



## Federal LRSP Addendum

### ADDENDUM

#### RE: Federal LRSP Addendum

We are pleased to provide you with this Locking-In Supplement which forms part of the Mackenzie Investments Multi-Plan Application and the Mackenzie Retirement Savings Plan Declaration of Trust. This Locking-In Supplement contains additional provisions that govern your Locked-in Retirement Savings Plan (LRSP).

We ask that you review this Locking-In Supplement and keep this copy for your records.

If you have any questions regarding this Locking-In Supplement, 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**

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### Definitions

1. A Multi-Plan Application" refers to the application and the Mackenzie Retirement Savings Plan Declaration of Trust or Mackenzie Retirement Income Fund Declaration of Trust, as applicable, contained in the Multi-Plan Application.
2. This Addendum shall form part of the Multi-Plan Application. The provisions of this Addendum shall take precedence over any provisions to the contrary contained in Multi-Plan Application, so long as those provisions do not contravene the *Income Tax Act* (Canada).
3. "Pension Legislation" and "the Applicable Pension Legislation" refers to the Pension Benefits Standards Act, 1985 (Canada) ("the PBSA") and its Regulations ("the PBSA Regulations").
4. A "Federal LRSP" refers to a Locked-in Retirement Savings Plan governed by the Applicable Pension Legislation, and will hereinafter be referred to in this Addendum as an "LRSP".
5. The "Applicant" under the Retirement Savings Plan 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 Applicable Pension Legislation:
  - a. "Common-law Partner";
  - b. "Former Member";
  - c. "Life Income Fund" ("LIF");
  - d. "Locked-in Registered Retirement Savings Plan" ("Locked-in RRSP", "LRSP");
  - e. "Member";
  - f. "Pension Benefit";
  - g. "Pension Benefit Credit";
  - h. "Pension Plan";
  - i. "Restricted Life Income Fund" ("RLIF");
  - j. "Restricted Locked-in Savings Plan" ("RLSP");
  - k. "Spouse"; and
  - l. "Survivor".
7. Notwithstanding anything to the contrary contained in this Addendum, the terms "Spouse", "Common-law Partner" and "Survivor" do not include any person who is not recognized as a spouse or common-law partner under the *Income Tax Act* (Canada).
8. The "Financial Hardship Provisions" are paragraphs 20(1)(d), 20.2(1)(e), 20.1(1)(m), and 20.3(1)(m) of the PBSA Regulations, and include any withdrawal made under paragraph 20 of this Addendum.
9. The "Maximum Financial Hardship Amount" is the lesser of
  - a. the amount determined by the formula "M + N", where
    - i. "M" is the total amount of the expenditures that the Applicant expects to make on medical or disability-related treatment or adaptive technology for the calendar year, and
    - ii. "N" is the greater of
      1. zero, and
      2. the amount determined by the formula, "P – Q", where
        1. "P" is 50% of the Year's Maximum Pensionable Earnings ("YMPE"), and
        2. "Q" is two thirds of the Applicant's total expected income for the calendar year determined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year from any LRSP, LIF, RLSP, or RLIF under the Financial Hardship Provisions, and
    - b. 50% of the YMPE minus any amount withdrawn in the calendar year from any LRSP, LIF, RLSP, or RLIF under the Financial Hardship Provisions.

### Establishing the LRSP

10. All contributions and investment income held in the LRSP shall be subject to the restrictions under this Addendum and the Applicable Pension Legislation.
11. In addition to the restrictions set out in paragraph 12 of this Addendum, the investments in the LRSP shall be governed by, and in accordance with, the investment provisions of the RSP.
12. Except as provided under subsection 25(4) of the PBSA Act, the assets of the LRSP shall not be assigned, charged, anticipated, or given as security, and any transaction purporting to assign, charge, anticipate or give the assets as security is void or, in Quebec, null.

### Valuation

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

### Transferring assets from the LRSP

14. Subject to any restrictions imposed by the Income Tax Act, the funds in the LRSP may only be :
  - a. transferred to another LRSP subject to the same Applicable Pension Legislation;
  - b. transferred to a pension plan, including, any pension plan referred to in subsection 26(5) of the PBSA, if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred assets as if the benefit were that of a plan member with 2 years of membership in the plan;

- c. used to purchase an immediate life annuity or deferred life annuity;
- d. transferred to a LIF subject to the same Applicable Pension Legislation, or
- e. transferred to an RLIF subject to the same Applicable Pension Legislation, so long as the transfer occurs no sooner than the calendar year in which the Applicant reaches 55 years of age, or such other age as identified under paragraph 20.3(1)(n) of the PBSA Regulations.

