

# Desjardins Disability Savings Plan

## Declaration of Trust

This declaration of trust, together with the application, constitutes an arrangement entered into between Desjardins Trust Inc. (the "Issuer") as Issuer of the Plan and any entity (the "Holder[s]") with whom the Issuer agrees to pay or to cause to be paid Disability Assistance Payments to a Beneficiary.

The parties agree as follows:

**1. DEFINED TERMS.** For the purposes of this arrangement the ensuing terms will have the following meanings:

**"Applicable Legislation"** means the *Income Tax Act* (the "ITA"), the *Canada Disability Savings Act* (the "CDSA") and their Regulations that govern this Plan, the property in this Plan, and the parties involved in this arrangement.

**"Assistance Holdback Amount"** has the meaning assigned under the *Canada Disability Savings Regulations*.

**"Beneficiary"** means the individual designated in the application by the Holder(s) to whom, or on whose behalf, Lifetime Disability Assistance Payments and Disability Assistance Payments shall be paid.

**"Designated Provincial Program"** means a program that supports savings in registered disability savings plans (RDSP) and that is established under the laws of a province.

**"Disability Assistance Payment"** means any payment from the Plan to the Beneficiary or to the Beneficiary's estate.

**"Disability Savings Plan"** of a beneficiary means an arrangement between the Issuer and one or more of the following:

- (i) the Beneficiary;
- (ii) an entity who is a Qualifying Person in relation to the Beneficiary at the time the arrangement is entered into;
- (iii) a Qualifying Family Member in relation to the beneficiary, who was the holder of the Beneficiary's previous RDSP - if the Plan is opened as a result of a transfer from the previous RDSP; and
- (iv) a legal parent of the Beneficiary who is not a Qualifying Person in relation to the Beneficiary at the time the arrangement is entered into but is a holder of another RDSP of the Beneficiary;

under which one or more contributions are to be made in trust to the Issuer to be invested, used, or applied by the Issuer for the purpose of making payments to the Beneficiary and where the arrangement is entered into in a taxation year in respect of which the Beneficiary is eligible for the disability tax credit.

**"DTC Eligible Individual"** means an individual who would be eligible for the disability tax credit if subsection 118.3(1) of the ITA were read without reference to paragraph 118.3(1)(c) of the ITA.

**"Government Funded Benefits"** means the Canada Disability Savings Grant and/or the Canada Disability Savings Bond.

**"Holder"** means one or more of the following:

- (i) an entity that has entered into the Plan with the Issuer;
- (ii) an entity who receives rights as a successor or assignee of an entity who entered into the Plan with the Issuer; and
- (iii) the Beneficiary, if the Beneficiary has rights under the Plan to make decisions concerning the Plan, unless the Beneficiary's only right is to request that Disability Assistance Payments be made as detailed in section 7A(b).

**"Legislated Maximum Formula Result"** means the result of the formula described in paragraph 146.4(4)(l) of the ITA.

**"Lifetime Disability Assistance Payments"** means Disability Assistance Payments that, after they begin to be paid, are payable at least annually until the earlier of the day on which the Beneficiary dies and the day on which the Plan is terminated.

**"Non-qualified investment"** means an investment not described in the definition of qualified investment in subsection 146.4(1) of the ITA.

**"Plan"** means this arrangement established hereunder and known as the Desjardins Disability Savings Plan.

**"Plan Trust"** means the trust governed by the Plan.

**"Qualifying Family Member"** in relation to a Beneficiary of a disability savings plan, at any time, means any individual who, at that time, is

- (a) a legal parent of the Beneficiary;
- (b) a spouse or common-law partner of the Beneficiary who is not living separate and apart from the Beneficiary by reason of a breakdown of their marriage or common-law partnership; or
- (c) a brother or sister (determined without reference to subsection 252(2) of the ITA) of the Beneficiary.

**"Qualifying Person"** means one of the following:

If the Beneficiary has not reached the age of majority at or before the time the arrangement is entered into:

- (i) a legal parent of the Beneficiary;
- (ii) a guardian, tutor, curator or other individual who is legally authorized to act on behalf of the Beneficiary; or
- (iii) a public department, agency, or institution that is legally authorized to act on behalf of the Beneficiary.

If the Beneficiary has reached the age of majority at or before the time the arrangement is entered into but is not contractually competent to enter into the arrangement, Qualifying Person will mean an entity as described in paragraphs (ii) or (iii) of this definition.

