (“LIRA”);
 - f. “Maximum Unlocking Amount”;
 - g. “Owner”;
 - h. “Pension Fund”;
 - i. “Pension Plan”;
 - j. “Retirement Savings Arrangement”;
 - k. “RRIF”
 - l. “Spouse”; and
 - m. “Superintendent”.
7. Notwithstanding anything to the contrary contained in this Addendum, the terms “Spouse” and “Common-law Partner” do not include any person who is not recognized as a spouse or common-law partner under the *Income Tax Act* (Canada).
8. The fiscal year of the LIF shall end at midnight on the thirty-first day of December in each year and shall not exceed twelve months in length.

Establishing the LIF

9. All contributions and investment income held in the LIF shall be subject to the restrictions under this Addendum, the Act and the Regulations.
10. In addition to the restrictions set out in this Addendum, the investments in the LIF shall be governed by, and in accordance with, the investment provisions of the RRIF.
11. The only money that may be transferred into the LIF are the sums originating, directly or indirectly, from
 - a. the fund of a Pension Plan that conforms with the Act and the Regulations or with similar legislation in another jurisdiction, if the money is being transferred under section 36 of the Act or under a similar provision in legislation in another jurisdiction,
 - b. another Retirement Savings Arrangement that conforms with the Act and the Regulations, or
 - c. a life or deferred life annuity under a contract that conforms with the Act and the Regulations.
12. No money transferred, including interest, shall be assigned, charged, anticipated, given as security or subjected to execution, seizure, attachment or other process of law except under section 44 of the Act or subsection 57(6) of the Act.

13. A transaction in contravention of paragraph 12 of this Addendum is void.
14. No money transferred, including interest, shall be commuted or surrendered during the lifetime of the Applicant except under paragraph 25 of this Addendum, section 44 of the Act or subsection 57(6) of the Act.
15. A transaction in contravention of paragraph 14 of this Addendum is void.

Valuation

16. For information regarding the valuation of the assets in the LIF, the Applicant shall refer to the Simplified Prospectus and the Annual Information Form for the particular investment in which the Applicant's LIF assets are invested.

Transferring assets from the LIF

17. Except as provided for elsewhere in the Regulations, the balance of the money in the LIF, in whole or in part, may be converted at any time only into a life or deferred life annuity that conforms to section 23 of the Regulations.
18. Unless the contract provides for an early cashing-in value before the expiration of the term agreed to for the investment, the Applicant is entitled at any time after the term has expired
 - a. to transfer before a conversion referred to in paragraph 17 of this Addendum, the balance of the money in the LIF, in whole or in part, to
 - i. the Pension Fund of a Pension Plan that conforms with the Act and the Regulations or with similar legislation in another jurisdiction or to
 - ii. a Retirement Savings Arrangement that conforms with the Act and the Regulations, or
 - b. to convert the balance of the money in the LIF, in whole or in part, into a life or deferred life annuity that conforms to section 23 of the Regulations.
19. The Applicant shall not be entitled to make a transfer under subparagraph 18(a) of this Addendum to a Pension Plan that is not registered in the Province unless
 - a. the Pension Plan is registered for persons employed in a Designated Jurisdiction, and
 - b. the Applicant is employed in that jurisdiction by an employer who is making contributions on behalf of the Applicant to the Pension Fund that is to receive the amount to be transferred.
20. A transfer under subparagraph 18(a) or subparagraph 39(a) of this Addendum may, at the option of the Trustee and if not otherwise stipulated in the contract, be effected by the remittance to the Applicant of the investment securities respecting the LIF.
21. Unless the contract provides for an early cashing-in value before the expiration of the term agreed to for the investments, if there is money invested in the LIF that may be transferred under subparagraph 18(a) or subparagraph 39(a) of this Addendum, such funds shall be transferred no more than thirty days after the Applicant's application for the transfer.

Conversion to a life pension

22. If the information provided on Form 3.2 indicates that the commuted value transferred was determined on transfer in a manner that differentiated, while the Applicant was a member of the plan, on the basis of the sex of the Applicant, the only money that may subsequently be transferred into the LIF is money that is also differentiated on the same basis.
23. No money, including interest, transferred under subparagraph 36(1)(a)(ii) of the Act or subsection 36(1.1) of the Act to a LIF shall subsequently be used to purchase a life or deferred life annuity that differentiates on the basis of the annuitant's sex, unless the commuted value of the deferred pension transferred from the plan into the LIF was determined on transfer in a manner that differentiated, while the Applicant was a member of the plan, on the basis of sex of the Applicant.

