

**Supplemental Lock-In Agreement**  
**Province of British Columbia**  
***Pension Benefits Standards Act and Regulation thereto***

Annuitant name: \_\_\_\_\_

Annuitant Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Plan: **JovFunds Self-Directed Retirement Savings Plan, RSP145-695**

Contract: No. \_\_\_\_\_

Whereas the Annuitant has applied for a Retirement Savings Plan (the Plan), as indicated above, trustee by Concentra Trust (the Trustee), to receive and hold funds governed by the *Pension Benefits Standards Act* (the Act) of British Columbia, or the Regulation made under that Act.

And whereas the Trustee has agreed to apply for registration of the Plan as a Registered Retirement Savings Plan with Canada Revenue Agency (CRA) and to accept the funds herein referred to.

It is understood and agreed, by and between the Annuitant and the Trustee, that the full amount of funds transferred by the \_\_\_\_\_ Pension Plan to the Plan, inclusive of all future investment earnings, gains and losses accruing thereto, shall be governed by the terms of this Agreement in addition to the terms of the Plan as it has been approved by CRA and as properly amended from time to time.

The following definitions apply for purposes of this Agreement:

**"Contract"** means a contract or policy registered as a Registered Retirement Savings Plan (RRSP) under the *Income Tax Act* (Canada) (*Income Tax Act*) or a life annuity contract, each of which is issued to hold money that is the subject of a transfer.

**"Life annuity contract"** means an arrangement made to purchase through an insurance company a deferred or immediate pension that is not commutable, that will commence not later than the RRSP maturity date provided in the *Income Tax Act* and that will not commence before the person who is to receive the pension attains

- a) the age of 55 years, or
- b) the age of less than 55 years if that person provides evidence to the satisfaction of the underwriter that the Plan, or any of the plans from which the money was transferred, provided for payment of the pension at that earlier age.

**"Owner"** means a member or former member who has made a transfer under section 33, 34 (5) or 58 of the Act to a contract and includes the spouse or former spouse of a member who is entitled to a pension benefit as a result of

- a) the death of the member or former member, or
- b) a marriage breakdown.

**"Spouse"** means, in relation to another person,

- a) a person who at the relevant time was married to that other person and not living separate and apart from that other person for the 2 year period immediately preceding the relevant time, or
- b) if paragraph a) does not apply,
  - (i) a person who at the relevant time lived with that other person as husband and wife for the 2 year period immediately preceding the relevant time, or
  - (ii) a person of the same gender who at the relevant time lived in a marriage-like relationship with that other person for the 2 year period immediately preceding the relevant time.

Notwithstanding anything to the contrary contained in this Agreement, 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* respecting RRSPs.

**"Transfer"** means any transfer of locked-in money made under this Agreement and as referred to in section 29 of the Regulation.

**"Underwriter"** means the underwriter, depository or issuer of a contract or a Life Income Fund governed by Section 30 of the Regulation.

For the purposes of this agreement the words **"approved"**, **"life income fund (LIF)"** and **"locked-in"** shall have the same meaning as such words in the Act or Regulation thereto.

It is further understood and agreed, by and between the Annuitant and the Trustee, that the following specific terms and conditions of this Agreement shall at all times be observed:

1. Subject to items 2, 9, 12, and 13 following, all monies held in this contract, including all investment earnings, subject to any transfer, must be used to provide or secure a pension as required by the Act and the Regulation.
2. Subject to items 9, 12 and 13 following, no withdrawal, commutation or surrender of money under this Agreement is permitted and no transfer is permitted except to
  - a) transfer the money to another underwriter's contract on the relevant conditions specified in the Regulation. If the transferring underwriter does not comply with the conditions specified in the Regulation and the other underwriter fails to pay the money transferred in the form of a pension or in the manner required in the Regulation, the transferring underwriter will provide or ensure the provision of the pension referred to in the Regulation;
  - b) purchase a life annuity contract, as stipulated in sub-section 146(1) of the *Income Tax Act*;
  - c) transfer the money to a registered pension plan on the conditions referred to in section 33(2)(a) of the Act;
  - d) reduce the amount of tax otherwise payable under Part X.1 of the *Income Tax Act*;
  - or
  - e) transfer to an approved LIF on the relevant conditions specified in the Regulation.

If the Plan holds identifiable and transferable securities, the transfer or purchase referred to herein may, unless otherwise stipulated, at the option of the savings institution or insurance company and with the consent of the Annuitant, be effected by remittance of the investment securities of the contract.

