

## RE: QUÉBEC LIF ADDENDUM

We are pleased to provide you with this Locking-In Supplement which forms part of the Mackenzie Investments Multi-Plan Application and the Mackenzie Retirement Income Fund Declaration of Trust. This Locking-In Supplement contains additional provisions that govern your Life Income Fund (LIF).

We ask that you review this Locking-In Supplement and keep this copy for your records.

If you have any questions regarding this Locking-In Supplement, please contact your Financial Advisor or Client Relations at 1-800-387-0614.

Thank you for continuing to make Mackenzie Investments a part of your long-term investment plan.

Sincerely,

MACKENZIE INVESTMENTS

### ADDENDUM DEFINITIONS

1. A "Multi-Plan Application" refers to the application and Mackenzie Retirement Savings Plan Declaration of Trust or Mackenzie Retirement Income Fund Declaration of Trust, as applicable, contained in the Multi-Plan Application.
2. This Addendum shall form part of the Multi-Plan Application. The provisions of this Addendum shall take precedence over any provisions to the contrary contained in Multi-Plan Application, so long as those provisions do not contravene the Income Tax Act (Canada).
3. The term "Registered Retirement Income Fund" ("RRIF"), where used in this Addendum, shall have the same meaning as in the Income Tax Act (Canada).
4. "Legislation" shall mean:
  - a. "legislation governing the RRIF", which shall mean
    - i. the Income Tax Act (Canada); and
    - ii. the Taxation Act (Quebec); and
  - b. "legislation governing the LIF", which shall mean:
    - i. the Supplemental Pension Plans Act (Quebec) (the "Act");
    - ii. the Regulation respecting supplemental pension plans ("the Regulation").
5. The Annuitant (hereinafter referred to as the "Purchaser") of the LIF, hereby transfers money and other property to B2B Trustco (the "Trustee"), which agrees to act as trustee of the trust created hereunder. The Trustee's Head Office is located at 199 Bay Street, Suite 600, PO Box 279 STN Commerce Court, Toronto, Ontario M5L 0A2.
6. The following terms, where used in this Addendum, shall have the same meaning as in the Legislation concerning the Account:
  - a. "Life Income Fund" ("LIF");
  - b. "Locked-In Retirement Account" ("LIRA"); and
  - c. "Spouse".
7. Notwithstanding anything to the contrary contained in this Addendum, the term "Spouse" does not include any person who is not recognized as a spouse or common-law partner under the Income Tax Act (Canada).
8. "Maximum pensionable earnings" ("MPE") for a year shall mean the maximum pension earnings determined in accordance with the Act respecting the Quebec Pension Plan for that year.
9. The "fiscal year" is a period which must end December 31 and not exceed 12 months.

### ESTABLISHING THE LIF

10. In addition to the restrictions set out in this Addendum, the investments in the LIF shall be governed by, and in accordance with, the investment provisions of the RRIF.
11. The Purchaser shall transfer or have transferred to the Trustee, only sums that originate directly or initially from:
  - a. a registered pension plan governed by the Act;
  - b. a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
  - c. a supplemental pension plan established by an act emanating from the Parliament of Quebec or from other legislative authority;
  - d. the locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act (c. R- 17.0.1) or any successor legislation;
  - e. the locked-in account of a voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided the Purchaser joins that plan as part of his employment;
  - f. a LIRA;
  - g. an annuity contract as defined in Section 30 of the Regulation; or
  - h. a LIF.
12. The LIF assets may not be assigned, transferred or withdrawn except where expressly authorized by legislation.

13. The LIF shall not confer any benefit or loan other than a benefit or loan described in Section 18 of the Regulation, as described herein. Transfers from the LIF
14. Unless a term agreed to for the investments has not expired, all or part of the LIF can be transferred, at the Purchaser's written request, and in accordance with the Regulation, into an account for the Purchaser that is outlined in paragraph 11 of this Addendum.
15. Prior to the LIF transfer, the Trustee shall pay to the Purchaser under age 55 any remaining amount of the total annual LIF payment previously elected or deemed to have been elected for the fiscal year, and not yet paid to the Purchaser.
16. A transfer shall be subject to any restrictions on surrender of the particular investment.

