

## LIRA Contract (New Brunswick)

Changes have been made to the contract to keep it in compliance with the regulations and to harmonize it with our other similar contracts. Some terms are replaced by others: for example, “trustee” replaces “financial institution” throughout the contract. Despite these changes, the content of the contract remains essentially the same, as it is largely modeled on the applicable 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](http://nbc.ca/notices), under Registered plans, or call 1-844-413-5610 or 514-413-5610.

New version	Old version
<p>The contract provides that the trustee is responsible for valuing the assets in the account.</p> <p><b>Value of the Account:</b> The fair market value of the assets held under the Account, as determined by the Trustee in good faith, will be used to establish the balance of the assets in the Account at any particular time, including on the death of the Annuitant or on a transfer of assets from the Account. Any such determination by the Trustee will be conclusive for all purposes hereof. (...) (s. 3 of the contract - extract)</p>	No corresponding provision
<p>The contract specifies how the assets in the account must be invested.</p> <p><b>Investments:</b> The assets held under the Account will be invested by the Trustee in the manner provided in the Declaration. All investments must comply with the rules set out in the Tax Act regarding investments in an RSP. (s. 4 of the contract)</p>	Different provision which provides that the assets must be administered as a life annuity (s. 7 of the contract)
<p>The contract sets out the conditions applicable to the payment of assets upon the annuitant’s death.</p> <p><b>Death of the Annuitant:</b> (...) No such payment will be made unless and until the Trustee receives releases and other documents as it may reasonably require. Such payment is subject to subsection 60(l) of the Tax Act. (s. 8 of the contract – extract)</p>	No corresponding mention (s. 15 of the contract)
<p>The contract sets out the procedures for processing applications for withdrawal of assets.</p> <p><b>Permitted withdrawals:</b> (...) The Trustee may rely upon the information provided by the Annuitant in any application made pursuant to this section and such application constitutes sufficient authorization to withdraw assets from the Account. The Trustee will make the payment within a reasonable time of receipt of the completed forms and/or required documents. (s. 9 of the contract – extract)</p>	No corresponding mentions
<p>The contract sets out the conditions applicable to the transfer of assets from the account to another account.</p> <p><b>Permitted transfers:</b> The Annuitant may at any time after the expiration of the term agreed to for the investments:</p> <p>a) transfer before a conversion referred to in section 7 of this Agreement, the balance in the Account, in whole or in part:</p> <p>i) to the pension fund of a pension plan that conforms with the Act and the Regulation or with similar legislation in another jurisdiction;</p> <p>ii) to another LIRA;</p> <p>iii) to a LIF; or</p> <p>b) convert the balance of the Account, in whole or in part, into a Life Annuity.</p> <p>The transfer under paragraph i) above to a pension plan that is not registered in the Province is only possible if the pension plan is registered for persons employed in a designated jurisdiction and the Annuitant is employed in that jurisdiction by an employer who is making contributions on his or her behalf to the pension fund that is to receive the assets to be transferred.</p> <p>The Annuitant’s request must be in a form deemed satisfactory by the Trustee. Subsections 21(8.1) to 21(11) of the Regulation and Form 3.2 apply to any transfer hereunder, with necessary modifications.</p> <p>The transfer pursuant to paragraphs 10 a) and 12 a) must be effected within 30 days from the Annuitant’s application. A transfer pursuant to paragraph 10 b) must be effected within</p>	Similar provision, but less complete with respect to transfer formalities (s. 11 of the contract)

a reasonable time. Once a transfer is completed in compliance with all conditions relating thereto, the Trustee is released from any liability in this regard.

Notwithstanding the above, the Trustee may never be obliged to refund in advance the investments held under the Account and may, at its entire discretion, delay the requested transfer accordingly. A transfer pursuant to paragraphs 10 a) and 12 a) may, at the option of the Trustee, be effected by the remittance to the Annuitant of the investment securities held in the Account.

(s. 10 of the contract)