Other than for the purpose of acquiring successor or assignee rights as described in section 4, an individual who is a Qualifying Family Member in relation to the Beneficiary is a Qualifying Person if the following conditions are met:

- (a) The Qualifying Family Member opens the Plan for the Beneficiary before January 1, 2027;
- (b) At the time the Plan is opened, the Beneficiary is not the beneficiary of another RDSP;
- (c) The Beneficiary attained the age of majority before the Plan was entered into;
- (d) No entity that is legally authorized to act on behalf of the Beneficiary exists; and
- (e) After reasonable enquiry, the Issuer determines that the Beneficiary is not contractually competent to enter into this Plan with the Issuer.

**"Registered Disability Savings Plan"** means a Disability Savings Plan that satisfies the conditions of section 146.4 of the ITA.

**"Specified Maximum Amount"** means the greater of the legislated maximum formula result and the sum of:

- 10% of the plan's fair market value; and
- all periodic payments from locked-in annuity contracts.

The fair market value does not include amounts held in locked-in annuity contracts. Also, if the plan disposes of a locked-in annuity contract during the calendar year, the periodic payment amount will contain a reasonable estimate of amounts that would have been paid from the annuity into the plan in that year.

**"Specified Minister"** means the Minister as designated in the CDSA.

**"Specified RDSP Payment"** means a payment that is made to the Plan after June 2011 that is designated, in prescribed form, by the Holder and the Beneficiary as a Specified RDSP Payment at the time the payment is made. The payment is an amount that originated from the registered retirement savings plan, registered retirement income fund, specified pension plan, pooled registered pension plan or registered pension plan of the Beneficiary's deceased parent(s) or grandparent(s). The amount was paid as a refund of premiums, an eligible amount, or a payment (with exception to a payment that is part of a series of periodic payments or payments that relate to an actuarial surplus) because of the parent(s) or grandparent(s) death and the Beneficiary was financially dependent on the parent or grandparent because of a mental or physical infirmity at the time of their death.

**"Specified Year"** means the particular calendar year in which a medical doctor or a nurse practitioner, who is licensed to practice under the laws of a province (or the place where the Beneficiary resides), certifies in writing that, in his or her professional opinion, the Beneficiary is not likely to live more than five years. The specified year includes each of the following five calendar years after the particular calendar year and will not include any calendar year that is prior to the calendar year in which the certification is provided to the Issuer.

**2. PURPOSE OF THE PLAN.** The Plan will be operated exclusively for the benefit of the Beneficiary under the Plan. The Beneficiary's designation is irrevocable and no right of the Beneficiary to receive payments from the Plan may be surrendered or assigned.

**3. REGISTRATION OF THE PLAN.** The following conditions must be satisfied in order for the Plan to be considered registered:

- (i) before the Plan is entered into, the Issuer must receive written notification from the Minister of National Revenue that provides approval of the specimen plan under which the arrangement is based;
- (ii) at or before the time the Plan is entered into, the Issuer must be provided with the social insurance numbers of the Beneficiary and every entity who enters into the Plan with the Issuer (in the case of an entity that is a business, their business number);
- (iii) at the time the Plan is entered into, the Beneficiary must be resident in Canada unless the Beneficiary is currently a beneficiary under another RDSP; and
- (iv) the Beneficiary must be a DTC Eligible Individual in respect of the taxation year in which the Plan is opened for him/her. An exception will be made if the beneficiary is not a DTC Eligible Individual and the Plan is opened as a result of a transfer from the beneficiary's prior RDSP in accordance with section 8.

The Plan will not be considered registered unless the Issuer notifies the Specified Minister of the Plan's existence without delay. The notification must be in prescribed form containing prescribed information.

The Plan will not be considered registered if the Beneficiary of the Plan is also the Beneficiary of another RDSP that has not been terminated without delay.

**4. CHANGES IN HOLDER.** An entity may only become a successor or assignee of a Holder if the entity is:

- (i) the Beneficiary;
- (ii) the Beneficiary's estate;
- (iii) a Holder of the Plan at the time rights are acquired;
- (iv) a Qualifying Person in relation to the Beneficiary at the time rights under the Plan are acquired; or
- (v) a legal parent of the Beneficiary who was previously a Holder of the Plan.

An entity may not exercise their rights as a successor or assignee of a Holder until the Issuer is advised that the entity has become a Holder of the Plan. Before exercising their rights as a successor or assignee of a Holder, the Issuer must be in receipt of the entity's social insurance number or business number, as the case may be.