Death of Applicant – Survivor benefits

24. If the Applicant who is an Owner dies before signing a contract under which an annuity is purchased under paragraph 19 of this Addendum, the balance of the money in the LIF shall be paid:
 - a. to the Spouse or Common-law Partner of the Applicant, unless the Spouse or Common-law Partner waives on Form 3.02 of the Regulations all rights that he or she may have in the LIF under the Act, the Regulations or the contract,
 - b. if the Applicant has a Spouse or Common-law Partner who has waived all rights under subparagraph a, or if the Applicant does not have a Spouse or Common-law Partner, to a beneficiary on death designated by the Applicant, or
 - c. if the Applicant has a Spouse or Common-law Partner who has waived all rights under subparagraph a, or if the Applicant does not have a Spouse or Common-law Partner and if the Applicant has not designated a beneficiary on death, to the estate of the Applicant.

Withdrawals from the LIF – Shortened life expectancy

25. The Applicant may withdraw the balance of the money in the LIF, in whole or in part, and receive a payment or series of payments if
 - a. a physician certifies in writing to the Trustee that the Applicant suffers from a significant physical or mental disability that considerably reduces life expectancy, and
 - b. if the Applicant has a Spouse or Common-law Partner, the Applicant delivers to the Trustee a waiver completed by the Spouse or Common-law Partner in Form 3.01.

Withdrawals from the LIF – Non-resident, non-citizen

26. The Applicant may withdraw the balance of the money in the LIF if
 - a. the Applicant and his or her Spouse or Common-law Partner, if any, are not Canadian citizens,
 - b. the Applicant and his or her Spouse or Common-law Partner, if any, are not resident in Canada for the purposes of the *Income Tax Act* (Canada), and
 - c. the Applicant's Spouse or Common-law Partner, if any, waives, on Form 3.5, any rights that he or she may have in the LIF under the Act, the Regulations or the contract.

Withdrawals from the LIF – Marriage breakdown

27. The commuted value of the Applicant's benefits provided under the LIF shall be determined in accordance with the Act and the Regulations if it is divided under section 44 of the Act.
28. Sections 27 to 33 of the Regulations apply with the necessary modifications to the division of the money in the LIF on the breakdown of a marriage or Common-law Partnership.

Withdrawals from the LIF – Once-per-lifetime triple maximum transfers

29. Notwithstanding paragraph 35 of this Addendum, an Applicant may request that the Superintendent approve the transfer of an amount from a LIF to a RRIF that is not a LIF by filing with the Superintendent completed Forms 3.3 and 3.4, and the Superintendent shall approve the transfer if
 - a. an amount has never previously been transferred under paragraph 35 of this Addendum on behalf of the Applicant, and
 - b. the amount to be transferred is not greater than the Maximum Unlocking Amount.

Periodic payments from the LIF

30. The Applicant shall be paid an income, the amount of which may vary annually, until the day on which the entire balance of the money in the LIF is converted into a life annuity.
31. Payment of income to the Applicant shall commence not later than the last day of the second fiscal year of the LIF.
32. The amount of income payable during each fiscal year of the LIF shall be established by the Applicant once every year at the beginning of the fiscal year of the LIF, or at intervals of greater than one year if:
 - a. the Trustee guarantees the rate of return of the fund during each such interval; and
 - b. such intervals end at the fiscal year of the LIF.
33. Notwithstanding paragraph 32 of this Addendum:
 - a. if in the prior fiscal year, the Applicant had elected to receive "minimum" or "maximum" payments in that prior year, the Trustee may continue to pay the new calendar year's "minimum" or "maximum" payments to the Applicant, unless and until the Applicant gives alternate instructions to the Trustee;
 - b. the Applicant shall be permitted to increase the amount to be paid out of the LIF (up to the "maximum" determined under paragraph 35 of this Addendum) in a fiscal year by informing the Trustee, no later than November 30th of that fiscal year;
 - c. the Trustee has no obligation to accept instructions to increase the amount to be paid out of the LIF in a fiscal year if those instructions are received after November 30 of that fiscal year, and will do so only in its sole discretion;
34. If the amount of income payable to an Applicant is established under paragraph 32 of this Addendum at intervals that are greater than one year
 - a. paragraphs 35-38 of this Addendum apply with the necessary modifications to the establishment of the amount of income payable in each fiscal year in the interval, and

