



HSBC Bank Canada

ADDENDUM FOR LOCKED-IN PENSION MONEY TRANSFERRED TO A LIFE INCOME FUND (“LIF”) (ONTARIO)

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

(✓ Please check one)

- HSBC InvestDirect Self-Directed Life Income Fund (861)**
 - or a **HSBC Investment Funds (Canada) Inc. Life Income Fund (961)**
 - or a **HSBC Pooled Funds Life Income Fund (1060)**
- } (the “Fund”)

In this addendum (the “Addendum”), the carrier (the “Carrier”) is HSBC Trust Company (Canada) a subsidiary of HSBC Bank Canada.

1. For the purposes of this Addendum the word “Act” means the Pension Benefits Act (Ontario) and the word “Regulations” means regulation 909/90, as amended from time to time.
2. For the purposes of this Addendum any term or word used and not otherwise defined herein shall have the same meaning as the meaning respectively given to such term or words in the Act or Regulations.
3. Notwithstanding anything to the contrary contained in this Addendum, including any endorsements forming a part hereof, “spouse” 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) respecting a retirement income fund.
4. The Annuitant acknowledges that funds, which originated from a registered pension plan governed by the provisions of the Act (or similar legislation) are being transferred to the Carrier in order to purchase the Fund. Such transferred funds together with all investment earnings thereon and gains realized in respect thereof under the Fund shall collectively be referred to herein as the “Funds” or the “LIF Funds”. The Annuitant shall be responsible for the investment of the assets of the Funds and shall select among the deposit options made available by the Carrier for the investment of the Funds as provided in the HSBC Bank Canada Retirement Income Fund Agreement.
5. The Annuitant acknowledges being: (a) a member or former member of a registered pension plan, who has obtained written spousal consent, if applicable, in accordance with the provisions of the Act, to purchase a LIF and has provided the Carrier with a copy of such consent if required; or (b) the spouse or same sex partner or former spouse or former same sex partner of a member or former member of a registered pension plan, entitled to a pension benefit or make a transfer as permitted by the Act.
6. The Annuitant confirms having indicated the date of birth on the Application and hereby certifies that he/she will reach fifty-five years of age or older prior to the end of the second fiscal year of the Fund. However, if the Annuitant provides evidence to the Carrier’s satisfaction that the registered pension plan or plans from which the Funds originated provided for payment of a pension at an earlier age, the Annuitant certifies that he/she will reach such earlier age or older prior to the end of the second fiscal year of the Fund.
7. Subject to paragraph 8 and other provisions of the Addendum, all money, including all investment earnings, that is subject to any transfer to or from the Fund, is to be used to provide or secure a pension as required by the Act and the Regulations.
8. The Annuitant may, provided that the Carrier shall retain such amount as prescribed in paragraph 146.3 (2)(e.1) or (e.2) of the Income Tax Act (Canada), transfer all or part of the balance of the LIF Funds:
 - (a) to another LIF Fund;
 - (b) to purchase an immediate life annuity contract that meets the conditions specified in paragraph 60(1) of the Income Tax Act (Canada) and the Act.
9. Except as permitted by section 67 of the Act, section 22.2 of the Regulations or this Addendum, no withdrawal, commutation or surrender of money in whole or in part is permitted and any transaction to do the same is void.
10. The Annuitant may, upon application in accordance with the Regulations, withdraw all or a part of the LIF Funds where a physician certifies that due to an illness or physical disability, the life expectancy of the Annuitant is likely to be shortened to less than two years.
- 10.1 The Annuitant may, upon application in accordance with the Regulations, withdraw all or a part of the money in the Fund if the Annuitant, his or her spouse or a dependant has incurred or will incur medical expenses relating to an illness or physical disability of any of them. 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 alterations 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. The minimum amount that may be withdrawn from the Fund with respect to an application is \$500 and the maximum amount is the lesser of X and G where:

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings 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 Fund 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 person's treatment, a copy of the receipts or estimate to account for the amount of expenses being claimed, a declaration about a spouse, 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.

- 10.2 The Annuitant may, upon application made in accordance with the Regulations, withdraw all or part of the money in the Fund 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. The minimum that amount that may be withdrawn from the Fund 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 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 Fund 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, a declaration about a spouse, 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.

- 10.3 The Annuitant may, upon application made in accordance with the Regulations withdraw all or part of the money in the Fund 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 intended to be 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 Fund. The minimum that 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 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 Fund is permitted with respect to the application. An application under this paragraph must be accompanied by a copy of the rental agreement if available, a declaration about a spouse, 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.

