



885 West Georgia Street, Vancouver, BC V6C 3E9

Addendum for “Locked-In” Money Transferred from a Pension Plan (Ontario)

The undersigned applicant (the “Annuitant”) has applied for a locked-in:

- (✓ Please check one.)
- HSBC Bank Canada Retirement Savings Plan (337-001)**
 - or an **HSBC Trust Company Retirement Savings Plan (544-001)**
 - or an **HSBC Mutual Funds Retirement Savings Plan (544-004)**
 - or an **HSBC Pooled Funds Retirement Savings Plan (544-008)**
 - or an **HSBC InvestDirect Self-Directed Retirement Savings Plan (544-010)**
- (the “Plan”)

In this addendum (the “Addendum”), if “HSBC Bank Canada Retirement Savings Plan” is checked-off, the issuer (the “Issuer”) is HSBC Bank Canada. If “HSBC Trust Company Retirement Savings Plan”, “HSBC Mutual Funds Retirement Savings Plan”, “HSBC Pooled Funds Retirement Savings Plan”, “HSBC InvestDirect Self-Directed Retirement Savings Plan” or “HSBC Securities Self-Directed Retirement Savings Plan” is checked-off, the Issuer is HSBC Trust Company (Canada), a subsidiary of HSBC Bank Canada. This Addendum is signed by either an authorized agent of or an authorized representative for the Issuer.

1. The Annuitant acknowledges that all or a portion of the Annuitant’s pension benefits (the “Benefits”) being transferred to the Plan are subject to the locking-in provisions of the Pension Benefits Act (the “Act”) of Ontario, or Regulations made under that Act (the “Regulations”).
2. Notwithstanding anything to the contrary contained in the Plan, including any endorsements forming a part thereof, the term “spouse” herein does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of the Income Tax Act (Canada) or the Act, as the case may be, respecting Registered Retirement Savings Plans (“RRSP’s”).
3. The Benefits transferred into the Plan, including all investment earnings, shall be locked in during the lifetime of the Annuitant, and shall be used to provide a pension as required by the Act and Regulations.
4. No transfer of Benefits from the Plan is permitted except:
 - 4.1 to transfer the Benefits on the relevant conditions specified in the Regulations to another locked-in RRSP,
 - 4.2 to purchase a life annuity contract, as stipulated in subsection 146(1) of the Income Tax Act (Canada) on the relevant conditions specified in the Regulations,
 - 4.3 to transfer the Benefits to another registered pension plan on the relevant conditions specified in the Regulations,
 - 4.4 to transfer the Benefits to a Life Income Fund (“LIF”) on the relevant conditions specified in the Regulations.

The Issuer shall make such a transfer within 30 days after the Annuitant requests it. This does not apply with respect to the transfer of assets held as securities whose term of investment extends beyond the 30-day period.

5. Except as provided in this Act, the Regulations or this Addendum, no withdrawal, commutation or surrender of Benefits is permitted except where an amount is required to be paid to the Annuitant to reduce the amount of tax otherwise payable under Part X.1 of the Income Tax Act (Canada), and any transaction to do so is void.
6. Except as provided in the Act or Regulations, the Benefits may not be assigned, charged, anticipated or given as security, and are exempt from execution, seizure or attachment, and any transaction purporting to assign, charge, anticipate or give as security the Benefits is void.
7. The Annuitant may, upon application made in accordance with the Regulations, withdraw all or part of the value of the Benefits if, when the Annuitant signs the application, the Annuitant has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

- 7.1 The Annuitant may, upon application made in accordance with the Regulations, withdraw all or part of the value of the Benefits if the Annuitant, his or her spouse or a dependant has incurred or will incur medical expenses relating to an illness or physical disability. For the purposes of this paragraph, medical expenses include expenses for goods and services of a medical or dental nature and expenses incurred or to be incurred for renovations or alternations to the principal residence of the Annuitant or the dependant and any additional expenses incurred in the construction of a principal residence made necessary by the illness or physical disability of the Annuitant, his or her spouse or a dependant. Only one application may be made under this paragraph during a calendar year in respect of a particular person and must specify the amount to be withdrawn from the account. The minimum amount that may be withdrawn from the account with respect to an application is \$500 and the maximum amount is the lesser of X and G where:

