

General Information and Definitions

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.

“Act” means the Newfoundland and Labrador *Pension Benefits Act*, 1997;

“financial institution” means the savings institution or insurance company providing a LIRA;

“fiscal year” means a fiscal year of the LIRA;

“Income Tax Act” means the *Income Tax Act* (Canada);

“LIRA” means a registered retirement savings plan established in accordance with the *Income Tax Act* that is locked-in in accordance with the Regulations and meets the conditions set out in Directive No. 4, known as a Locked-In Retirement Account;

“life annuity contract” means an arrangement made to purchase, through a person authorized under the laws of Canada or a province to sell annuities as defined in the *Income Tax Act*, a non-commutable pension, in accordance with Directive No. 6, that will not commence before that person attains the age of 55 years, or, if that person provides evidence to the satisfaction of the financial institution that the plan or any of the plans from which the money was transferred provided for payment of the pension at an earlier age, that earlier age;

“list” means the appropriate list of retirement savings arrangements established and maintained under section 18 of the Regulations; “owner” means the member or former member of a pension plan who has made a transfer pursuant to section 40 of the Act to a LIRA and, unless otherwise stated, includes the principal beneficiary or former principal beneficiary of the member or former member if the principal beneficiary or former principal beneficiary is entitled to a pension benefit as a result of the death of the member or former member or as a result of marriage breakdown;

“principal beneficiary” means the spouse of a member or former member, or where the member or former member has a cohabiting partner, the member or former member’s cohabiting partner, as defined in the Act;

“Regulations” means the *Pension Benefits Act Regulations* under the Act;

“YMPE” means the Year’s Maximum Pensionable Earnings under the Canada Pension Plan for a specified calendar year.

However, the definition of “principal beneficiary” 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.

All contracts are subject, with any necessary modifications, to the division of pension benefits on marriage breakdown provisions in Part VI of the Act.

The fiscal year of the 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.

Irregular Payments

If an amount is paid out of the contributions invested in the contractholder’s Beneva LIRA in violation of the provisions under this contract or under the pension legislation, Beneva affirms that it will, unless this payment is due to misrepresentation on the part of the contractholder, provide or ensure the provision of a pension equal in value to the pension that would have been provided had such amount not been paid out.

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 Registered Pension Plan (RPP) governed by applicable pension legislation,
- another LIRA,
- 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 (the Information folder or Appendix) 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).

The owner agrees not to assign, charge, anticipate or give as security money under a LIRA except as permitted under the Act.

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 principal beneficiary.

No part of the contributions that are invested or transferred to the Beneva LIRA shall be invested, directly or indirectly, in any mortgage under which the mortgager is the contractholder or the parent, brother, sister or child of the contractholder, or the spouse of any such person.

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 if either:

- a) the value of all assets in all LIFs, LRIFs and LIRAs he owns and governed by the applicable pension legislation is less than 10 % of the year's maximum pensionable earnings under the Canada Pension Plan for the year in which the application is made, and he made the request by filling out the approved Form, and his principal beneficiary has waived the entitlement to a survivorship annuity in the manner prescribed in the applicable legislation, if he is a former member of a pension plan, or,
- b) he has reached the earlier of age 55 and the earliest date on which he would have been entitled to receive a pension benefit under the plan from which money was transferred he made the request by filling out the approved Form, and
the total assets in all LIFs, LRIFs and LIRAs he owns is less than 40% of the Year's Maximum Pensionable Earnings for the calendar year of the redemption request, and his principal beneficiary has waived the entitlement to a survivorship annuity in the manner prescribed in the applicable legislation, if he is a former member of a pension plan, and,
- c) within the same calendar year, the owner has not made a withdrawal due to financial hardship under section 14 from the LIRA or, where part of the LIRA corresponds to amounts transferred directly or indirectly from another LIRA, Life Income Fund, or Locked-in Retirement Income Fund, the owner has not made a withdrawal under section 14 from the original retirement savings arrangement.

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:

- a qualified medical practitioner certifies in writing to Beneva that he suffers from a significant physical or mental disability that considerably reduces life expectancy, and
- his principal beneficiary has waived the entitlement to a survivorship annuity in the manner prescribed in the applicable legislation, if he is a former member of a pension plan.