If a Holder (other than a qualifying family member) ceases to be a Qualifying Person, he or she will also cease to be a Holder of the Plan. There must be at least one Holder of the Plan at all times and the Beneficiary or the Beneficiary's estate may automatically acquire rights as successor or assignee of a Holder in order to comply with this requirement.

A Qualifying Family Member (who is a Qualifying Person solely because of conditions a) to e) under the Qualifying Person definition) will cease to be Holder of the Plan if the Beneficiary notifies the Issuer that they wish to become the Holder and either the Issuer, after reasonable enquiry determines the beneficiary to be contractually competent, or a competent tribunal or other provincial authority has declared the Beneficiary to be contractually competent.

A Qualifying Family Member (who is a Qualifying Person solely because of conditions a) to e) under the Qualifying Person definition) will cease to be Holder of the Plan if an entity described in point (ii) or (iii) of the Qualifying Person definition is given legal authority to act on behalf of the Beneficiary. The entity will promptly notify the Issuer of their appointment, at which time the entity will replace the Qualifying Family Member as Holder.

If there is a dispute over a Qualifying Family Member's status as Holder, the Qualifying Family Member (who is a Qualifying Person solely because of conditions a) to e) under the Qualifying Person definition) must attempt to avoid a reduction in the fair market value of the Plan Trust's property. The Qualifying Family Member must apply this requirement until the dispute is settled or a new entity is named as Holder.

- 5. WHO MAY BECOME A BENEFICIARY OF THE PLAN.** An individual may only be designated as a Beneficiary of the Plan if the individual is resident in Canada when the designation is made. The individual must also be a DTC Eligible Individual in respect of the taxation year in which the Plan is opened for them before designation to the Plan can take place.

An exception will be made if the Plan is opened as a result of a transfer from a beneficiary's prior RDSP in accordance with section 8.

An individual is not considered a Beneficiary of the Plan until the Holder designates the Beneficiary on the application by providing the Beneficiary's full name, address, social insurance number, gender, and date of birth.

- 6. CONTRIBUTIONS.** Only the Holder may make contributions to the Plan unless they have given written consent to allow another entity to make contributions into the Plan.

Contributions may not be made into the Plan if the Beneficiary is not a DTC Eligible Individual in respect of the taxation year in which the contribution is made. Where the Beneficiary is not a DTC-eligible individual, a specified RDSP payment can be made into the Plan no later than the end of the fourth calendar year following the first year throughout which the beneficiary is not a DTC Eligible Individual.

Contributions may not be made into the Plan if the Beneficiary died before that time.

A contribution may not be made into the Plan if:

- (i) the Beneficiary is not resident in Canada at that time;
- (ii) the Beneficiary turns 59 years of age before the calendar year that includes that time; or
- (iii) the total of the contribution and all other contributions made (other than as a transfer in accordance with section 8) at or before that time to the Plan or to any other RDSP of the Beneficiary would exceed \$200,000.

A contribution does not include Government Funded Benefits, amounts from a Designated Provincial Program or from another program that has a similar purpose and is funded directly or indirectly by a province (other than an amount paid by an entity described in paragraph (iii) of the Qualifying Person definition), or an amount transferred to the plan in accordance with section 8.

Other than for the purposes of this section and for the purposes of section 7A, a Specified RDSP Payment and an accumulated income payment from a registered education savings plan are not considered contributions to the Plan.

- 7. PAYMENTS FROM THE PLAN.** No payments will be made from the Plan other than:

- (i) the payment of Disability Assistance Payments to a Beneficiary of the Plan;
- (ii) the transfer of an amount to another trust that irrevocably holds property under a RDSP of the Beneficiary, as detailed in section 8; and
- (iii) repayments of amounts under the CDSA and its Regulations or under a Designated Provincial Program.

A Disability Assistance Payment may not be made from the Plan if the fair market value of the property held by the Plan Trust, immediately after the payment is made, would be less than the Assistance Holdback Amount in relation to the Plan.

Lifetime Disability Assistance Payments will begin no later than the end of the calendar year in which the Beneficiary turns 60 years of age. In such a case where the Plan is established after the Beneficiary turns 60 years of age, Lifetime Disability Assistance Payments will begin in the calendar year immediately following the calendar year in which the Plan is established.

