

# CAISSES/CREDIT UNIONS RETIREMENT INCOME FUND

## APPLICATION FORM

### Declaration of trust (1 of 2)

WHEREAS the annuitant (the "Annuitant") wishes to establish a Caisse/Credit Union Retirement Income Fund (the "Fund"), which shall be a registered retirement income fund ("RRIF") in accordance with the *Income Tax Act* (Canada) (the "Act") and, if applicable, the tax legislation of the Annuitant's province or territory of residence (the "Income Tax Legislation");

WHEREAS Desjardins Trust Inc. (the "Carrier"), a legally constituted trust company, having its head office in Montreal in the province of Quebec, is authorized to offer its services to the public as a trustee;

WHEREAS the Carrier hereby accepts the office of trustee on behalf of the Annuitant, who will have signed an application form for the Fund (the "Application");

WHEREAS the terms used here have the same meaning as in the Act unless the context suggests otherwise. In addition, the term "shares" has the meaning assigned to it by the applicable caisse and credit union legislations.

WHEREAS for the purposes hereof, the term "Spouse" shall refer to the spouse or common-law partner within the meaning assigned to those terms under the Act;

WHEREAS the parties acknowledge that this agreement must be considered as a trust for the purposes of the Act.

NOW THEREFORE, THE FOLLOWING IS AGREED between the Annuitant and the Carrier:

**Clause 1. Registration.** The Fund complies with the requirements of the Income Tax Legislation, and the Carrier shall be ultimately responsible for administering the Fund and registering it with the Canada Revenue Agency.

**Clause 2. Trust Fund.** The Carrier shall receive all acceptable transfers of cash or property that the Annuitant may make. These amounts, combined with any income they may earn, shall constitute a trust fund to be used, invested, and held by the Carrier subject to the terms of this declaration of trust (the "Declaration").

**Clause 3. Account.** The Fund's assets shall be held at all times by the Carrier in a separate account at a caisse or credit union selected by the Annuitant. The interest generated by the Fund's assets shall be automatically reinvested in the Fund. The Carrier shall keep a register and record the cumulative balance of income and assets held on behalf of the Annuitant.

**Clause 4. Date of birth and social insurance number.** The Annuitant who signs the Application must declare their age and social insurance number (and, if applicable, the age and social insurance number of their Spouse). This declaration shall be considered a commitment by the Annuitant to provide any additional proof that may be required at a later date.

**Clause 5. Assets transferred to the Fund.** The Carrier shall not accept property as consideration other than property transferred from:

- a) registered retirement savings plan ("RRSP") under which the Annuitant is the annuitant;
- b) Another RRIF under which the Annuitant is the annuitant;
- c) The Annuitant, to the extent that the amount of the consideration was an amount described in subparagraph 60 (l)(v) of the Act;
- d) An RRSP or RRIF where the Spouse or former Spouse of the Annuitant is the annuitant pursuant to a decree, order or judgment of a competent tribunal or a written separation agreement, relating to the division of property between the Annuitant and their Spouse or former Spouse in settlement of rights arising out of their marriage or common-law partnership after the breakdown of their marriage or common-law partnership;
- e) A deferred profit sharing plan ("DPSP") in accordance with subsection 147(19) of the Act;
- f) A registered pension plan ("RPP") of which the Annuitant is a member within the meaning assigned by subsection 147.1(1) of the Act;

- g) An RPP in accordance with subsection 147.3(5) or (7) of the Act;
- h) A specified pension plan ("SPP") in circumstances to which subsection 146(21) of the Act applies;
- i) A pooled registered pension plan ("PRPP") in accordance with subsection 147.5(21) of the Act; or
- j) An advanced life deferred annuity ("ALDA") under which the Annuitant is the annuitant, if the transfer is a refund paid to reduce the amount of tax that would otherwise be payable by the Annuitant under Part XI of the Act;
- k) A tax-free first home savings account ("FHSA") under which the Annuitant is the holder in accordance with subsection 146.6(7) of the Act if the transfer takes place after March 2023.

**Clause 6. Payments.** The Carrier, in consideration for the transfer of property, undertakes to pay amounts to the Annuitant (and, where the Annuitant so elects, to the Annuitant's Spouse after the Annuitant's death), the total of which is, in each year in which the minimum amount for the year is greater than nil, not less than the minimum amount for that year, but the amount of any such payment does not exceed the value of the property held in the Fund immediately before the time of the payment. In the year of the establishment of the Fund the minimum amount that is required to be withdrawn from the Fund is nil. For any other year, the minimum amount shall be calculated in accordance with the Act. The Annuitant may elect to base the minimum amount on their age or their Spouse's age. The Annuitant may not make or change any such election after the first payment has been made under the Fund.

If the Fund does not have sufficient liquidity to make a payment as provided for above, the Carrier shall be entitled to sell the investments held in the Fund and is hereby specifically authorized to liquidate the said investments on such terms and conditions as it shall deem advisable without, however, being specially required to do so.

**Clause 7. Assignment.** No payment under this Fund may be assigned in whole or in part.

**Clause 8. Transfers (on relationship breakdown or otherwise).** Subject to any reasonable requirements imposed by the Carrier, the Annuitant may direct the Carrier in writing to transfer all or part of the assets of the Fund (net of any amount the Carrier must retain under the Act to ensure that the minimum amount may be paid to the Annuitant in that year) to:

- a) An RRIF under which the Annuitant is the annuitant;
- b) An RRSP under which the Annuitant is the annuitant;
- c) An RPP of which the Annuitant is or was a member when permitted by the Act;
- d) An account of the Annuitant under a PRPP;
- e) A licensed annuities provider to acquire an annuity permitted by the Act; or
- f) An RRSP or RRIF on behalf of an individual who is a Spouse or former Spouse of the Annuitant and who is entitled to the amount under a decree, an order or a judgment of a competent tribunal, or under a written agreement, that relates to a division of property between the Annuitant and the individual in settlement of rights that arise out of, or on a breakdown of, their marriage or common-law partnership.