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 LRIF,
- 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 must first ensure that:

- the transfer is permitted under the applicable pension legislation, and
- the other financial institution agrees to administer the amount transferred as a pension benefit in accordance with the applicable pension legislation, and
- Beneva has advised in writing the other financial institution that the amount transferred must be administered as a pension benefit under the applicable pension legislation.

Redemptions due to Financial Hardship

The contractholder may request redemption of the Beneva LIRA as lump sum payment due to financial hardship, if:

- the application for a withdrawal due to financial hardship under this section was made directly to Beneva;
- the owner has not applied within the calendar year for the same category of financial hardship described in section 14(c)(i) of Directive No. 4 in respect of each LIRA, Life Income Fund, or Locked-in Retirement Income Fund;
- subject to any requirements outlined in this section, an owner is eligible to complete an application to withdraw an amount not greater than the sum of the following amounts:
 - i) an amount with respect to one of the following categories:
 - A) Low Income: Where the owner's expected total income for the oneyear period following the date on which the application is signed, from all sources other than the withdrawal amount, is not more than 66.66% of the YMPE for the calendar year in which the application is signed, the amount determined by subtracting 75% of the expected total income from 50% of the YMPE for the calendar year in which the application for the withdrawal is signed;
 - B) Medical Expenses: Where the owner is unable to pay for medical expenses incurred or to be incurred by the owner, the owner's principal beneficiary, or a dependent of either and the medical expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these medical expenses;
 - C) Disability-related Expenses: Where the owner is unable to pay for disability related expenses incurred or to be incurred by the owner, the owner's principal beneficiary, or a dependent of either and the expenses are not paid by and are not subject to reimbursement from any other source, the amount required to pay these disabilityrelated expenses;
 - D) Mortgage Payments: Where the owner or the owner's principal beneficiary has received a written notice in respect of a default on a mortgage that is secured against the principal residence of the owner or the owner's principal beneficiary which will result in foreclosure or power of sale if the default is not rectified, the amount required to rectify the default;
 - E) Rental Arrears: Where the owner or the owner's principal beneficiary has received a written notice in respect of arrears in the payment of rent for the principal residence of the owner or the owner's principal beneficiary and the owner or the principal beneficiary could be evicted if the arrears remain unpaid, the amount required to pay the rental arrears; or
 - F) First Month's Rent and Security Deposit: Where the owner is unable to pay the first month's rent and the security deposit required to rent a principal residence for the owner or the owner's principal beneficiary, the amount required to pay the first month's rent and the security deposit; and
 - ii) the amount of any applicable tax required to be withheld by the financial institution providing the LIRA.

An application for withdrawal under section shall be:

- a) on a form approved by the Superintendent and shall include any supporting documentation required by the Regulations, which are specified on the form; and
- b) where the owner is a former member of a pension plan, accompanied by the written consent of the principal beneficiary of the former member, in the form and manner required by the Superintendent.

Redemptions due to Non-Residency

The contractholder may request redemption as a lump sum equal to the value of the entire contract if he provides Beneva with:

- a) a statutory declaration in accordance with the Evidence Act confirming they have resided outside Canada for at least 2 consecutive calendar years and are residing outside of Canada on the date of signing the declaration; and
- b) where the owner is a former member of a pension plan, the written consent of the principal beneficiary of the former member, in the form and manner required by the Superintendent.

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 a 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 transfered, notably to an Beneva LIF, or redeemed, the Beneva LIRA plan may only 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. Annuity payments must not commence before the contractholder attains the age of **55 years**, or, if the contractholder provides evidence to the satisfaction of Beneva that the plan from which the money was transferred provided for payment of the pension at an earlier age, that earlier age.

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 a principal beneficiary on the date that pension payments commence, the pension must be for a joint and survivor pension, unless the principal beneficiary has, before commencement of pension benefit payments to the contractholder, waived entitlement in writing.

The principal beneficiary may also revoke this waiver by writing to Beneva.

The amount of the joint and survivor pension payable to the principal beneficiary 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, and including where applicable, during the replacement period, the amount of any temporary pension.

The annuity to be provided to the contractholder with a principal beneficiary 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 principal beneficiary 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, and if:

- the contractholder is a former member of a pension plan,

the principal beneficiary 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.

If there is no principal beneficiary, or if this latter has waived entitlement to the death benefit, 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.

If the death of the contractholder occurs before conversion of the Beneva LIRA to a life annuity, and if:

- the contractholder is not a former member of a pension plan,

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, where there is no beneficiary, to the estate of the contractholder.