

General Information

In the case of any conflict or inconsistency between any provision under the contract, including the related riders and addendum, and any provision under applicable pension legislation, the latter shall take precedence.

“Spouse” refers to either of two persons who:

- are married to each other
- are not married to each other and are living together in a conjugal relationship:
 - i) continuously for a period of no less than 3 years,
 - ii) in a relationship of some permanence if they are the natural or the adoptive parents of a child, as defined in the *Children’s Law Reform Act*.

However, the definition of “spouse” as set out under applicable pension legislation applies only if this person is 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).

Following the dissolution of marriage or any other type of conjugal relationship mentioned under applicable pension legislation, the Beneva LIRA plan may be partitioned among any ex-spouses in accordance with this legislation and in virtue of all applicable legislation pertaining to family law, where applicable.

The fiscal year of the Beneva LIRA must end on the 31st day of December and must not exceed twelve months.

Alteration of Plan

Beneva may not make any alteration that would reduce the rights and benefits under this plan unless:

- the alteration is required by law,
- the contractholder is entitled to a transfer of the redemption value of his Beneva LIRA,
- Beneva has sent a notice, at least 90 days before the date as of when this right may be exercised,
- the modification complies with the requirements of the *Income Tax Act* (Canada).

Beneva may alter the contract only to the extent where it remains compliant with the altered and duly registered standard plan as mentioned previously.

Beneva will give the contractholder at least 90 days notice of a proposed amendment other than an amendment described in the preceding paragraphs.

Statements

Beneva sends the contractholder, at the beginning of each fiscal year, a statement indicating:

- the contributions invested,
- their source,
- any accrued investment income, including any gain in capital or loss in capital not realized,
- the charges debited,
- the payments made out of the Beneva LIRA since the last statement,
- the value of the Beneva LIRA at the beginning and the end of the period covered by the statement.

Prohibition Against Double Indemnity

Where the contractholder, as a result of the applicable pension legislation, obtains, in effect, a double payment or a payment as well as a continuing interest in the Beneva LIRA, the contractholder may be liable to repay amounts to which the applicable pension legislation did not entitle him.

Source of Contributions

The only monies that may be invested in an Beneva LIRA plan must come from:

- a Pooled Registered Pension Plan,
- a Registered Pension Plan (RPP) governed by applicable pension legislation,
- another LIRA,
- a LIF,
- any other plan or vehicle authorized under applicable pension legislation.

If a transfer is made directly or indirectly from a Registered Pension Plan before the contractholder turns **age 55**, Beneva makes sure it obtains, from the contractholder or plan administrator, the contractholder’s eligible retirement age under the registered pension plan from which the transferred funds originated.

If due to the dissolved marriage of a member or former member of a Registered Pension Plan, monies are transferred directly or indirectly from such pension plan to an Beneva LIRA, Beneva ensures that it obtains, from the contractholder or the pension plan administrator, the date as of which the contractholder has the right to start receiving monies from his Beneva LIRA.

The contributions invested in an Beneva LIRA, including the options offered with respect to pensions, annuities or benefits, must be determined on a basis that does not differentiate on the basis of gender.

However, if for a time period stipulated under the pension legislation the value of the pension benefit credits transferred to the Beneva LIRA was determined on a basis that differentiated on the basis of the gender of the contractholder, a statement to this effect must be included as an appendix to the Beneva LIRA plan and form an integral part of it in accordance with this legislation.

The method and the factors used to determine the value of the contract associated with the contractholder’s Beneva LIRA plan are established in accordance with the terms of the investment vehicles described in the appendix to this contract for the purpose of any transfer, redemption, conversion to an annuity or again for the purpose of establishing the benefit payable in the case of death, where applicable.

Redemptions and Transfers

No contribution invested in the Beneva LIRA plan may be withdrawn, commuted, surrendered, redeemed, assigned, voluntarily disposed, nor be the object of a waiver of rights, conversion or transfer other than:

- within the limits permitted under applicable pension legislation, as described in this section,
- to reduce the amount of tax otherwise payable under section X.1 of the *Income Tax Act* (Canada).

Contributions are also exempt from seizure, attachment and execution, except for payment of alimony debt which may be paid in a lump sum payment in execution of a judgment in favour of the contractholder's spouse.

Subject to applicable pension legislation and the *Income Tax Act* (Canada), the contractholder may not request the redemption or transfer of the Beneva LIRA if the investments have not reached maturity.

Beneva is entitled to rely on the information that the contractholder provides it with when he makes the redemption or transfer request.

Beneva proceeds with payment in cash within 60 days of receipt of the duly completed request. In the case of a transfer to another financial institution, the time period is 30 days.

Any lump sums withdrawn are fully taxable in the year in which they are withdrawn.

