

Addendum

Addendum For Ontario LIRAs

This Addendum sets out further provisions that apply to LIRAs which are subject to the *Pension Benefits Act* (the "Act") of the province of Ontario.

This Addendum forms a part of the main LIRA Agreement to which it is attached. In the case of any inconsistency between the main LIRA Agreement and this Addendum, this Addendum shall prevail in all cases.

The mailing address of The Bank of Nova Scotia Trust Company (Scotiabank®) is as follows:

Scotiabank, 44 King St. West, Toronto, Ontario M5H 1H1.

1. Definitions

All of the definitions regarding locked-in retirement accounts set out in the Act and the Regulations to it are incorporated in this LIRA Agreement.

2. Transfers

We will advise in writing any transferee that the amount to be transferred must be administered as a pension or deferred pension under the Act and the Regulations to it, and we will not permit the transfer unless the transferee agrees to so administer the amount to be transferred.

3. Withdrawals

A. YMPE-based Lump Sum Payment

- (a) Upon application in accordance with section 22.3 of the Regulations to the Act, you may withdraw all the money in your Scotia Self-Directed LIRA or transfer the assets to an RRSP or RRIIF if, when you sign the application,
 - (i) you are at least 55 years of age; and
 - (ii) the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by you is less than 40 per cent of the Year's Maximum Pensionable Earnings for that calendar year. The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by you when you sign the application is to be determined using the most recent statement about each fund or account given to you. Each such statement must be dated within one year before you sign the application.
- (b) An application for the withdrawal or transfer described in this section 3A must be given to us on a form approved by the Superintendent. The application form must be signed by you and accompanied by one of the following documents:
 - (i) A declaration about a spouse, as described in section 22.1(2) of the Regulations to the Act.
 - (ii) A statement signed by you attesting to the fact that none of the money in your LIRA is derived, directly or indirectly, from a pension benefit provided in respect of your employment.

B. Non-resident Withdrawal

- (a) Upon application in accordance with section 22.5 of the Regulations to the Act, you may withdraw all the money in your Scotia Self-Directed LIRA,
 - (i) if, when you sign the application, you are a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the Tax Act; and
 - (ii) if the application is made at least 24 months after your date of departure from Canada.
- (b) An application for the withdrawal described in this section 3B must be given to us on a form approved by the Superintendent. The application form must be

signed by you and accompanied by the following documents:

- (i) A written determination from the Canada Revenue Agency that you are a non-resident for the purposes of the Tax Act.
- (ii) Either a declaration about a spouse, as described in section 22.1(2) of the Regulations to the Act, or a statement signed by you attesting to the fact that none of the money in your LIRA is derived, directly or indirectly, from a pension benefit provided in respect of your employment.

C. Shortened Life Expectancy

- (a) Upon application in accordance with section 22.4 of the Regulations to the Act, you may withdraw all or part of the money in your Scotia Self-Directed LIRA if, when you sign the application, you have an illness or physical disability that is likely to shorten your life expectancy to less than two years.
- (b) An application for the withdrawal described in this section 3C must be given to us on a form approved by the Superintendent. The application form must be signed by you and accompanied by the following documents:
 - (i) A statement signed by a physician who is licensed to practise medicine in a jurisdiction in Canada that, in the opinion of the physician, you have an illness or physical disability that is likely to shorten your life expectancy to less than two years.
 - (ii) Either a declaration about a spouse, as described in the section 22.1(2) of the Regulations to the Act, or a statement signed by you attesting to the fact that none of the money in your LIRA is derived, directly or indirectly, from a pension benefit provided in respect of your employment.

D. Financial Hardship

- (a)
 - (i) You may, upon application in accordance with this subsection, withdraw all or part of the money in your Scotia Self-Directed LIRA if you, your spouse, or a dependant has incurred or will incur medical expenses relating to an illness or physical disability of any of you or them.
 - (ii) Only one application may be made under this subsection during a calendar year in respect of a particular person.
 - (iii) The application must specify the amount to be withdrawn from your LIRA.
 - (iv) The minimum amount that may be withdrawn from your LIRA with respect to an application is \$500 and the maximum amount is the lesser of "X" and "G" where,
 - "X" is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and
 - "G" is the sum of the amount of the person's medical expenses that have been incurred and an estimate of the total amount of the person's medical expenses for the 12 months after the date on which the application is signed.
 - (v) If the maximum amount calculated under paragraph (iv) is less than \$500, no withdrawal from your LIRA is permitted with respect to the application.
 - (vi) The application form must be signed by you and