- 10.4 The Annuitant may, upon application made in accordance with the Regulations withdraw all or part of the money in the Fund 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 66⅔ percent or less of the Year's Maximum Pensionable Earnings 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. The minimum amount that may be withdrawn from the Fund 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 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 total expected income from all sources, before taxes, for the next 12 months after the date the application is signed, a declaration about a spouse 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.

11. Except as provided in the Act and Regulations, money in the LIF Funds may not be assigned, charged, alienated, anticipated or given as security money and is exempt from execution, seizure or attachment and any transaction purporting to assign, charge, alienate, anticipate, or give as security the money is void. Pension benefits are a family asset under the Family Law Act and are subject to a court order, a family arbitration award or domestic contract as defined in Part IV of that Act.
12. The Carrier is entitled to rely upon the information provided by the Annuitant in an application made for a LIF or in an application to withdraw money or transfer assets from the Fund, as the case may be.

13. An application that meets the requirements of the Act and Regulations constitutes authorization to the Carrier to pay the money to the Annuitant or make the transfer from the LIF Fund, as the case may be, in accordance with the Act and Regulations.
14. The value of all assets in all accounts owned by the Annuitant to be transferred to the Fund when he or she signs the application for the Fund, is to be determined in accordance with the most recent statement for such account given to the Annuitant. Each applicable statement must be dated within one year before the Annuitant signs the application.
15. The Carrier is required to make the payments to which the Annuitant is entitled under the Act and Regulations or the transfer within 30 days after the Carrier receives the completed application form and accompanying document. This does not apply with respect to the transfer of assets held as securities whose term of investment extends beyond the 30-day period.
16. The Carrier hereby acknowledges that, if the balance in the Fund is to be used to purchase a life annuity contract, the pension to be provided to the Annuitant who has a spouse at the date the pension commences is to be a joint life pension payable during the joint lives of the Annuitant and spouse with at least 60% continuance to be payable to the survivor for life after the death of either, unless the spouse waives the entitlement in the form and manner set out in the Act and Regulations.
17. On the death of the Annuitant, the Annuitant's spouse or, if there is none or the spouse is otherwise disentitled, the Annuitant's designated beneficiary or, if there is none, the Annuitant's estate is entitled to receive, net of any fees or charges applicable under the Fund, a benefit equal to the value of the assets in the Fund.
18. The benefit described in paragraph 17 may be transferred to an RRSP or an RRIF in accordance with the Income Tax Act (Canada).
19. The Annuitant's spouse is not entitled to receive the value of the assets in the Fund unless the Annuitant was a member or a former member of a pension plan from which assets were transferred directly or indirectly to purchase the Fund.
20. A spouse may waive entitlement to receive a survivor's benefit by delivering to the Carrier a written waiver in an approved form, provided that a spouse may cancel the waiver by delivery to the Carrier of a written and signed notice of cancellation before the Annuitant's date of death.
21. A spouse who is living separate and apart from the Annuitant on the date of the Annuitant's death is not entitled to receive the value of the assets in the Fund.
22. The fiscal year of the Fund ends on December 31 of each year and shall not exceed twelve months.
23. The Annuitant will be paid an income the amount of which may vary annually and which will commence not later than the last day of the second fiscal year of the Fund.
24. The Annuitant shall notify the Carrier of the amount of income to be paid from the Fund during a fiscal year at the beginning of each fiscal year after the receipt of information referred to in paragraph 31, or at another agreed interval of more than one year if the Carrier has guaranteed the rate of return on the Fund during that interval, and this interval shall in every case terminate at the end of a fiscal year of the Fund. The notice given by the Annuitant shall expire at the end of the fiscal year to which it relates. If the Annuitant does not notify the Carrier of the amount of income to be paid for a year, the minimum amount determined under paragraph 39 will be paid out of the Fund that year.
25. If the assets in the Fund consist of identifiable and transferable securities, the Carrier may transfer the securities with the consent of the Annuitant.
26. Despite paragraphs 39 and 41, if any money in the Fund is derived from money transferred directly or indirectly from another LIF or locked-in retirement income fund, the maximum amount that may be paid out of the Fund in the fiscal year in which the money is transferred into the Fund is zero.
27. If the initial fiscal year of the Fund is not 12 months long, the maximum amount determined under paragraph 39, shall be adjusted in proportion to the number of months in that fiscal year divided by 12 with any part of an incomplete month counting as one month.
28. The amount of income paid out of the Fund during a fiscal year must not be less than the minimum amount prescribed for an RRIF under the Income Tax Act (Canada).
29. If the minimum amount specified by paragraph 28 is greater than the maximum amount determined under paragraphs 39, 26 or 27, the minimum amount must be paid out of the Fund during the fiscal year.
30. The Funds may not be used to purchase a life annuity contract that differentiates on the basis of the annuitant's sex.
31. The Carrier will provide the Annuitant with information concerning the Fund as required by the Act and the Regulation.
32. No money that is not locked-in will be transferred to or held under the Fund, unless it is held in a separate account from locked-in money.
33. Neither the Carrier nor, for greater certainty, any agent of the Carrier shall have any further obligation or be subject to any liability hereunder upon the transfer of all the assets from the Fund as permitted herein.
34. The value of the Fund for the purposes of (a) a transfer of assets; (b) the purchase of a life annuity contract, and (c) a payment or transfer on death of an Annuitant is equal to the total market value of the investments held in the Fund. The value of any mutual funds held in the Fund 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 that mutual fund. The Carrier in accordance with applicable industry practices shall determine the market value of all other investments held in the Fund and such valuation shall be conclusive for all purposes hereof. The value of the assets of the Fund is subject to division in accordance with the terms of an order under the *Family Law Act* (Ontario), a family arbitration award or a domestic contract in the manner provided in the Regulation.
35. The Annuitant may, upon application made in accordance with the requirements of the Act and the Regulations, either withdraw from the Fund or transfer from it to an RRSP or an RRIF an amount representing up to 50% of the total market value of the assets transferred into the Fund in relation to a transfer of assets made on or after January 1, 2010. The total market value of the assets transferred into the Fund is to be determined as of the date the assets were transferred into the Fund.