“X” is 50 percent of the Year’s Maximum Pensionable Earnings (as that term is defined by the Act) for the year in which the application is signed, and

“G” is the sum of the amount of the person’s medical expenses that have been incurred and an estimate of the total amount of the person’s medical expenses for the 12 months after the date on which the application is signed,

provided that, if the maximum amount is less than \$500, no withdrawal from the account is permitted with respect to the application. For the purposes of this paragraph, a person is a dependant if he or she was dependent on the Annuitant or the Annuitant’s spouse for support at some time during the calendar year in which the application is signed or during the previous calendar year. An application under this paragraph must be accompanied by a signed statement by a physician or dentist licensed to practice in a jurisdiction in Canada that the expenses are or were necessary for the persons’s treatment, a copy of the receipts or estimate to account for the amount of expenses being claimed, and a statement signed by the Annuitant that he or she understands that any money withdrawn under this paragraph will not be exempt from execution, seizure or attachment.

- 7.2 The Annuitant may, upon application made in accordance with the Regulations, withdraw all or part of the value of the Benefits if the Annuitant or his or her spouse has received a written demand in respect of arrears in the payment of rent on the Annuitant’s principal residence or default on a debt that is secured against the Annuitant’s principal residence, and the Annuitant could face eviction if the debt or amount in default remains unpaid. For the purposes of this paragraph, a principal residence in respect of an individual means a premises including a non-seasonal mobile home that is occupied by the individual as his or her primary place of residence. Only one application may be made under this paragraph during a calendar year and must specify the amount to be withdrawn from the account. The minimum amount that may be withdrawn from the account with respect to an application is \$500 and the maximum amount is the lesser of X and H where:

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings (as that term is defined by the Act) for the year in which the application is signed, and

“H” is, with respect to arrears in the payment of rent, the sum of the total amount of arrears of rent and the total amount of rent payable for a period of 12 months or with respect to a default on a secured debt the sum of the total amount of the payments that are in default and the total amount of payments due and interest payable on the debt for the 12 months after the date on which the application is signed,

provided that, if the maximum amount is less than \$500, no withdrawal from the account is permitted with respect to the application. An application under this paragraph must be accompanied by a copy of the written demand in respect of arrears in the payment of rent or in respect of the default on the secured debt as applicable and a statement signed by the Annuitant that he or she understands that any money withdrawn under this paragraph will not be exempt from execution, seizure or attachment.

- 7.3 The Annuitant may, upon application made in accordance with the Regulations, withdraw all or part of the value of the Benefits if the Annuitant or his or her spouse requires money to pay the first and last months' rent to obtain a principal residence for the Annuitant. For the purposes of this paragraph, a principal residence in respect of an individual means a premises including a non-seasonal mobile home that is occupied by the individual as his or her primary place of residence. Only one application may be made under this paragraph during a calendar year and must specify the amount to be withdrawn from the account. The minimum amount that may be withdrawn from the account with respect to an application is \$500 and the maximum amount is the lesser of J and K where:

"J" is 5 per cent of the Year's Maximum Pensionable Earnings (as that term is defined by the Act) for the year in which the application is signed, and "K" is the amount required for first and last months' rent

provided that, if the maximum amount is less than \$500, no withdrawal from the account is permitted with respect to the application. An application under this paragraph must be accompanied by a copy of the rental agreement if available and a statement signed by the Annuitant that he or she understands that any money withdrawn under this paragraph will not be exempt from execution, seizure or attachment.

