

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 LIF 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 LIF 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 LIF,
- 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 LIF since the last statement,
- the value of the Beneva LIF at the beginning and the end of the period covered by the statement,
- the minimum and maximum income amount that may be paid to the contractholder as income for the fiscal year in progress.

When the total amount of the Beneva LIF is transferred to another financial institution, or transferred to another Beneva plan, or converted to a life annuity, Beneva sends the contractholder a statement established on the date of the transfer or conversion.

Upon the death of the contractholder, Beneva must provide to the contractholder’s spouse or, failing that, to his successors a statement established at the date of death and containing the information prescribed in the applicable pension legislation.

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 LIF, 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 LIF plan must come from:

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

The spouse must consent to the transfer in the manner prescribed by the *Pension Benefits Regulation*, unless:

- he is separated from bed and board from the contractholder on the date of constitution of the fund,
- the contractholder provides a statement certifying that the contributions invested in the Beneva LIF do not originate, directly or indirectly, from pension benefit credits related to any employment of his,
- all of the contributions used for the constitution of the Beneva LIF originate from the retirement benefits of the contractholder’s ex-spouse as a result of the dissolution of their marriage or conjugal relationship.

If a transfer is made directly or indirectly from a registered pension plan before the contractholder turns **age 55**, Beneva ensures that the contractholder is eligible to retire under the conditions of the registered pension plan from which the transferred funds originated. If this information is not provided, Beneva refuses the transfer in order to prevent payments from the Beneva LIF being made in contradiction with applicable pension legislation. For other situations, Beneva ensures that requirements regarding the prescribed age for the purchase of an Beneva LIF are respected.

Beneva is entitled to rely on the information provided by the contractholder or pension plan administrator with respect to the date the contractholder is entitled to begin receiving income payments out of the Beneva LIF.

In addition, 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 LIF, income may not be paid out of the Beneva LIF before the date on which the member or former member of the pension plan begins to receive the monies out of his Beneva LIF, or his life annuity, or on the normal retirement date under the pension plan, whichever of these dates occurs first in accordance with applicable pension legislation.

In the event that Beneva is aware that the monies transferred to the Beneva LIF are subject to these restrictions, Beneva refuses the transfer of these contributions to the Beneva LIF if the documents submitted to it do not include all of the information required for it to be able to determine if income may be paid out of the Beneva LIF. In all cases, it is the responsibility of the contractholder to inform Beneva if the monies transferred are subject to the restrictions provided for in the present paragraph and Beneva is entitled to rely on the information provided.

The contributions invested in an Beneva LIF, 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 LIF 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 LIF 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 LIF 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 LIF 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 LIF 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 a one-time redemption of an amount of up to 50% of his Beneva LIF to be paid in a lump-sum, or transfer it to an RRSP or RRIF if:

- the request is made within 60 days of the transfer into the Beneva LIF, and
- the application is accompanied by one of the 2 following documents:
 - a) a declaration about a spouse described in Schedule 1.1, 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, and
- if the assets are transferred from another LIF, the contractholder cannot make such withdrawal or transfer unless the transfer into the Beneva LIF was made in accordance with the terms of an order under the Family Law Act or a domestic contract as specified in the applicable pension legislation.

The contractholder may request redemption of the whole value of the Beneva LIF 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 in all life income funds, locked-in retirement income funds and locked-in retirement accounts he owns 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 1.1, 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 LIF 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 1.1, 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 LIF, in whole or in part, if:

- he has an illness or physical disability that is likely to shorten his or her 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 1.1, 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 LIF, 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 1.1, 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 LIF is converted to a life annuity, the contractholder may transfer is Beneva LIF in whole or in part to:

- another 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 LIF 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 or pension plan administrator 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.

Payment of Annual Income Amount

Payment out of the Beneva LIF must not begin before:

- the earliest date on which the former member is entitled to receive a pension under any pension plan from which money was transferred into the fund directly or indirectly.

Payment out of the Beneva LIF must begin:

- no later than the last day of the second fiscal year.

The contractholder will establish the amount of income to be paid during the current year. If the contractholder does not to give instructions to Beneva within the required time period or if the instructions are not in accordance with applicable pension legislation or the *Income Tax Act* (Canada), then Beneva will pay the minimum income amount required under the *Income Tax Act* (Canada).

Beneva is entitled to rely on the information provided by the contractholder or pension plan administrator with respect to the date the contractholder is entitled to begin receiving income payments out of the Beneva LIF.

The amount of income paid out of the Beneva LIF during a fiscal year must not:

- must not be less than the minimum amount prescribed for registered retirement income funds under the *Income Tax Act* (Canada), and
- exceed the maximum described in **Schedule 1.1**.

If a part of the Beneva LIF purchased at the beginning of a fiscal year corresponds to sums transferred directly or indirectly during the same year from another LIF or LRIF of the contractholder, the maximum shall be deemed to be zero.

If the initial fiscal year of the Beneva LIF is less than 12 months, then the maximum income amount is adjusted in proportion to the number of months in said fiscal year divided by 12, with any part of any partial month counting as one month.

Conversion to Annuity

Unless it has been previously transferred, or redeemed, the Beneva LIF plan may be converted to a life annuity guaranteed by an insurer, for the duration of the contractholder's life or his life and his spouse's life. Subject to the terms of the Annuity Contract and Retirement Plan Riders, the Beneva LIF may be converted at any time to a life annuity.

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,
- 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 LIF 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 to be paid 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 LIF 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 LIF 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 LIF 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 LIF 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 LIF.

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.