36. The Annuitant may, upon application in accordance with the Act and Regulations, withdraw all the money in the Fund or transfer the assets to an 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 per cent of the Year's Maximum Pensionable Earnings 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/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.
37. The Annuitant may, upon application made in accordance with the requirements of the Act and the Regulations, withdraw all money in the Fund, if (a) 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) the application is made at least 24 months after his or her date of departure from Canada.
38. Subject to the provisions of the Income Tax Act (Canada), these terms and conditions shall override any inconsistent or contrary provisions in the applicable agreement or declaration of trust governing the Funds.

The following provisions apply to LIF Funds.

39. The amount of income paid during a fiscal year of the LIF Fund may not exceed the greatest of (i), (ii) or (iii).
 - (i) is the investment earnings, including any unrealized capital gains or losses, of the Fund in the previous fiscal year.
 - (ii) if the money in the Fund is derived from money transferred directly from another life income fund or a locked-in retirement income fund (the "transferring fund"), and if the income is being paid out of the Fund in the fiscal year following the fiscal year in which the Fund is established, is the sum of the investment earnings (including any realized capital gains or losses) of the transferring fund in the previous fiscal year AND the investment earning (including any unrealized capital gains or losses) of the Fund in the previous year.
 - (iii) is the maximum amount "M" calculated in accordance with the following formula:

M = C/F Where: C = the value of the assets in the Fund on the first day of the fiscal year, and
 F = the present value, at the beginning of the fiscal year, of an annuity of \$1 payable in advance over the period commencing at the beginning of the fiscal year and ending on December 31 of the year in which the Annuitant reaches the age of 90 years.
40. The following interest rate assumptions are to be used to determine the amount of "F" in paragraph 39 of this Addendum
 - (a) The interest rate for each of the first 15 fiscal years of the period referred to in the definition of "F" is the greater of 6 per cent and the nominal rate of interest on long-term bonds issued by the Government of Canada for November of the year before the beginning of the fiscal year, as determined from the Canadian Socio-Economic Information Management System (CANSIM) series V122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada.
 - (b) For the sixteenth and each subsequent fiscal year of the period referred to in the definition of "F", the interest rate is 6 per cent.
41. If the Annuitant elects to be paid an amount that is less than the maximum amount determined under paragraph 39 in a fiscal year, the difference between the maximum amount and the amount paid in the year may be carried forward to the extent permitted by the Act, the Regulations and the Income Tax Act (Canada).
42. The Annuitant may elect to be paid in a fiscal year all or part of the amount carried forward under paragraph 39 from a prior fiscal year and, in that case, the amount carried forward is reduced by the amount paid to the Annuitant to the extent permitted by the Act, the Regulations and the Income Tax Act (Canada).
43. The Issuer shall not amend this Addendum except as permitted by the Act and the Regulations.

Note: To be completed by transferring institution. The amount of the benefit transferred to the Fund governed by this Addendum was determined in a manner that differentiated on the basis of sex. Yes No

Your current marital status: *(This data is necessary in order to complete prescribed government forms.)*

Single Married Common Law Divorced Separated

Applicant's Name <i>(Please Print)</i>	Applicant's Signature	Date
Branch/Account Number	Authorized agent of/Representative for the Carrier	
Fund Number	\$ _____ Amount Received	