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must be accompanied by the following documents:

1. Either a declaration about a spouse, as described in the Schedule, or a statement signed by you attesting to the fact that none of the money in your LIRA is derived, directly or indirectly, from a pension benefit provided in respect of your employment.
 2. A statement signed by a physician or dentist, as applicable, indicating that, in his or her opinion, the expenses claimed are or were necessary for the person's treatment. The physician or dentist must be licensed to practise medicine or dentistry, as the case may be, in a jurisdiction in Canada.
 3. A copy of the receipts or the estimate to account for the total amount of the medical expenses being claimed.
 4. A statement, signed by you, that you understand that any money released under this subsection will not be exempt under section 66 of the Act from execution, seizure or attachment.
- (vii) For the purposes of this subsection, a person is a dependant if he or she was dependent on you or your spouse for support at some time during the calendar year in which the application is signed or during the previous calendar year.
- (viii) For the purposes of this subsection, medical expenses include,
1. expenses for goods and services of a medical or dental nature; and
 2. expenses incurred or to be incurred for renovations or alterations to your or the dependant's principal residence (as defined in subparagraph 3D(b)(vii)) and any additional expenses incurred in the construction of a principal residence made necessary by your illness or physical disability or of your spouse or a dependant.
- (b) (i) You may, upon application in accordance with this subsection, withdraw all or part of the money in your Scotia Self-Directed LIRA,
1. if you or your spouse has received a written demand in respect of arrears in the payment of rent on your principal residence, and you could face eviction if the debt remains unpaid; or
 2. if you or your spouse has received a written demand in respect of a default on a debt that is secured against your principal residence, and you could face eviction if the amount in default remains unpaid.
- (ii) Only one application may be made under this subsection during a calendar year.
- (iii) The application must specify the amount to be withdrawn from your LIRA.
- (iv) The minimum amount that may be withdrawn from your LIRA with respect to an application is \$500 and the maximum amount is the lesser of "X" and "H" where,
- "X" is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and
- "H" is, with respect to arrears in the payment of rent, the sum of the total amount of arrears of rent and the total amount of rent payable for a period of 12 months or, with respect to a default on a secured debt, the sum of the total amount of the payments that are in default and the total amount of payments due and interest payable on the debt for the 12 months after the date on which the application is signed.
- (v) If the maximum amount calculated under paragraph (iv) is less than \$500, no withdrawal from your LIRA is permitted with respect to the application.
- (vi) The application form must be signed by you and must be accompanied by the following documents:
1. Either a declaration about a spouse, as described in the Schedule, or a statement signed by you attesting to the fact that none of the money in your LIRA is derived, directly or indirectly, from a pension benefit provided in respect of your employment.
 2. A copy of the written demand in respect of arrears in the payment of rent or in respect of the default on the secured debt, as the case may be.
 3. A statement, signed by you, that you understand that any money released under this subsection will not be exempt under section 66 of the Act from execution, seizure or attachment.
- (vii) In this subsection,
- "principal residence" means, in respect of an individual, a premises, including a non-seasonal mobile home, that is occupied by the individual as his or her primary place of residence.
- (c) (i) You may, upon application in accordance with this subsection, withdraw all or part of the money in your Scotia Self-Directed LIRA if you or your spouse requires money to pay the first and last months' rent to obtain a principal residence for you.
- (ii) Only one application may be made under this subsection during a calendar year.
- (iii) The application must specify the amount to be withdrawn from your LIRA.
- (iv) The minimum amount that may be withdrawn from your LIRA with respect to an application is \$500 and the maximum amount is the lesser of "J" and "K" where,
- "J" is 5 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and
- "K" is the amount required for the first and last months' rent.
- (v) If the maximum amount calculated under paragraph (iv) is less than \$500, no withdrawal from your LIRA is permitted with respect to the application.
- (vi) The application form must be signed by you and must be accompanied by the following documents:
1. Either a declaration about a spouse, as described in the Schedule, or a statement signed by you attesting to the fact that none of the money in your LIRA is derived, directly or indirectly, from a pension benefit provided in respect of your employment.
 2. A copy of the rental agreement, if available.
 3. A statement, signed by you, that you understand that any money released under

