Life Income Fund Endorsement for Quebec Pension Funds
Endorsement issued in accordance with the Supplemental Pension Plans Act, Quebec

1. Introduction
This endorsement is in addition to, and forms an integral part of your Contract and establishes this Contract as a life Income Fund for the purposes of the Supplemental Pension Plan Act, Quebec.

2. Interpretation
For the purpose of this endorsement the following definitions will apply:

“Act” and “Pension Act” means the Supplemental Pension Plan Act of Quebec.

“Deferred pension” has the same meaning as provided for in the Act and the Regulation.

“Fiscal year” refers to the year of the Contract which shall end on 31 December of each year and shall not exceed 12 months

“Life Income Fund (LIF)” has the same meaning as provided for in the Act and the Regulation.

“Locked in Retirement Account (LIRA)” has the same meaning as provided for in the Act and the Regulation.

“Manulife” refers to The Manufacturers Life Insurance Company.

“Member” refers to the person entitled to the amounts transferred into the Contract by reason of membership in a pension plan governed by the Act and its Regulation.

“Pension Plan” and “Pension” have the same meanings as provided for in the Act and the Regulation.

“Regulation” means the regulations under the Supplemental Pension Plan Act of Quebec.

“Tax Act” means the Income Tax Act (Canada) and any applicable provincial income tax legislation.

“You”, “your” and “Owner” has the same meaning as given to term “purchaser” in section 29 of the Regulation.

3. Spouse
For purposes of this Endorsement, the word “spouse” is as defined in section 85 of the Pension Act.

Notwithstanding anything to the contrary contained in the Contract, including any endorsements forming a part of it, for the purposes of any provision of the Tax Act respecting Registered Retirement Income Funds (“RRIF’s”) and Registered Pension Plans, the word “spouse” does not include any person who is not recognized as a spouse or a common-law partner under the Tax Act.

Spousal status is established on the date the first periodic amount is payable, or on the day before your death, whichever comes first.

The entitlement of your spouse to any annuity benefits or death benefits specified in section 5 (Annuity Benefits) and section 6 (Death Benefits), respectively, ceases

a) upon separation from bed and board,
b) upon divorce,
c) upon annulment of marriage,
d) upon dissolution or annulment of civil union or
e) in the case of a spouse who is not a married or civil union spouse, upon cessation of conjugal relationship unless you have provided to Manulife the notice provided for in section 89 of the Act.

Your spouse may, by giving written notice to Manulife, waive the right to receive the payment provided for in section 6 (Death benefits) or the pension provided for in section 5 (Annuity Benefits) and may revoke such a waiver by transmitting to Manulife a written notice to that effect before, in the case referred to in section 6, your death or, in the case referred to in section 5, the date of conversion, in whole or in part, of the balance of the account into a life pension.
4. Source of Funds
The only funds that may be transferred into this Contract are amounts originating, directly or indirectly, from
a) a life income fund as referred to in section 18 of the Regulation;
b) a locked-in retirement account referred to in section 29 of the Regulation;
c) an annuity contract referred to in section 30 of the Regulation;
d) a pension plan governed by the Pension Act;
e) a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension;
f) a supplemental pension plan established by an act emanating from the Parliament of Québec or from another legislative authority;
g) the locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act; or
h) the locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided you joined that plan as part of your employment;

5. Annuity Benefits
Except as provided for in the Regulation, the locked-in money in the Contract, in whole or in part, including all investment earnings, may be converted at any time only into a life pension guaranteed by an insurer and established for the duration of your life alone or for the duration of your life and the life of your spouse. The periodic amounts paid under that pension must be equal, unless each amount to be paid is uniformly increased by reason of an index or a rate provided for in the contract or uniformly adjusted by reason of a seizure effected on your benefits, a redetermination of your pension, partition of your benefits with your spouse, the payment of a temporary pension under the conditions provided for in section 91.1 of the Act or the election provided for under paragraph 3 of the first paragraph of section 93 of the Act.

If you were the member and have a spouse at the date when the payments under the annuity commence, then, except as specified in section 3 (Spouse), the annuity must provide that payments will continue to your spouse for the spouse’s lifetime following your death. The amount of each payment to the spouse will be not less than 60%, nor more than 100%, of the amount payable before your death.

6. Death Benefits
Upon your death, the death benefit specified in the Contract will become payable if the locked-in money in the Contract has not been converted into a life annuity.

If you were the member, the death benefit attributable to the locked-in money in the Contract will be payable to your spouse if there is one at the time of death, otherwise to the appointed beneficiary. The entitlement of your spouse, if any, takes precedence over any beneficiary appointment under the Contract, except as specified in section 3 (Spouse).