- b. the amount shall be established at the beginning of the first fiscal year in the interval.
35. Subject to paragraphs 36-38 of this Addendum, the amount of income payable under subsection 22(1) of the Regulations during a fiscal year of a LIF shall not be more than "M" or less than the minimum amount prescribed for an RRIF under the *Income Tax Act* (Canada), where
 - a. "M" is calculated using the formula

$$M = C/F,$$
 and where
 - b. "C" = the balance of money in the LIF on the first day of the fiscal year; and
 - c. "F" = the value, on the first day of the fiscal year, of a guaranteed pension, the annual payment of which is one dollar payable on the first day of each fiscal year between the first day of the fiscal year and the thirty-first day of December, inclusive, of the year in which the Applicant attains the age of ninety years.
 36. The value of "F" in a calculation under paragraph 35 of this Addendum shall be established by the parties to the LIF at the beginning of each fiscal year of the LIF using
 - a. an interest rate of not more than six per cent per year, or
 - b. for the first fifteen years after the valuation of the LIF, an interest rate exceeding six per cent per year if that rate does not exceed the interest rate obtained on long-term bonds issued by the government of Canada for the month of November preceding the calendar year in which the calculation is made, as published in the Bank of Canada Review as CANSIM Series B14013 and using an interest rate not exceeding six per cent per year in subsequent years.
 37. For the purposes of paragraph 35 of this Addendum, for the first fiscal year of the LIF, the minimum amount prescribed for an RRIF under the *Income Tax Act* (Canada) shall be deemed to be equal to zero.
 38. If the money in a LIF is derived from money transferred directly or indirectly during the first fiscal year of the LIF from another LIF of the Applicant, "M" shall be equal to zero.

Amending the Addendum

39. This Addendum is subject to all applicable legislation, as may be amended from time to time, which will prevail over any inconsistent or conflicting provisions in the Addendum. However, the Trustee shall not make any amendments:
 - a. that would result in a reduction of the benefits arising from the contract unless the Applicant is entitled, before the effective date of the amendment, to transfer the balance of the money in the account in accordance with paragraph 18 of this Addendum and, unless a notice is delivered to the Applicant at least ninety days before the effective date, describing the amendment and the date on which the Applicant may exercise the entitlement to transfer,
 - b. unless the contract as amended remains in conformity with the Act and the Regulations, or
 - c. except to bring the contract into conformity with requirements under an Act of the Legislature or other legislation in another jurisdiction.

Statements from the Trustee to the Applicant

40. At the beginning of the fiscal year of each LIF, until the date on which all the money in the LIF is converted into a life or deferred life annuity or transferred to another Retirement Savings Arrangement that conforms to the Act and the Regulations or to similar legislation in another jurisdiction, the Trustee shall provide to the Applicant of the LIF a statement indicating
- the amount of money deposited, its source, the accumulated earnings of the LIF and the withdrawals from the LIF during the immediately preceding fiscal year,
 - any fees deducted since the preparation of the previous such statement and the balance of the money in the LIF at the beginning of the fiscal year of the LIF,
 - the maximum amount that may be paid to the Applicant as income during the fiscal year, and
 - the minimum amount that must be paid to the Applicant as income during the fiscal year.
41. If the Applicant dies before the conversion of the balance of the money in the LIF into a life annuity, then the Trustee shall provide the Applicant's Spouse, Common-law Partner, beneficiary, administrator or executor, as the case may be, with a statement containing the information listed in subparagraphs 40(a) and (b) of this Addendum determined as of the date of the Applicant's death.
42. If the balance of the money in a LIF is, under a contract, converted to a life or deferred life annuity or transferred to another Retirement Savings Arrangement that conforms to the Act and the Regulations or to similar legislation in another jurisdiction, the Trustee shall provide the Applicant with a statement containing the information listed in subparagraphs 40(a) and (b) of this Addendum, determined as of the date of the conversion or transfer.

Other

43. No money that is not locked in under the Act will be transferred to or held under the LIF.