- 7.4 The Annuitant may, upon application made in accordance with the Regulations withdraw all or part of the value of the Benefits if the Annuitant's expected total income from all sources before taxes for the 12 months after the date on which the application is signed is $66 \frac{2}{3}$ percent or less of the Year's Maximum Pensionable Earnings (as that term is defined by the Act) for the year in which the application is signed. Only one application may be made under this paragraph during a calendar year and must specify the amount to be withdrawn from the account. The minimum amount that may be withdrawn from the account with respect to an application is \$500 and the maximum amount is the calculated using the formula $X - L$ where:

"X" is 50 per cent of the Year's Maximum Pensionable Earnings (as that term is defined by the Act) for the year in which the application is signed, and "L" is 75 percent of the Annuitant's expected total income from all sources before taxes for the 12 months after the date on which the application is signed

provided that, if the maximum amount is less than \$500, no withdrawal from the account is permitted with respect to the application. An Annuitant's expected total income from all sources before taxes does not include a withdrawal under this paragraph, a refund or repayment of taxes paid to a Canadian jurisdiction, a refundable tax credit, a refund of tax paid under the Ontario Child Care Supplement for Working Families program under section 8.5 of the Income Tax Act, the payment of an Ontario child benefit under section 8.6.2 of the Income Tax Act or under section 104 of the Taxation Act, 2007, a payment received by a foster parent under the Child and Family Services Act or child support payments received under a court order or an agreement. An application under this paragraph must be accompanied by a statement signed by the Annuitant setting out the amount of his or her expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed and a statement signed by the Annuitant that he or she understands that any money withdrawn under this paragraph will not be exempt from execution, seizure or attachment.

8. The Benefits will be invested in a manner that complies with the rules for the investment of RRSP money contained in the Income Tax Act (Canada) and the regulations thereunder and will not be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the Annuitant or the parent, brother, sister or child of the Annuitant, the spouse of the Annuitant or the spouse of the parent, brother, sister or child of the Annuitant. The Annuitant shall be responsible for the investment of the assets in the Account.
9. Where the Benefits are paid out contrary to the Act or this Addendum, the Issuer will provide or ensure the provision of a pension equal in value to the pension that would have been provided if the Benefits had not been so paid out.

10. In the event of a transfer of Benefits from the Plan, the Issuer will ensure ensure that the transfer is permitted by the Act and the Regulations.
11. The Issuer, before transferring the Benefits to another financial institution, will advise the transferee financial institution in writing of the locked-in status of the Benefits and make its acceptance of the transfer subject to the conditions provided for in this Addendum together with the provisions of the Act and Regulations.
12. If the Issuer does not comply with paragraph 10 or 11 and the transferee financial institution fails to pay the Benefits transferred by the Issuer in the form of a pension or in the manner required by this Addendum, the Issuer will provide or ensure the provision of the pension referred to in paragraph 9.
13. The Issuer affirms that the pension to be provided to the Annuitant who has a spouse shall be in the form of a joint-and-last survivor pension under which not less than 60% of the value of the annuity payment shall continue to the survivor for the survivor's lifetime following the death of the Annuitant or the spouse. The Annuitant's spouse may waive entitlement to the survivor pension by filing with the Issuer the appropriate waiver required under the Act.
14. Upon the death of the Annuitant, if the life annuity referred to in paragraph 4.2 above has not been purchased, the Annuitant's spouse or, if there is none or if the spouse is otherwise disentitled, the Annuitant's named beneficiary or, if there is none, the Annuitant's estate is entitled to receive the Benefits which may be transferred to an RRSP or an RRIF in accordance with the Income Tax Act (Canada) provided that: (a) a spouse is not entitled to receive the Benefits unless the Annuitant was a member of a pension plan from which assets were transferred directly or indirectly to purchase the Plan; (b) a spouse living separate and apart from the Annuitant on the date of the Annuitant's death is not entitled to receive the Benefits; (c) a spouse may waive entitlement to receive the survivor's benefit, as described in paragraph 13 above, by delivering to the Issuer a written waiver in the form approved by the Superintendent of Pensions; and (d) a spouse who has delivered a waiver may cancel it by delivering a written and signed notice of cancellation to the Issuer before the date of death of the Annuitant.
15. No money that is not locked-in will be transferred to or held under the Plan unless the locked-in money is to be held in a separate account which will contain only locked-in money.
16. If the Annuitant has not provided the Issuer with the necessary documentation to start a pension, the Issuer will, before the end of the calendar year in which the Annuitant attains the age of 71 years or such other age as prescribed by the Income Tax Act (Canada),
 - 16.1 purchase an immediate life annuity contract, as stipulated in subsection 146 (1) of the Income Tax Act (Canada), for the Annuitant, or
 - 16.2 transfer the money to a LIF or Registered Retirement Income Fund (RRIF) on the relevant conditions specified in the Act and Regulations.
17. The Annuitant may, upon application made in accordance with the Regulations, withdraw all of the Benefits or transfer the Benefits to a RRSP or RRIF if, when the Annuitant signs the application: (a) he or she is at least 55 years of age; and (b) the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by him or her is less than 40 percent of the Year's Maximum Pensionable Earnings (as that term is defined by the Regulations) for that calendar year. The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the Annuitant when he or she signs the application under this paragraph is to be determined using the most recent statement about each fund or account given to the Annuitant. Each such statement must be dated within one year before the Annuitant signs the application.
18. The Annuitant may, upon application made in accordance with the Regulations, withdraw all of the Benefits: (a) if, when the Annuitant signs the application, he or she is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the Income Tax Act (Canada); and (b) if the application is made at least 24 months after his or her date of departure from Canada.
19. The conditions of this Addendum shall take precedence over the provisions in the applicable agreement or declaration of trust governing the Plan in the event of conflicting or inconsistent provisions.