3. All investments of monies under this Agreement shall be qualified investments for RRSPs under the *Income Tax Act* and no monies may be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the Annuitant herein or the parent, brother, sister or child of the Annuitant or the spouse of any of those persons.
4. The Trustee will ensure that any transferee underwriter and contract is approved by the Superintendent of Pensions to receive transfers of monies governed by this Agreement and will advise such transferee underwriter, in writing, of the requirement to lock-in the money and make the transferee underwriter's acceptance of the transfer subject to the conditions provided for in the Regulation.

If the money in the Plan was held during the current year in a LIF governed by the Regulation, the Trustee must not effect a transfer to another underwriter unless the Trustee has advised the transferee underwriter in writing:

- a) that the funds had been held in a LIF governed by the Regulation; and
  - b) the date on which the funds were transferred out of that LIF.
5. Where any monies are paid out by the Trustee contrary to this Agreement, the Trustee will provide or ensure the provision of a pension equal in value to the pension that would have been provided had the money not been paid out.
  6. The life annuity contract to be provided to an Annuitant, who has a spouse at the date when the Annuitant commences the life annuity contract, is to be a joint life annuity under which not less than 60% of the value of the annuity payment shall continue to the survivor for the survivor's lifetime following the death of the Annuitant or the Annuitant's spouse, unless the spouse waives the entitlement in the form and manner prescribed by the Act.
  7. In the event of the death of the Annuitant, and the Annuitant has a spouse, then unless the spouse has executed Form 4 of Schedule 2, "Spouse's Waiver of Preretirement Survivor Benefit" in accordance with the Regulation, the money will be used to provide a pension for the surviving spouse and will be transferred
    - a) to a locked-in RRSP on the relevant conditions specified in the Regulation;
    - b) to purchase a life annuity contract, as stipulated in paragraph 60(1) of the *Income Tax Act*; or
    - c) to an approved LIF on the relevant conditions specified in the Regulation.
  8. No money that is not locked-in will be transferred to or held under this Agreement unless the locked in money is held in a separate account.
  9. The Trustee may provide for the withdrawal of money as a lump sum or series of payments for the purposes of Section 40(2) of the Act if a physician certifies that due to disability or a terminal illness, the life expectancy of the Annuitant is likely to be shortened considerably. Such payment may only be made if the spouse of the Annuitant has waived entitlement to the survivor pension required under paragraph 6) by filing Form 2 of Schedule 2 "Spouse's Waiver of Entitlements Under a Pension Plan, an RRSP, a Life Annuity or a LIF contract" as required under Section 35 of the Act with the trustee.

- 10. If the Annuitant should die prior to the purchase of the life annuity contract and the Annuitant is not survived by a spouse or if the Annuitant is survived by a spouse and the spouse has executed Form 4 of Schedule 2 "Spouse's Waiver of Preretirement Survivor Benefit" in accordance with the Act, then the proceeds shall:
  - a) be paid to the Annuitant's designated beneficiary; or,
  - b) if there is no designated beneficiary, be paid to the Annuitant's estate.
  
- 11. Except as provided in the Act or Regulation, the monies in the Plan may not be assigned, charged, alienated or anticipated and are exempt from execution, seizure or attachment and any transaction purporting to assign, alienate or anticipate the monies is void. Pension benefits are a family asset under the *Family Relations Act*.
  
- 12. The Annuitant may withdraw funds from the Plan, provided that the Annuitant
  - a) has been absent from Canada for 2 or more years,
  - b) has become a non-resident of Canada as determined for the purposes of the *Income Tax Act*, and
  - c) completes and files a certificate of non-residency in Form 6 in the manner described in Section 23.1(2) of the Regulation.
  
- 13. The Annuitant may withdraw funds from the Plan, if the Plan value does not exceed 20% of the Year's Maximum Pensionable Earnings (YMPE).

If the Plan value exceeds 20% of the YMPE, the Plan must not be divided into two or more of any combination of locked-in RRSP or LIF contracts, such that any of the contracts have a resulting balance of less than 40% of the YMPE.

- 14. The conditions of this Agreement shall take precedence over the provisions in the Declaration of Trust in the event of conflicting or inconsistent provisions.

By execution of this Agreement the Trustee undertakes to administer the transferred funds and all subsequent earnings on these monies in accordance with the terms of this Agreement.

By execution of this Agreement the Annuitant hereby undertakes to abide by all of the provisions of this Agreement and to waive any right to receive any monies except as expressly provided for herein.

Executed at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Signature of Annuitant  
\_\_\_\_\_

Witness to signature of Annuitant  
\_\_\_\_\_

Execution by JovFunds Management Inc.  
on behalf of the Trustee

Per \_\_\_\_\_

Per \_\_\_\_\_