7. Assignment or Commutation
The locked-in money in the Contract, including interest, may not be assigned, charged, anticipated or given as security and is exempt from execution, seizure, attachment or other process of law except where a judgment is rendered in favour of your spouse that gives entitlement to a seizure under any applicable legislation. The seizable portion of the balance of the Contract may be paid in a lump sum.

The locked-in money in the Contract, including interest, may not be commuted, surrendered or withdrawn in cash during your lifetime except in accordance with the paragraph above, section 10 (Withdrawals), section 11 (Income Payments) and the Act and the Regulation.
8. Amendments
Except to fulfill requirements under law, if any amendment is made to the Contract that would reduce any benefits, you may request the transfer of the locked-in money in the Contract in accordance with section 9 (Transfers) of this Endorsement, before the effective date of the amendment. Manulife will send you notice of the amendment indicating the subject of the amendment and the period during which the transfer may be requested. You will receive this notice at least 90 days before the effective date of the amendment.

Any increase in any fees debited to the Contract will be deemed to be an amendment that would reduce benefits resulting from the Contract.

The Contract may be amended only to the extent that it remains in conformity with the standard contract registered with the Retraite Québec.

9. Transfers
You may request that the locked-in money in the Contract, in whole or in part, be transferred at any time unless the agreed upon term of the investment has not expired to:

a) a life income fund as referred to in section 18 of the Regulation;

b) a locked-in retirement account referred to in section 29 of the Regulation;

c) an annuity contract referred to in section 30 of the Regulation;

d) a pension plan governed by the Pension Act;

e) a supplemental pension plan governed by an act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension;

f) a supplemental pension plan established by an act emanating from the Parliament of Québec or from another legislative authority;

g) the locked-in account of a voluntary retirement savings plan governed by the Voluntary Retirement Savings Plans Act; or

h) the locked-in account of an equivalent voluntary retirement savings plan emanating from a legislative authority other than the Parliament of Québec, provided you joined that plan as part of your employment;

If the Contract holds investment securities, the transfers referred to in this Part may, at the option of Manulife and unless otherwise stipulated, be affected by remittance of the investment securities respecting the account.

All transfers are subject to paragraph 146.3 (2) (e) of the Tax Act.

10. Withdrawals
Any withdrawal fees specified in the Contract will be applicable at time of a withdrawal.

Non-resident - A lump sum payment of the total balance of the Contract may be paid to you, unless the agreed upon term of the investments has not expired, where you have not resided in Canada for at least two years.

Small Amount - A lump sum payment of the total balance of the Contract may be paid to you if you are at least age 65 at the end of the year preceding your application and the aggregate of the sums you have accumulated in the following plans:

a) defined contribution pension plans;

b) defined contribution-defined benefit pension plans, by applying provisions identical to those for a defined contribution plan;

c) life income funds;

d) locked-in retirement accounts;

e) locked-in RRSPs (registered retirement savings plans whose balance must be converted to a life annuity);

f) the voluntary retirement savings plans governed by the Voluntary Retirement Savings Plans Act do not exceed 40% of the Year’s Maximum Pensionable Earnings (YMPE) determined in accordance with the Act respecting the Quebec Pension Plan for the year during which you apply for payment.

Your application must be accompanied with a declaration to this effect. The declaration must be in conformity with the one prescribed in schedule 0.2 of the Regulation.

Tax payable - A lump sum payment of up to the total balance of the Contract may be paid to you where that amount is required to be paid by the taxpayer to reduce the amount of tax otherwise payable under Part X.1 of the Tax Act.
11. Income Payments
The amount of income paid during a Fiscal year of the Contract will not be less than the minimum amount for a retirement income fund as defined in the Tax Act and is subject to the upper limit referred to in section 20.1 of the Regulation. The maximum income calculation is based on the nominal interest rate of interest earned on long-term bonds issued by the Government of Canada, referred to in section 21 of the Regulation.

If income paid to you during the Fiscal year of the Contract exceeds the maximum amount that may be paid to you in accordance with the provisions of the Contract or the Regulation, Manulife will, at your request, reimburse that amount as a penalty, unless such payment is the result of a false statement by you.

12. Investments
Manulife affirms that the money in the Contract will be invested in a manner that complies with the rules for the investment of money in a RRIF. All the money contained within the Contract will be locked-in and money that is not locked-in will not be permitted in the Contract.

13. Statements
Manulife will provide the statements required by sections 24, 24.1, 25 and 26 of the Regulation.

For the purpose of a transfer, the purchase of a life annuity or a death benefit the method used to determine the value of the funds is as specified in the Contract.

The Contract shall at all times comply with the provisions of the Act, the Regulation and the Tax Act with respect to RRIFs. Manulife affirms the provisions contained in the Contract. Notwithstanding anything to the contrary contained in the Contract, the conditions of this Endorsement will take precedence over the provisions in the Contract in the case of conflicting or inconsistent provisions. **Future amendments to the Act and the Regulation, or subsequent legislation may override this Endorsement.**