

# Canada Savings Bonds

## Payroll Savings Program

### TERMS AND CONDITIONS

Canada Savings Bonds (CSBs) purchased pursuant to the Payroll Savings Program are subject to terms and conditions approved by the Minister of Finance, which are summarized below.

In these terms and conditions:

- *bonds* mean the series of compound interest CSBs on sale through the Payroll Savings Program on the date *you* complete the application and purchased pursuant to that application;
- *you* means the purchaser of the *bonds*; and
- *Trustee* means The Canada Trust Company and its successor.

#### Buying bonds

*You* may only buy *bonds* with Canadian currency and in whole dollar amounts subject to the minimum and maximum purchase amounts per regular payroll deductions.

The minimum purchase amounts for each regular payroll deduction per type of registration are as follows:

- \$2 if *you* are paid once a week;
- \$4 if *you* are paid every two weeks or twice a month; and
- \$8 if *you* are paid once a month.

For bonds purchased within The Canada RSP, the minimum purchase amounts for each regular payroll deduction per type of registration are as follows:

- \$10 if *you* are paid once a week;
- \$20 if *you* are paid every two weeks or twice a month; and
- \$40 if *you* are paid once a month.

Regardless of how often *you* are paid, the maximum purchase amount for each regular payroll deduction is \$9,999.00.

Unless *you* have told your employer otherwise and your employer transmitted your new instructions to the Bank of Canada and/or *you* provided them directly to the Bank of Canada, *you* will have bought *bonds* according to the instructions *you* have correctly provided on the application as of the date the Bank of Canada receives your regular payroll deductions from your employer.

The Bank of Canada will calculate an annual amount based on the frequency and periodic amount that *you* have specified and that your employer has transmitted to the Bank of Canada. *You* can stop or change the amount of *bonds* *you* purchase within this annual amount. In the event *you* had stopped your purchase of *bonds*, *you* can also restart your purchase. If the change in the purchase amount brings the total purchase above the annual amount, the Minister of Finance may order a person to redeem the *bonds* purchased above the annual amount. No further interest will be earned on *bonds* that the Minister has ordered to be redeemed.

The Minister of Finance may end the sale of CSBs at any time.

#### Who can own bonds

Only Canadian residents may own *bonds*.

*Bonds* may be registered in the following manner:

- in the name of an individual, whether adult or minor;
- in your name together with the name of another individual with right of survivorship.\*
- in the name of the trust governed by The Canada RSP as long as the beneficial owner of the trust is eligible to have a Registered Retirement Savings Plan (RRSP); or
- in the name of the trust governed by The Canada RIF as long as the beneficial owner of the trust is eligible to have a Registered Retirement Income Fund (RRIF).

*\*Province of Quebec: The term "with right of survivorship" is not applicable under current law.*

*Bonds* purchased within the Canada RSP may be registered in the following manner:

- in the name of an individual, whether adult or minor;
- in the name of the trust governed by The Canada RSP as long as the beneficial owner of the trust is eligible to have a Registered Retirement Savings Plan (RRSP); or
- in the name of the trust governed by The Canada RIF as long as the beneficial owner of the trust is eligible to have a Registered Retirement Income Fund (RRIF).

The *bonds* have no certificates.

The maximum amount of principal that a person may own per series and per type of registration of CSBs is \$500,000. A person may own CSBs above this limit if they are purchased with the proceeds of a maturing series, or because the person received them upon the death of the owner or a co-owner. Otherwise, the Minister of Finance may order a person to redeem the CSBs in excess of the maximum limit. No further interest will be earned on the amount of CSBs owned above this limit after the Minister's order to redeem. The Minister of Finance may change the \$500,000 maximum ownership limit at any time.

If there is any doubt whether a person is eligible to own CSBs and how they may be registered, the Minister of Finance has the right to make the final decision.

#### CORRESPONDENCE

Statements will be sent to the address shown on record. A maturity notice will also be sent to this address, at least 30 days prior to maturity

#### Compound interest bonds

*Bonds* earn interest daily based on the daily closing balance, until the earlier of maturity or redemption by the bondholder, at the rates determined by the Minister of Finance. In addition to simple interest, *bonds* earn compound interest daily at the rates determined by the Minister of Finance until the earlier of maturity or redemption by the bondholder based on the interest earned on each annual anniversary of the issue date prior to maturity. Any compound interest will be paid at the time of redemption (please refer to **Redeeming bonds** below).

#### Exchanging bonds

*Bonds* cannot be exchanged for other Government of Canada investment products.

#### Transferring and assigning bonds

Subject to applicable laws and in a manner acceptable to the Bank of Canada, *bonds* may only be transferred and assigned in the following cases:

- to The Canada RSP or to The Canada RIF;
- from The Canada RSP or The Canada RIF to the beneficial owner or, upon the death of the beneficial owner, to the beneficiary thereof;
- to a beneficiary, estate, or trustee under a will if the owner dies or from the estate or the trustee to the beneficiary thereof; or
- where they are to be pledged to Her Majesty in right of Canada as security for any purpose.

The minimum amount that may be transferred and assigned for each type of registration is the lesser of \$100 and the balance in *bonds* provided that for *bonds* transferred and assigned to The Canada RSP that are not from The Canada RIF, the minimum amount that may be transferred and assigned for each type of registration is \$500.

#### Redeeming bonds

*Bonds* may be redeemed by the owner **at any time after 15 days following the date they were purchased** by contacting the Bank of Canada, or by accessing [www.mybonds.gc.ca](http://www.mybonds.gc.ca). *Bonds* purchased within The Canada RSP may be redeemed by the owner **at any time after 15 days following the date they were purchased** by writing to the *Trustee*.

For each type of registration, **not less than the balance in bonds may be redeemed prior to the three months following the issue date**. At other times, the minimum amount that may be redeemed for each type of registration is the lesser of \$100 and the balance in *bonds*. The amount redeemed will be comprised of both principal and interest.

**No interest is earned on any bonds redeemed prior to the three months following the issue date.**

#### Errors

Neither the Bank of Canada nor the Minister of Finance will be responsible for any errors or omissions in any correspondence, statements, or receipts sent unless the Bank of Canada is advised in writing of such error or omission within 30 days.

#### Contacting the Bank of Canada

Canada Savings Bonds  
P.O. Box 2770, Station D  
Ottawa, ON K1P 1J7

1 877 899-3599  
1 800 354-2222 (TTY/Teletypewriter)  
[www.csb.gc.ca](http://www.csb.gc.ca)

#### Contacting the Trustee (Bonds purchased within The Canada RSP)

Canada Savings Bonds  
Registered Products  
P.O. Box 2390, Station D  
Ottawa, ON K1P 1K8

1 877 899-3599  
1 800 354-2222 (TTY/Teletypewriter)

#### A REMINDER ABOUT THE PAYROLL SAVINGS PROGRAM

**Unless you, the purchaser, tell your employer otherwise and your employer transmits your new instructions to the Bank of Canada and/or you provided instructions directly to the Bank of Canada, your regular payroll deductions will continue in future years to purchase new series of similar CSBs, according to the instructions you have correctly provided.**