Such transfers will take effect in accordance with the Act and any other applicable legislation and within a reasonable time after any required forms have been completed. If the transfer is to another RRIF under which the Annuitant is the annuitant, the Carrier will also transfer all information necessary for the continuance of the Fund.

**Clause 9. Election of a successor annuitant (does not apply to residents of Quebec).** Subject to applicable legislation, the Annuitant may choose for their Spouse to become the Annuitant of the Fund after the Annuitant's own death, if their Spouse survives them.

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**Clause 10. Designation of Beneficiary (does not apply to residents of Quebec).** Subject to applicable laws, and if the Annuitant has not elected a successor annuitant or the successor annuitant has predeceased the Annuitant, the Annuitant may designate a beneficiary to receive the Fund proceeds on the Annuitant's death. A beneficiary designation may only be made, changed, or revoked under the Fund by the Annuitant in a format required by the Carrier for this purpose. Such designation must adequately identify the Fund and be delivered to the Carrier prior to any payment by the Carrier. The Annuitant acknowledges that it is their sole responsibility to ensure the designation is valid under the laws of Canada, its provinces, or territories.

**Clause 11. Death of the Annuitant (in cases where the Spouse becomes the Annuitant).** Upon the Annuitant's death, if the Spouse of the Annuitant has been selected as a successor annuitant for the Fund, the Carrier, upon receipt of the estate documents, which are satisfactory to the Carrier, continues to make payments to the Annuitant's Spouse after the death of the Annuitant, in accordance with this Declaration of Trust. The Carrier is released from all obligations after making these payments to the Annuitant's Spouse, even though the selection or the designation made by the Annuitant may be an invalid testamentary instrument.

**Clause 12. Death of the Annuitant (all other cases).** When the Annuitant passes away and their Spouse is not designated as a successor annuitant for the Fund, upon receipt of the estate documents, which are satisfactory to the Carrier, and provided that:

- a) The Annuitant has designated a beneficiary, the Fund proceeds will be paid or transferred to this beneficiary, subject to the applicable legislation. The Carrier shall be fully discharged by such payment or transfer, even though any beneficiary designation made by the Annuitant may be invalid as a testamentary instrument; or
- b) The beneficiary designated by the Annuitant dies before the Annuitant, or if the Annuitant has not designated a beneficiary, the Carrier will pay the Fund proceeds to the Annuitant's estate.

**Clause 13. Fees and expenses.** The Carrier is entitled to reimbursement, from the Fund's assets, for all fees and expenses incurred in relation to the Fund, including taxes, penalties and interest that the Fund may have to pay for for any reason whatsoever (except for taxes, penalties and interest that the Carrier is responsible for under the Act and that cannot be deducted from the Fund). The Carrier is also entitled to charge fees for Fund management that the Annuitant acknowledges. The Annuitant authorizes the Carrier, under this agreement, to withdraw the amounts required to pay for the fees and expenses and management fees with any cash or assets in the Fund, or if not, with the redemption price of units or shares. Management fees are subject to change, but the Carrier agrees to send written notice to the Annuitant 30 days before applying the new fee scale.

**Clause 14. Limitation on the Carrier's liability.** Except in the event of negligence on its part, the Carrier shall not be liable for any act of omission, nor for any loss or depreciation in the value of the Fund.

**Clause 15. Successors.** The terms of the Declaration shall be binding upon the Annuitant's heirs, executors, administrators and assigns and upon the Carrier's successors and assigns.

**Clause 16. Successor Carrier.** The Carrier may resign as trustee and be released from all other obligations and responsibilities herein by sending a written notice to the Annuitant at least 60 days in advance, or within a shorter period deemed sufficient by the Annuitant. The Carrier may, under the terms herein, appoint as a successor any corporation qualified to act as a trustee in accordance with the Act. This appointment shall take effect on the date specified in the appointment document whereby the said corporation is appointed as successor trustee and accepts this appointment. This date is to be fixed at no later than the 60th day after the written appointment notice has been sent to the Annuitant.

On the effective date of the appointment, the Carrier shall transfer the Fund assets to its successor. Furthermore, the Carrier shall provide all the information and documents needed to manage and register the Fund, in accordance with the Act. Starting from the appointment date, the successor trustee shall assume all functions and responsibilities of the Carrier, which shall be released from all its trust obligations and responsibilities under the terms herein.

**Clause 17. Notices to the Annuitant.** Any notice given by the Carrier to the Annuitant is deemed to have been received by the Carrier on the second business day following its transmission, if mailed to the Annuitant at their address set out in the Application for the Fund or at any such subsequent address of which the Annuitant has notified the Carrier.

**Clause 18. Amendments.** The Carrier may amend the Declaration to ensure that the Fund complies at all times with the registration conditions of the Act.

Furthermore, the Carrier may, as it sees fit, amend the Declaration; however, the Carrier undertakes to send a written notice to each Annuitant 30 days before applying the said amendment(s).

**Clause 19. Governing law.** The terms of this Declaration shall be governed by the laws of the Annuitant's province or territory of residence and by the provisions of the Income Tax Legislation.

Caisse/Credit union RIF  
FRR 1459

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