

## Locked-in Retirement Account Endorsement for New Brunswick Pension Funds

Endorsement issued in accordance with the *Pension Benefits Act*, New Brunswick

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1. In this Endorsement, “Manulife” refers to The Manufacturers Life Insurance Company. The word “Act” means the New Brunswick *Pension Benefits Act*, and the word “Regulation” means the *General Regulation* made under the Act. The words “Tax Act” mean the *Income Tax Act* (Canada). The word “plan” refers to the retirement savings plan, to which this Endorsement applies.
2. For purposes of this Endorsement, the words “pension plan”, “spouse”, “owner”, “retirement savings arrangement”, “common-law partner” and “Superintendent” have the same meanings as are respectively given to these words in the Act and the Regulation.

Notwithstanding anything to the contrary contained in the plan, including any endorsements forming a part of it, for the purposes of any provision of the Tax Act respecting Registered Retirement Savings Plans (“RRSP”s) and Registered Pension Plans, the words “spouse” or “common-law partner” do not include any person who is not recognized as a spouse or common-law partner under the Tax Act.

3. The only amounts that may be transferred into the plan are amounts originating, directly or indirectly, from
  - (a) the fund of a pension plan that conforms with the Act and the Regulation or with similar legislation in another jurisdiction, if the money is being transferred under section 36 of the Act or under a similar provision in legislation in another jurisdiction,
  - (b) another registered retirement savings arrangement that conforms with the Act and the Regulation, or
  - (c) a life or deferred life annuity under a contract that conforms with the Act and the Regulation.
4. Except as provided for in the Regulation, the locked-in money in the plan, in whole or in part, may be converted at any time, in accordance with the provisions of the contract, only into a life annuity or a deferred life annuity that conforms with section 23 of the Regulation.

At any time before the conversion and in accordance with the contract, the owner is entitled to transfer the locked-in money in the plan, in whole or in part, to the pension fund of a pension plan or a retirement savings arrangement that is in conformity with the Act and the Regulation.

The owner shall not be entitled to make a transfer to a pension plan, as noted above, that is not registered in the province of New Brunswick unless the pension plan is registered for persons employed in a designated jurisdiction, as defined in section 3 of the Regulation, and the owner is employed in that jurisdiction by an employer who is making contributions on behalf of the owner to the pension fund that is to receive the amount to be transferred;

Any withdrawal fees specified in the plan will be applicable at the time of the conversion or transfer.

5. If the owner dies before the locked-in money in the plan is converted into a life annuity or deferred life annuity the locked-in money will be paid to the owner’s spouse or common-law partner, if there is one at the date of death. If there is no spouse or common-law partner at the date of death or the spouse or common law partner has waived all rights that he or she may have in the account under the Act, the Regulation or the contract, in the form provided by the Superintendent, the money will be paid in a lump sum to the appointed beneficiary, if any, otherwise to the estate of the owner.
6. A lump sum payment or a series of payments may be made to the owner where a physician certifies in writing to Manulife that the owner suffers from a significant physical or mental disability that considerably reduces his/her life expectancy. If the owner has a spouse or common-law partner, this paragraph applies only if the spouse or common-law partner has waived entitlement to the survivor’s pension in the form and manner provided for by the Superintendent.

7. A lump sum payment equal to the value of the entire contract may be made on application by the owner for payment at any time if:
  - (a) the total assets held by the owner in all a locked-in retirement accounts, life income funds and life or deferred life annuities would be commutable upon termination of employment if they were held in a pension fund under a pension plan that permitted payment of the commuted value of the pension benefit in accordance with section 34 of the Act,
  - (b) the total of the pension adjustments reported to the owner by the Canada Customs and Revenue Agency for the two taxation years immediately preceding the request for withdrawal is zero.
  - (c) the owner and, if applicable, the owner's spouse or common-law partner completes, in accordance with the Regulation, and submits to Manulife the form(s) provided by the Superintendent.
8. A lump sum payment equal to the value of the entire contract may be made on application by the owner for payment at any time if the owner and spouse or common-law partner, if any, certify that they are not Canadian citizens, and are not residents of Canada, as defined in the Tax Act. If the owner has a spouse or common-law partner, this paragraph applies only if the spouse or common-law partner waives entitlement to a survivor pension in the form provided by the Superintendent.
9. If the locked-in money in the plan is required to be divided under section 44 of the Act (marriage breakdown), the value is to be determined in accordance with the Act and the Regulation, and our then current administrative rules. Sections 27 to 33 of the Regulation (marriage breakdown) apply with the necessary modifications, to the division of the locked-in money in the plan.
10. The locked-in money in the plan, including interest, may not be assigned, charged, anticipated or given as security and is exempt from execution, seizure, attachment or other process of law except under and in accordance with section 44 (marriage breakdown) or subsection 57(6) (support order) of the Act. Any transaction that contravenes this paragraph is void.
11. The locked-in money in the plan, including interest, may not be commuted or surrendered during the lifetime of the owner except where an amount is required to be paid to the taxpayer to reduce the amount of tax otherwise payable under Part X.1 of the Tax Act, and except under and in accordance with subsection 33(2) (mental or physical disability), section 34 (small amount unlocking), section 44 (marriage breakdown), section 56.1 (foreign national commutation) or subsection 57(6) (support order) of the Act. Any transaction that contravenes this paragraph is void.
12. If any amendment is made to the plan that would reduce any benefits, the owner may request the transfer of the locked-in money in the plan in accordance with paragraph 4 above, before the effective date of the amendment. Manulife will send the owner a notice describing the amendment and the period during which the transfer may be requested. The owner will receive this notice at least 90 days before the effective date of the amendment.
13. The plan may be amended only to the extent that it remains in conformity with the Act and Regulation.
14. The plan may be amended to bring it into conformity with requirements under an act of the legislature of New Brunswick or other legislation in another jurisdiction.
15. Manulife will make any transfer referred to in paragraph 4 or 12 above, not more than 30 days after it receives the owner's request for the transfer.
16. All locked-in money in the plan will be held in an account containing only locked-in money, which will be separate from any account under the plan holding money that is not locked-in.
17. The commuted value of any deferred pension transferred from a pension plan, which was determined on a unisex basis or on a sex-distinct basis, as confirmed by the transferor, will have that basis preserved and will be administered as such. Any life or deferred life annuity purchased with the value of each account must also be determined on the same basis.

18. Manulife affirms the provisions contained in the plan.
19. Notwithstanding anything to the contrary contained in the plan, the conditions of this Endorsement will take precedence over the provisions in the plan in the case of conflicting or inconsistent provisions. **Future amendments to the Act and the Regulation, or subsequent legislation may override this Endorsement.**