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- this subsection will not be exempt under section 66 of the Act from execution, seizure or attachment.
- (vii) In this subsection, “principal residence” means, in respect of an individual, a premises, including a non-seasonal mobile home, that is intended to be occupied by the individual as his or her primary place of residence.
- (d) (i) You may, upon application in accordance with this subsection, withdraw all or part of the money in your Scotia Self-Directed LIRA if your expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed is 66 2/3 per cent or less of the Year’s Maximum Pensionable Earnings for the year in which the application is signed.
- (ii) Only one application may be made under this subsection during a calendar year.
- (iii) The application must specify the amount to be withdrawn from your LIRA.
- (iv) The minimum amount that may be withdrawn from your LIRA with respect to an application is \$500 and the maximum amount is calculated using the formula,
 $X - L$
in which,
“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and
“L” is 75 per cent of your expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.
- (v) If the maximum amount calculated under paragraph (iv) is less than \$500, no withdrawal from your LIRA is permitted with respect to the application.
- (vi) The application form must be signed by you and must be accompanied by the following documents:
1. Either a declaration about a spouse, as described in the Schedule, or a statement signed by you attesting to the fact that none of the money in your LIRA is derived, directly or indirectly, from a pension benefit provided in respect of your employment.
 2. A statement, signed by you, setting out the amount of your expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.
 3. A statement, signed by you, that you understand that any money released under this subsection will not be exempt under section 66 of the Act from execution, seizure or attachment.
- (vii) For the purposes of this subsection, your expected total income from all sources, before taxes, does not include,
1. a withdrawal under this subsection;
 2. a refund or repayment of taxes paid to a Canadian jurisdiction;
 3. a refundable tax credit;
 4. a refund of tax paid under the Ontario Child Care Supplement for Working Families program under section 8.5 of the Tax Act;
 5. the payment of an Ontario child benefit under

section 8.6.2 of the Tax Act or under section 104 of the *Taxation Act, 2007*;

6. a payment received by a foster parent under the *Child and Family Services Act*; or
7. child support payments received under a court order or an agreement.

E. Withdrawal Documentation – General Matters

- (a) We are entitled to rely upon the information provided by you in an application described in section 3A, B, C or D if the application is made in accordance with the applicable provision in the Regulations to the Act. An application that meets the requirements of the applicable provision in the Regulations to the Act constitutes authorization to us to make the payment or, where applicable, transfer from your Scotia Self-Directed LIRA in accordance with that provision.
- (b) If you are required to give a document to us for the purposes of a withdrawal described in section 3A, B, C or D or a transfer described in section 3A, and if the document is one that must be signed by you or by your spouse, the document is a nullity if it is signed by you or your spouse more than 60 days before we receive it. In any other case, if the document is required by section 3D, it is a nullity if it is signed or dated more than 12 months before we receive it.
- (c) When we receive a document required under the Regulations to the Act for the purposes of a withdrawal described in section 3A, B, C or D or a transfer described in section 3A, we will give you a receipt for the document stating the date on which it was received.
- (d) If you are entitled to a withdrawal payment described in section 3A, B, C or D or a transfer described in section 3A, we are required to make the payment or transfer within 30 days after we receive the completed application form and accompanying document(s) required under the applicable provision in the Regulations to the Act.

4. Estate Matters

- (a) Upon your death, your spouse or, if you do not have a spouse or if your spouse is otherwise disentitled, your named beneficiary or, if there is no beneficiary named, your estate is entitled to receive a benefit equal to the value of the assets in your Scotia Self-Directed LIRA. This benefit may be transferred to an RRSP or a RRIF in accordance with the Tax Act.
- (b) Your spouse is not entitled to receive the value of the assets in your LIRA unless you were a member or former member of a pension plan from which assets were transferred directly or indirectly to purchase your LIRA. In addition, a spouse who is living separate and apart from you on the date of your death is not entitled to receive the value of the assets in your LIRA.
- (c) For the purposes of subsection (a),
- (i) the determination as to whether you have a spouse is made on the date of your death.
 - (ii) the value of the assets in your LIRA includes all accumulated investment earnings, including any unrealized capital gains and losses, of the LIRA from the date of death until the date of payment.
- (d) Your spouse may waive his or her entitlement to receive the survivor’s benefit described in this section 4 by delivering to us a written waiver in a form approved by the Superintendent. Your spouse may cancel such a waiver by delivering a written and signed notice of cancellation to us before the date of your death.