



TERMS AND CONDITIONS

The Canada RSP and The Canada RIF

These terms and conditions govern The Canada Retirement Savings Plan (or “The Canada RSP”) and The Canada Retirement Income Fund (or “The Canada RIF”). The Minister of Finance has ended the sales of Canada Savings Bonds and Canada Premium Bonds and as a result no new contributions can be made to The Canada RSP or The Canada RIF as of November 1, 2017. Contributions made prior to such date to existing plans continue to be governed by these terms and conditions.

In these terms and conditions:

- *bonds* means the series of compound interest Canada Savings Bonds (CSBs) or Canada Premium Bonds (CPBs) that you currently hold in The Canada RSP or The Canada RIF pursuant to the Canada Savings Bonds Program;
- *you* means the owner of an existing account in The Canada RSP or The Canada RIF;
- *registered plan* means a Registered Retirement Savings Plan (RRSP) or a Registered Retirement Income Fund (RRIF) within the meaning assigned to these expressions by the *Income Tax Act* (Canada) or provincial legislation; and
- *Trustee* means the trustee of The Canada RSP and The Canada RIF.

The *bonds* do not have certificates. Your *bonds* will be held in your name by the *Trustee*. If you transfer your *bonds* out of The Canada RSP or The Canada RIF and into another *registered plan*, they will be held in the name of the trustee of that plan.

Interest rates

Interest rates announced are guaranteed and are available on csb.gc.ca. However, if market conditions warrant, the rates can be increased at any time for a specific period.

Compound interest *bonds*

Bonds purchased through the Payroll Savings Program

Bonds will accrue simple daily interest, based on the daily closing principal balance outstanding for a particular series. In addition to simple interest, *bonds* will accrue compound interest daily, based on the daily closing credited interest balance outstanding for a particular series. Accrued compound interest will be credited on each annual anniversary of the issue date for a particular series. Interest is earned and accrued on the *bond* until the earlier of maturity or redemption by the registered owner. Compound interest shall initially be payable only after the first annual anniversary of the issue date. Simple and compound interest shall be payable to the registered owner at the time of redemption (please refer to **Redeeming *bonds***).

Bonds purchased through an Authorized Sales Agent or by telephone

Compound interest *bonds* accrue, in addition to simple monthly interest, annual compound interest at the rates determined by the Minister of Finance until the earlier of maturity or redemption by the registered owner. Accrued interest will be credited on each annual anniversary date for a particular series until maturity. If a *bond* is redeemed prior to maturity, then simple and compound interest shall be payable to the owner up to the end of the month prior to the date of redemption (please refer to **Redeeming *bonds***).

Maturing *bonds*

Bonds held to maturity will automatically be reinvested into the next series up until the November or December of 2021 timeframe, after which they will not be reinvested. As a result, *bonds* held in The Canada RSP and The Canada RIF following such dates will no longer earn interest. The *Trustee* will continue to hold your *bonds* in your plan pending your instructions to withdraw or transfer.

Redeeming *bonds*

Bonds may be redeemed at anytime prior to maturity by contacting the *Trustee* either by phone or by mail.

The minimum amount that may be redeemed is the lesser of \$100 or the balance remaining. The amount redeemed will be comprised of both principal and interest.

Any withdrawals from your Canada RSP or payments from your Canada RIF may be taxable income under the *Income Tax Act* (Canada) and any provincial income tax legislation that may apply.

Transferring out and assigning *bonds*

Subject to applicable laws and in a manner acceptable to the Bank of Canada, *bonds* may only be transferred out according to RRSP/RRIF governing laws as stipulated by the Canada Revenue Agency (CRA).

The minimum amount that may be transferred out and assigned for each series is the lesser of \$500 or the balance remaining.

If the *bonds* are transferred out of The Canada RSP or The Canada RIF, these terms and conditions will no longer apply.

Contacting the *Trustee*

By mail:

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

By phone:

1 800 575-5151
1 800 354-2222 (TTY/Teletypewriter)

Contacting the Bank of Canada

By mail:

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

By phone:

1 800 575-5151
1 800 354-2222 (TTY/Teletypewriter)

Correspondence

Statements will be sent to the address shown on record, and these will include a notification of upcoming bond maturities.