

Restricted LIF Contract (federal)

We have reviewed the contract to add clarifications provided for in the regulations and harmonize it with our contracts of the same nature. Some terms have been replaced by others: for example, "declaration" and "declaration of trust" are replacing "application form", "calendar year" replaces "fiscal year" and "trustee" replaces "financial institution". The content of the contract, however, remains essentially the same and is based on the regulations.

The following table presents the main differences between the new version of the contract and the one it replaces. Minor differences are not shown in this table. To view the full version of the contract, please go to nbc.ca/notices, under Registered plans, or call 1-844-413-5610 or 514-413-5610.

New version	Old version
The contract has been amended to specify the section number of the declaration of trust dealing with the minimum amount.	
"Minimum Amount" means the minimum amount that is required to be paid out of the Fund as determined under section 7 of the Declaration; (s. 1h) of the contract)	Similar defined term, but no reference to the section number of the declaration (s. 1k) of the contract)
The section of the contract dealing with permitted withdrawals has been completed and updated in accordance with the regulations.	
<p>Permitted withdrawals: A withdrawal, commutation or surrender of money, in whole or in part, held in the Fund is not permitted and will be void, except in the following circumstances:</p> <p>a) Transfer of 50%. If the Fund is established in the calendar year in which the Annuitant reaches 55 years of age or in any subsequent calendar year, the Annuitant may transfer 50% of the funds in the Fund to a registered retirement savings plan or a RIF within 60 days after the establishment of the Fund if</p> <p>(i) the Fund was created as the result of the transfer of a pension benefit credit under section 16.4 or 26 of the Act or a transfer from a Locked-in RRSP, a LIF or a pooled registered pension plan, and</p> <p>(ii) the Annuitant gives a copy of Form 2 of Schedule V of the Regulation to the Trustee.</p> <p>b) Small Amount starting at 55. (...) as a result of the transfer of pension benefit credits under section 16.4 or 26 of the Act, a transfer under the Regulation or a transfer under section 50, 53 or 54 of the Pooled Registered Pension Plans Act or the Pooled Registered Pension Plans Regulations (...)</p> <p>(s. 10 of the contract - extracts)</p>	Does not contain the section "Transfer of 50 %" nor the underlined passage within the section "Small Amount starting at 55" (s. 10 of the contract)
A section dealing with the amendment of the contract has been added.	
<p>Amendments: The Trustee may not amend this Agreement without first notifying the Annuitant, unless the amendment is intended to satisfy the requirements of any Act or does not have the effect of reducing the benefits payable under this Agreement. The amended Agreement must remain compliant with the Act and Regulation as well as with section 146.3 of the Tax Act.</p> <p>(s. 11 of the contract)</p>	Does not contain this passage