

LOCKED-IN REGISTERED RETIREMENT SAVINGS PLAN ENDORSEMENT

Federal (LRSP)

1. **What the Words Mean:** Please remember that in this Endorsement “**I**”, “**me**” and “**my**” mean the owner of the Contract and who is the “annuitant” as defined in the *Income Tax Act* (Canada).and “**us**” and “**we**” means RBC Life Insurance Company.

Please also remember that in this Endorsement:

“**Maximum Unlocking Amount**” means the sum of M + N where:

M = the total amount of the expenditures that I expect to make on medical or disability related treatment or adaptive technology for the calendar year, and

N = is the greater of zero and the amount determined by the formula P-Q,

where;

P = 50% of the YMPE, and

Q = two thirds of my total expected income for the calendar year determined in accordance with the *Income Tax Act* (Canada), excluding withdrawals in the calendar year for financial hardship from the Contract and any other LIRSP or any RLIF, LIF or RLSP I hold.

“**Pension Act**” means the *Pension Benefits Standards Act, 1985* of Canada, as changed or replaced from time to time;

“**Regulation**” means the *Pension Benefits Standards Regulations, 1985* in force under the Pension Act, as changed or replaced from time to time; and

“**Spouse**” means the individual who is considered to be my spouse or common-law partner, as the case may be, according to section 2 of the Pension Act, however, notwithstanding anything to the contrary contained in the Contract and this Endorsement, “spouse” or “common-law partner” does not include any person who is not recognized as my spouse or common-law partner, as the case may be, for the purposes of any provision of the *Income Tax Act* (Canada) respecting RRSPs.

“**Survivor**” means (a) if there is no person described in paragraph (b), my spouse at the time of my death, or (b) my common-law partner at the time of my death.

“**YMPE**” means the year’s maximum pensionable earnings as defined in the *Canada Pension Plan*.

As well, the words “**deferred life annuity**”, “**financial institution**”, “**immediate life annuity**”, “**life income fund (“LIF”)**”, “**locked-in registered retirement savings plan (“LIRSP”)**”, “**restricted life income fund (“RLIF”)**”, “**restricted locked-in savings plan**”

(“**RLSP**”)” and “**pension benefit credit**” have the same meanings given to them in the Pension Act and the Regulation.

The other words used in this Endorsement have the same meaning given to them in the Contract. I will refer to the Contract if I need to when reading those words.

I agree as follows:

2. **General Terms:** This Endorsement will form part of the Contract. If there is a conflict between this Endorsement and the Contract, this Endorsement will prevail.
3. **LIRSP:** We will maintain the Contract as an LIRSP according to the requirements of the Pension Act, the Regulation and the *Income Tax Act* (Canada).
4. **Valuation:** The method and factors used to establish the value of the Contract, including the valuation method used to establish its value on my death or at any time, are set out in the Contract.
5. **Transfers from the Contract:** The funds from the contract Contract may only be:
 - (a) transferred to another LIRSP;
 - (b) transferred to a registered pension plan if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred amounts as if the benefit were that of a plan member with two years of membership in the plan;
 - (c) used to purchase an immediate or deferred life annuity, in accordance with the definition of retirement income in subsection 146(1) of the *Income Tax Act* (Canada), provided the annuity commences by December 31 of the year in which I attain the maximum age for the commencement of a retirement income as prescribed by the *Income Tax Act* (Canada), the Pension Act and the Regulation from time to time; or
 - (d) transferred to a LIF or to a RLIF.
6. **No Withdrawals:** Subject to this Endorsement, no withdrawal, commutation or surrender of the funds in the Contract is permitted, 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 *Income Tax Act* (Canada).
7. **Survivor’s Benefits:** Upon my death, the Total Contract Value (after deduction of any redemption, withdrawal or other fees specified in the Contract) shall be paid to my Survivor by:
 - (a) transfer to another LIRSP;
 - (b) transfer to a registered pension plan if the plan permits such a transfer and if the plan administers the benefit attributed to the transferred amounts as if the benefit were that of a plan member with two years membership in the plan;

- (c) used to purchase an immediate or deferred life annuity, as stipulated in paragraph 60(1) of the *Income Tax Act* (Canada) and provided that, if at the time of transfer: (i) my Survivor has not yet attained the maximum age for the commencement of a retirement income as prescribed by the *Income Tax Act* (Canada), the Pension Act and the Regulation from time to time, the annuity is to commence by December 31 of the year in which my Survivor reaches that age; or (ii) my Survivor has attained the maximum age for the commencement of a retirement income as prescribed by the *Income Tax Act* (Canada), the Pension Act and the Regulation from time to time, the annuity is to commence immediately following the transfer; or
- (d) transferring the Property to a LIF or to a RLIF.

Upon my death, if there is no Survivor, the Total Contract Value (after deduction of any redemption, withdrawal, or other fees specified in the Contract) shall be paid in a lump sum to my designated beneficiary or my estate.

- 8. **No Assignment:** Except as provided in subsection 25(4) of the Pension Act, the Contract may not be assigned, charged, alienated, anticipated or given as security and any transaction purporting to assign, charge, alienate, anticipate or give the Contract as security is void.
- 9. **Differentiation on the Basis of Sex:** The pension benefit credit:
 - (a) accrued before 1987, if any, and transferred to the Contract was (was not); and
 - (b) accrued after 1986, if any, and transferred to the Contract was not;varied according to sex.

Where a pension benefit credit transferred to the Contract was not varied according to sex, an immediate or deferred life annuity purchased with the funds from the Contract shall not differentiate as to sex.

- 10. **Shortened Life Expectancy:** I may withdraw Property in the Contract as a lump sum where a physician certifies that owing to mental or physical disability my life expectancy is likely to be shortened considerably.
- 11. **Financial Hardship Unlocking:** I may withdraw funds from the Contract in a lump sum, up to the lesser of the Maximum Unlocking Amount and 50% of the YMPE, minus any amount withdrawn in the calendar year for reasons of financial hardship from the Contract and any other LIRSP, or any LIF, RLSP, or RLIF, provided that:
 - (a) I certify that I have not made any withdrawals in the calendar year for reasons of financial hardship from the Contract and any other LIRSP, or any LIF, RLSP, or RLIF other than within the last 30 days before the certification;
 - (b) if the value of M under the Maximum Unlocking Amount is greater than zero,

- (i) I certify that I expect to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of my total expected income for that calendar year determined in accordance with the *Income Tax Act* (Canada), excluding any withdrawals within the calendar year for reasons of financial hardship from the Contract and any other LIRSP, LIF, RLSP, or RLIF; and
 - (ii) a physician certifies that such medical or disability-related treatment or adaptive technology is required; and
- (c) I provide to the RBC Life Insurance Company a copy of Form 1 and Form 2 of Schedule V to the Regulation.