20. Any benefits representing the commuted value of a pension transferred from a pension plan and to be subject to the locking-in provisions of this Act, shall include a statement from the administrator of the pension plan as to whether or not the benefit was determined on transfer in a manner that differentiated, while the Annuitant was a member of the pension plan, on the basis of the sex of the Annuitant. If a statement from an administrator indicates that the commuted value transferred was determined on transfer in a manner that differentiated on the basis of the sex of the Annuitant, while the Annuitant was a member of the pension plan, any further monies that may be subsequently transferred into this Plan will be monies that also differentiate on the same basis. A life annuity described in paragraph 4.2 of this Addendum shall not differentiate on the basis of the sex of the beneficiary if the commuted value of the pension that was transferred into the Plan was determined in a manner that did not differentiate on the basis of sex.
21. The value of the assets in the Plan is equal to the total market value of the investments held in the Plan. The value of any mutual funds held in the Plan shall be determined in accordance with the determination of net asset value per unit set out in the then current prospectus and/or annual information form of the mutual fund. The Issuer in accordance with applicable industry practices shall determine the market value of all other investments held in the Plan and such valuation shall be conclusive for all purposes thereof.
22. The Issuer is entitled to rely upon the information provided by the Annuitant in the application to withdraw money or transfer assets from the Plan under paragraph 7, 7.1, 7.2, 7.3, 7.4, 17 or 18 of this Addendum, as the case may be. An application that meets the requirements of the applicable paragraph constitutes authorization to the Issuer to make the payment or transfer from the Plan in accordance with that paragraph. The Issuer is required to make the payment or transfer to which the Annuitant is entitled under the applicable paragraph within 30 days after the Issuer receives the completed application and the accompanying documents required by that paragraph.
23. The Issuer shall provide the Annuitant and such other person as prescribed by the Act or the Regulations with information required by the Act and the Regulations.
24. The Issuer shall not amend this Addendum except as permitted by the Act and the Regulations.

The Annuitant transferor of locked-in pension money to be transferred to the Issuer to purchase the above-noted Plan acknowledges and agrees that the Plan and any earnings thereon are locked-in and shall not be available to the undersigned except as a pension, life annuity contract or otherwise as provided in this Addendum.

Applicant's Name (Please Print)

Applicant's Signature

Date

Branch/Account Number

Authorized Agent of/Representative
for the Issuer

Plan Number

\$ _____
Amount Received