The contractholder may request redemption of the whole value of the Beneva LIRA to be paid in a lump sum or to be transferred to a RRSP or a RRIF if:

- he is at least 55 years old at the end of the year preceding the application,
- the value of all assets he owns in all retirement savings arrangements referred to in the applicable legislation is less than 40% of the Year's Maximum Pensionable Earnings for that calendar year,
- the application is accompanied by one of the 2 following documents:
 - a) a declaration about a spouse described in Schedule 3, or
 - b) a statement signed by the owner attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

The contractholder may request the redemption of the whole value of the Beneva LIRA if:

- he has been away from Canada for at least 2 years, and
- the application is accompanied by a written determination from the Canada Revenue Agency that the person is a nonresident for the purposes of the *Income Tax Act* (Canada), and
- the application is accompanied by one of the 2 following documents:
 - a) a declaration about a spouse described in Schedule 3, or
 - b) a statement signed by the owner attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

The contractholder may request redemption of the Beneva LIRA, in whole or in part, if:

- he has an illness or physical disability that is likely to shorten his life expectancy to less than two years, and
- the application is accompanied by a statement from a qualified medical practitioner that certifies that fact in writing to Beneva, and
- the application is accompanied by one of the 2 following documents:
 - a) a declaration about a spouse described in Schedule 3, or
 - b) a statement signed by the owner attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

The contractholder may request redemption of the Beneva LIRA, in whole or in part, as a lump sum payment or a series of payments, if:

- he meets the requirements of one the the circumstances of financial hardship described in the *Pension Benefits Regulations*, and
- the application is made directly to Beneva, and
- the application is accompanied by one of the 2 following documents:
 - a) a declaration about a spouse described in Schedule 3, or
 - b) a statement signed by the owner attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

Before the Beneva LIRA is converted to a life annuity, the contractholder may transfer his Beneva LIRA in whole or in part to:

- a Registered Pension Plan (RPP) subject to the provisions set out under applicable pension legislation,
- another LIRA,
- a LIF,
- a life annuity contract that meets the requirements of applicable pension legislation and of the *Income Tax Act* (Canada),
- any other plan or vehicle authorized under applicable pension legislation.

Before proceeding to transfer contributions from an Beneva LIRA to another financial institution, Beneva will ensure that the transfer is permitted under the applicable pension legislation.

Beneva must also notify in writing the other financial institution that the contributions must remain locked in and ensure that the other financial institution accepting the transfer is subject to the legal conditions set out in applicable pension legislation.

Conversion to Annuity

If, before the end of the calendar year in which the contractholder turns **age 71**, or any other age limit specified under the *Income Tax Act* (Canada), such contractholder has not made an application to purchase a retirement product issued by Beneva, then Beneva shall convert the Beneva LIRA to an Beneva LIF with the minimum annual withdrawal amount provided for under the *Income Tax Act* (Canada), and in conformity with applicable pension legislation.

Unless the Beneva LIRA has been previously transferred, notably to an Beneva LIF, or redeemed, the Beneva LIRA plan may only be converted to a life annuity guaranteed by an insurer compliant with section 22 of the Pension Benefits Regulations, for the duration of the contractholder's life or his life and his spouse's life. Annuity payments must not commence before the contractholder attains the age of **55 years** if none of the money in the account used to purchase the annuity is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the contractholder.

Annuity payments must be in the form of equal payments, except if each amount payable is uniformly increased by reason of an index or a rate permitted under the *Income Tax Act* (Canada) or a rate provided for in the contract. Annuity payments may also be uniformly modified by reason of:

- a seizure effected on the rights of the contractholder,
- a redetermination of the contractholder's pension,
- partition of the contractholder's rights with the spouse,
- payment of a temporary pension under the conditions provided for under pension legislation where applicable, or
- any other option set out under applicable pension legislation and in compliance with the *Income Tax Act* (Canada).

Subject to applicable pension legislation and the *Income Tax Act* (Canada), the contractholder may not request conversion of the Beneva LIRA to an annuity, if the investments have not reached maturity.

If the contractholder has an eligible spouse on the date that pension payments commence, the pension must be for a joint and survivor pension, unless the spouse has, before commencement of pension benefit payments to the contractholder, waived entitlement in writing. The eligible spouse may also revoke this waiver by writing to Beneva.

The amount of the joint and survivor pension payable to the eligible spouse must be equal to at least 60% of the amount that was payable to the contractholder prior to his death, taking into account any adjustments permitted under applicable pension legislation.

The annuity to be provided to the contractholder with an eligible spouse at the date the pension commences is to be such joint life annuity under which the amount of annuity payable after the death of the eligible spouse is not less than 60% of the amount of annuity paid during their joint lives.

A life annuity that is constituted with contributions from an Beneva LIRA shall not differentiate on the basis of the gender of the contractholder. However, if for a time period stipulated under the pension legislation the value of the pension benefit credits transferred to the Beneva LIRA was determined on a basis that differentiated on the basis of the gender of the contractholder, a statement to this effect must be included as an appendix to the Beneva LIRA plan and form an integral part of it in accordance with this legislation. The life annuity shall therefore be established in conformity with this statement.

Benefit Payable Upon Death of Contractholder

If the death of the contractholder occurs before conversion of the Beneva LIRA to a life annuity, the spouse is entitled to a benefit payable upon the death of the contractholder and has precedence over any beneficiary or the estate of the contractholder in conformity with applicable pension legislation, unless:

- the spouse had previously waived such entitlement, or
- the contractholder was not a member or former member of a pension plan from which assets were transferred directly or indirectly to purchase the Beneva LIRA.

The spouse may transfer the benefit to an RRSP or an RRIF in accordance with the *Income Tax Act* (Canada).

If there is no eligible spouse, or if this latter has waived entitlement to the death benefit, the value of the Beneva LIRA shall be paid in a lump sum, periodic installments or any other settlement method available at the time of the claim to the designated beneficiary(ies), or in the absence of any such beneficiary, to the estate of the contractholder.

The contractholder's spouse may cease to be entitled to the death benefit upon:

- separation from bed and board,
- divorce,
- annulment of marriage or,
- in the case of unmarried spouses, on the date cessation of the conjugal relationship occurs.