### CONVERSION TO A LIFE PENSION

17. At any time, all or part of the LIF may be converted into a life pension guaranteed by an insurer and established for the duration of the life of the Purchaser alone or for the duration of the life of the Purchaser and the life of the Purchaser's Spouse, where:
  - a. the insurer guarantees payment of that pension in periodic, equal amounts that may not vary unless each of them is uniformly increased, in accordance with an index or a rate as provided for in the annuity contract, or uniformly amended by reason of:
    - i. seizure effected on the Purchaser's rights;
    - ii. a redetermination of the Purchaser's pension;
    - iii. the partition of the Purchaser's rights in favour of the Purchaser's Spouse;
    - iv. the payment of a temporary pension under the requirements provided for in Section 91.1 of the Act;
    - v. the option provided for in subsection 93(3) of the Act; or
  - b. in the event of the death of the Purchaser who is a former member or member of the pension plan from which the LIF is derived, the insurer guarantees to the Purchaser's Spouse who has not waived it or otherwise ceased to be entitled to it, a life pension equal to at least 60% of the amount of the pension that the Purchaser was receiving; including, during the replacement period, the amount of the temporary pension.

### DEATH OF THE PURCHASER

18. If the Purchaser is a former member or member of the pension plan from which the LIF is derived and dies prior to conversion of the full amount of the fund balance into a life annuity, then upon receipt of proper proof of death, the Trustee shall liquidate the LIF and make payment in a lump sum:
  - a. subject to paragraphs 20 and 21 of this Addendum, to the Purchaser's Spouse;
  - b. if the Purchaser does not have a Spouse, and the Purchaser was domiciled in Quebec, then to the Purchaser's estate;
  - c. if the Purchaser does not have a Spouse, and the Purchaser was not domiciled in Quebec, then to a beneficiary on death designated by the Purchaser; or
  - d. If the Purchaser does not have Spouse, and the Purchaser was not domiciled in Quebec, and the Purchaser had not designated a beneficiary on death, then to the Purchaser's estate.
19. If the Purchaser is not a former member or member of the pension plan from which the LIF is derived and dies prior to conversion of the full amount of the fund balance into a life annuity, then upon receipt of proper proof of death, the Trustee shall liquidate the LIF and make payment in a lump sum:
  - a. if the Purchaser was domiciled in Quebec, then to the Purchaser's estate;
  - b. if the Purchaser was not domiciled in Quebec, then to a beneficiary on death designated by the Purchaser; or
  - c. If the Purchaser was not domiciled in Quebec, and the Purchaser had not designated a beneficiary on death, then to the Purchaser's estate.
20. A Spouse ceases to be entitled to the benefits provided for in subparagraphs 17(b) and 18(a) of this Addendum, upon separation from bed and board, divorce, annulment of marriage, nullity or dissolution of civil union or, in the case where the Spouse is neither married or in a civil union, upon cessation of conjugal relationship, unless the Purchaser has provided the Trustee with the notice provided for in Section 89 of the Act.

21. A Spouse may, by giving notice in writing to the Trustee, waive his or her right to receive the pension benefit provided for in subparagraph 18(a) of this Addendum, or the life pension provided for in subparagraph 17(b) of this Addendum. The Purchaser's Spouse may also revoke such a waiver by giving notice in writing to the Trustee to that effect prior to the death of the Purchaser or prior to conversion of the LIF into a life annuity as provided for in subparagraph 19(b) of this Addendum.

#### WITHDRAWALS FROM THE LIF – UNPAID ALIMONY

22. The Trustee will make a lump-sum payment representing the seizable portion of the balance of the LIF in execution of a judgment rendered in favour of the Purchaser's Spouse that gives entitlement to a seizure for unpaid alimony.

#### WITHDRAWALS FROM THE LIF – TEMPORARY INCOME: PURCHASERS AGED UNDER 55 AT THE TIME THE APPLICATION FOR INCOME IS FILED