### Conversion to a life pension

15. For the purposes of the purchase of an immediate or deferred life annuity referred to in paragraph 14 of this Addendum,
  - a. Where a pension benefit credit transferred into the LRSP was not varied according to the sex of the plan member, an immediate or deferred life annuity purchased by the funds accumulated in the LRSP shall not differentiate as to sex, and
  - b. A pension benefit transferred into the LRSP will be deemed to have been determined in a manner that did not differentiate on the basis of the sex of the beneficiary, unless the Applicant furnishes the Trustee with information to the contrary.

### Withdrawals from the LRSP – Shortened life expectancy

16. The funds in the LRSP may be paid to the Applicant in a lump sum, if a physician certifies that, owing to mental or physical disability, the life expectancy of the Applicant is likely to be shortened considerably, and the Applicant provides the Trustee with such certification.

### Withdrawals from the LRSP – Small accounts

17. In the calendar year in which the Applicant reaches 55 years of age or in any subsequent calendar year, the funds may be paid to the Applicant in a lump sum if:
  - a. the Applicant certifies that the total value of all assets in all LRSPs, LIFs, RLSPs, and RLIFs that were created as a result of the transfer of Pension Benefit Credits under section 26 of the PBSA, a transfer authorized by the PBSA Regulations, and
  - b. where the LIF is derived directly or indirectly from a pension plan, the Applicant gives a copy of Form 2 and Form 3 of Schedule V of the PBSA Regulations to the Trustee.

### Withdrawals from the LRSP – Financial hardship

18. The Applicant may withdraw an amount up to the “Maximum Financial Hardship Amount” if:
  - a. the Applicant certifies that the Applicant has not made a withdrawal in the calendar year from any LRSP, LIF, RLSP, or RLIF under the Financial Hardship Provisions, other than within the last 30 days before this certification,
  - b. in the event that the value of “M” in the definition of the Maximum Financial Hardship Amount is greater than zero,
    - i. the Applicant certifies that the Applicant expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Applicant’s total expected income for that calendar year determined in accordance with the *Income Tax Act*, excluding withdrawals in the calendar year from any LRSP, LIF, RLSP, or RLIF under the Financial Hardship Provisions, and
    - ii. a physician certifies that such medical or disability-related treatment or adaptive technology is required, and
  - c. where the LRSP is derived directly or indirectly from a pension plan, the Applicant gives a copy of Form 1 and Form 2 of Schedule V of the PBSA Regulations to the Trustee.

### Withdrawals from the LRSP – Non-residency

19. The holder of the LRSP who has ceased to be a non-resident of Canada for at least two years may withdraw any amount from the plan.

### Withdrawals from the LRSP – Marriage breakdown

20. In accordance with subsection 25(4) of the *PBSA Act*, the Applicant may assign all or part of the LRSP to the Applicant’s Spouse, former Spouse, Common-law Partner or former Common-Law Partner, effective as of divorce, annulment, separation, or breakdown of the common-law partnership, as the case may be.

### Death of Applicant – Survivor benefits

21. On the death of the Applicant and upon the receipt by the Trustee of any documentation that may reasonably be required, the funds in the LRSP shall be paid as follows:
  - a. to the Survivor of the Applicant, by:
    - i. transferring the LRSP assets to another LRSP subject to the same Applicable Pension Legislation,
    - ii. transferring the LRSP assets to a pension plan including, any pension plan referred to in subsection 26(5) of the PBSA, if the plan permits such a transfer and administers the benefit attributed to the transferred assets as if the benefit were that of a plan member with 2 years of membership in the plan,
    - iii. using the LRSP assets to purchase an immediate life annuity or deferred life annuity, or
    - iv. transferring the LRSP assets to a LIF or RLIF subject to the same Applicable Pension Legislation; or
  - b. If the Applicant appointed a beneficiary and there is no Survivor, transferring the LRSP assets to the Applicant’s beneficiary; or
  - c. if the Applicant did not designate a beneficiary and there is no Survivor, transferring the LRSP assets to the Applicant’s estate.

### Amending the Addendum

22. 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.

### Other

23. No money that is not locked in under the Applicable Pension Legislation will be transferred to or held under this LRSP.