23. Upon receipt from a Purchaser who is less than 55 years of age, the Trustee shall, in that fiscal year pay to the Purchaser all or part of the balance of the LIF from a temporary income payable in monthly instalments under the following conditions.
- The monthly instalments may not exceed one twelfth of the difference between the two following amounts:
    - 50% of the MPE determined for the year of payment;
    - 100% of the income of the Purchaser for the following 12 months, excluding the temporary income provided for in this paragraph;
  - The income of the Purchaser for the following 12 months, excluding the temporary income, cannot exceed 50% of the MPE;
  - The Purchaser must present a request to the Trustee, accompanied by the appropriate declaration provided in Schedule 0.5 of the Regulation and the Purchaser's written undertaking to request for the interruption of payments as soon as the Purchaser's income, excluding the temporary income, reaches 50% of the MPE;
  - Temporary income cannot be paid to the Purchaser when the Purchaser has requested the interruption of instalments, nor after the end of the year in which the Purchaser attains 55 years of age; and
  - The Purchaser who is entitled to receive the income provided in this paragraph and who is a member or Spouse entitled to a pension under a supplemental pension plan may request, for purposes of replacing this pension by temporary income, once per year, the transfer from the pension plan to the LIF of a sum equal to the lesser of:
    - the additional amount required so that the balance of the LIF will allow, until the end of the year, service of the monthly instalments provided in this paragraph; and
    - the value of benefits under the plan.
24. Temporary income cannot be transferred to an RRSP, RRIF or non-locked-in VRSP account governed by the *Voluntary Retirement Savings Plans Act*.

#### WITHDRAWALS FROM THE LIF – LIFE INCOME LIMIT: PURCHASERS LESS THAN 55 YEARS OF AGE

25. The trustee, in a fiscal year, shall pay to a Purchaser who is less than 55 years of age an income from the LIF assets of an amount selected by the Purchaser which is not less than the minimum nor greater than the maximum payment as described below.
- Minimum Annual Payment
    - the minimum annual payment shall be the "minimum amount" as defined in the Income Tax Act (Canada);
    - for the initial fiscal year, the minimum payment shall be zero;
  - Maximum Annual Payment
    - The maximum annual payment shall be the maximum temporary income for the fiscal year or zero, as the case may be, plus the life income limit, all determined in accordance with the Regulation. Payments shall be made from each LIF as one aggregate annual amount or may be paid out in equal periodic payments. There must be at least one payment in each fiscal year, except the initial fiscal year. The Trustee shall make payment in accordance with the Purchaser's written instructions.
26. Where the Purchaser transfers a LIF to the Trustee during a fiscal year, the Trustee shall refrain from making any payments with respect to the amounts transferred from the LIF until the fiscal year following the year of transfer.
27. The Trustee shall be entitled to withdraw sufficient assets from the LIF to make the required payments to the Purchaser.
28. At no time shall any payment exceed the value of the LIF assets immediately prior to the time of payment. The Purchaser may vary the aggregate annual amount of payment in accordance with the Regulation.
29. The frequency and amount of the aggregate annual LIF payment shall be determined in accordance with the Regulation and subject to the following provisions:
- if the Purchaser has never provided the Trustee with the instructions described in paragraph 25 of this Addendum in regards to the amount to be paid out of the LIF, the Trustee will pay out of the LIF in that year, the minimum amount determined in accordance with the Income Tax Act (Canada) or paragraph 31 of this Addendum, as the case may be;
  - the Purchaser shall be permitted to increase the amount to be paid out of the LIF (up to the "maximum" determined under paragraph 25 of this Addendum) in a fiscal year by informing the Trustee, no later than November 30th of that fiscal year;

- the Trustee has no obligation to accept instructions to increase the amount to be paid out of the LIF in a fiscal year if those instructions are received after November 30 of that fiscal year, and will do so only in its sole discretion.
30. Life income cannot be transferred to an RRSP, RRIF or non-locked-in VRSP account governed by the *Voluntary Retirement Savings Plans Act*.

#### WITHDRAWALS FROM THE LIF – PURCHASERS AGED 55 YEARS AND OVER

31. The Trustee shall in a fiscal year pay a Purchaser of 55 years of age or over an income from the LIF assets of all or part of the balance of the funds in one or more instalments as selected by the Purchaser each year; this income shall not be less than the minimum payment as defined in the Income Tax Act (Canada).
32. The amount of life income that can be obtained from money held by a Purchaser of 55 years of age and over is estimated in accordance with the Regulation.
33. Notwithstanding the amount of life income estimated in section 34 of this addendum, all or part of the balance of the LIF of a Purchaser of 55 years of age and over may, unless the term of the investment has not expired, be paid on demand in one or more instalments at any time during a fiscal year.
34. Payment of all or part of the balance of the funds in one or more instalments shall be made irrespective of the life income amount or of whether payment is made in one or more instalments selected or received by the Purchaser in the current fiscal year.
35. The lifetime income, or as the case may be, payment of all or part of the balance of the funds in one or more instalments, may not be transferred to an RRSP, RRIF or non-locked-in VRSP account governed by the *Voluntary Retirement Savings Plans Act*.

#### TRUSTEE LIABILITY

38. If the income paid to the Purchaser during a fiscal year exceeds the maximum amount that may be paid according to the Act or the Regulation, the Purchaser may, unless the payment is attributable to a false declaration by him, require that the Trustee pay him as a penalty, a sum equal to the surplus income paid.
39. The Trustee shall not be liable in any capacity for, or in respect of, any loss suffered or incurred by the LIF, caused by or resulting from any investment or deposit made by the Trustee where the Trustee follows the instructions of the Purchaser. Similarly, the Trustee shall not be so liable unless the loss is caused by or results from the Trustee's dishonesty, bad faith, wilful misconduct, gross negligence or reckless disregard.

#### STATEMENTS FROM THE TRUSTEE TO THE PURCHASER

40. The Trustee shall at the beginning of each fiscal year of a LIF that it manages, provide the Purchaser with a statement that indicates:
- the balance of the LIF at the said date and where required, the balance as indicated on the previous statement pertinent thereto, along with an indication of the sums of deposit, the accumulated earnings, withdrawals and fees;
  - where the beginning of the fiscal year is later than the beginning of the year and the Purchaser is less than 55 years of age, amounts received directly or indirectly during the year from another LIF or supplemental pension plan with variable benefits governed by the regulation.
  - The minimum that must be paid to the Purchaser as income or payment, in one or more instalments, in the current fiscal year.
  - where the Purchaser is less than 55 years of age at the end of the preceding year:
    - the life income limit;
    - the conditions that the Purchaser must meet in order to be entitled to payment of temporary income;
    - A statement that the transfer to the fund of amounts from another LIF or variable benefit supplemental pension plan subject to the Regulation cannot result in a revision of the maximum amount that may be paid to the Purchaser in the fiscal year;
    - A statement that, if the Purchaser wishes to transfer all or part of the balance of the LIF by receiving from the fund the income selected by the purchaser for the fiscal year, the Purchaser must ensure that the balance of the fund after the transfer is at least equal to the difference between the income selected for the fiscal year and the income received since the beginning of that fiscal year.
  - where the Purchaser is 55 years of age or older at the end of the preceding year:
    - the estimated lifetime income for the current year, specifying that this amount is an estimate and may vary owing to factors including withdrawals and the fund performance;
    - the assumptions relating to age of death and rate of return used to estimate lifetime income;
    - a statement that notwithstanding the estimated amount of life income, all or part of the balance of the LIF may, unless the term of the investments has not expired, be paid on demand in one or more instalments at any time during a fiscal year. Furthermore, such payment shall be made irrespective of the amount of life income or payment in one or more instalments selected or received by the Purchaser for the current year.
  - Where the Purchaser will turn 55 years of age during the current fiscal year: a statement that, on turning 55 years of age, they can take advantage of the LIF withdrawal provisions for constituents 55 years of age and over.
41. Where the balance of the LIF is transferred to another financial institution or converted into a life pension with an insurer, or where the Purchaser who is a former member or member dies, the Trustee shall provide to the Purchaser, or, as the case may be, the Purchaser's surviving Spouse or, failing that, the beneficiary on death designated by the

Purchaser (if the Purchaser is domiciled outside of Québec), or failing that, the Purchaser's estate, a statement established at the date of transfer, or date of conversion into a life annuity, or date of death, as the case may be, which contains the information described in subparagraph 40(a) of this Addendum.

### **VALUATION**

42. Upon a transfer, a conversion in an annuity or upon death, the value of the LIF balance at such date is established according to the fair market value.

### **AMENDING THE ADDENDUM**

43. The Trustee reserves the right to amend this Addendum from time to time provided always that such Addendum is in compliance with the Act, the Regulations, the Income Tax Act (Canada), and the standard contract amended and registered with the Québec Pension Plan and, unless such changes are a requirement of legislation, shall give notice to the Purchaser of such amendment.
44. This Addendum is subject to all applicable legislation, as may be amended from time to time, which will prevail over any inconsistent or conflicting provisions in the Addendum.
45. Furthermore, the Trustee shall not make any amendment that would reduce the benefits without giving the Purchaser notice of the nature of the amendment and providing there is a right to transfer the LIF, in accordance with the Regulation, to another account with the Trustee or with another financial institution. The Trustee shall provide the Purchaser with such notice at least 90 days in advance of the date the LIF balance can be transferred.

(01/2025)