If the beneficiary has reached 59 years of age before the particular calendar year, the total of all disability assistance payments made from this plan in the year will not be less than the legislated maximum formula result. If the property in this plan trust is insufficient to make available the required amount, a lesser amount may be paid.

Lifetime disability assistance payments for a calendar year are limited to the amount determined by the legislated maximum formula result.

- 7A. DISABILITY ASSISTANCE PAYMENTS.** If the total amount of all Government Funded Benefits paid into this and any other RDSP of the Beneficiary before the beginning of the calendar year exceeds the total amount of contributions paid into this and any other RDSP of the Beneficiary before the beginning of the calendar year then the following conditions must be met:

(a) If the calendar year is not a Specified Year for the Plan, and the conditions in section 9(ii)(a) and (b) are not met in the calendar year, the total amount of Disability Assistance Payments made in the year from the Plan will not exceed the Specified Maximum Amount. When calculating the total amount, a transfer as detailed in section 8 is to be disregarded if payments are made in lieu of those that should have been made under the prior plan of the Beneficiary as described in paragraph 146.4(8)(d) of the ITA. A transfer as detailed in section 8 is to be disregarded if the transfer is made in lieu of a payment that would have been permitted to be made from the other plan in the calendar year if the transfer had not occurred.

(b) If the Beneficiary has reached 27 years of age but not 59 years of age before the particular calendar year, the beneficiary may direct that one or more Disability Assistance Payments be made from this plan in the year provided that the total of all Disability Assistance Payments made from this plan in the year does not exceed the amount imposed by the constraints of paragraph (a) of this section. These payments may not be made from the Plan if the fair market value of the property held by the Plan Trust, immediately after the payment is made, would be less than the Assistance Holdback Amount in relation to the Plan.

- 8. TRANSFERS.** At the direction of the Holder(s) of the Plan, the Issuer will transfer all property held by the Plan Trust directly to another RDSP of the Beneficiary. The Issuer will provide the issuer of the new plan with all information in their possession (that was not previously provided to the specified Minister) that is necessary for the new issuer to comply with the requirements of the Applicable Legislation. The Issuer will terminate the Plan immediately after completing the transfer to the new RDSP.

In addition to any other Disability Assistance Payments that are required to be paid to the Beneficiary in the year, if the Beneficiary is transferring an amount from another RDSP and the Beneficiary attained the age of 59 years before the calendar year in which the transfer occurs, the Plan will make one or more Disability Assistance Payments to the Beneficiary whose total will be equal to the amount by which:

- (i) the total amount of Disability Assistance Payments that would have been made from the prior plan in the year if the transfer had not occurred exceeds;
- (ii) the total amount of Disability Assistance Payments made from the prior plan in the year.

- 9. TERMINATION OF THE PLAN.** After taking into consideration the Assistance Holdback Amount and Designated Provincial Program repayments, any remaining amount in the Plan will be paid to the Beneficiary or to his or her estate. This amount will be paid and the plan will terminate by the end of the calendar year following the earlier of:

- (i) the calendar year in which the Beneficiary dies; and
- (ii) the first calendar year in which the following conditions are met:
  - (a) the holder has requested that the issuer terminate this plan, and
  - (b) throughout the year the beneficiary has no severe and prolonged impairment as described in paragraph 118.3(1)(a.1) of the ITA.

- 10. NON-COMPLIANCE OF THE PLAN.** If either the Issuer, the Holder, or the Beneficiary of the Plan fails to comply with the requirements in respect of RDSPs as set out in the Applicable Legislation or if the Plan is not administered in accordance with its terms, the Plan will be considered non-compliant and will cease to be a RDSP at that time. The Minister of National Revenue may consider deferring or waiving the deregistration of the Plan.

At the time the Plan ceases to be registered, a Disability Assistance Payment will be deemed to have been made from the Plan to the Beneficiary or, if the Beneficiary is deceased, to his or her estate, that is equal to the amount by which the fair market value of the property held by the Plan Trust exceeds the Assistance Holdback Amount.

If the Plan ceases to be registered because a Disability Assistance Payment is made that results in the fair market value of the property in the Plan being less than the Assistance Holdback Amount, an additional Disability Assistance Payment will also be deemed to be made from the Plan to the Beneficiary at that time which is equal to:

- (i) the amount by which the lesser of the Assistance Holdback Amount in relation to the Plan and the fair market value of the property held by the Plan Trust at the time of payment exceeds;
- (ii) the fair market value of the property held by the Plan Trust immediately after the payment.

The non-taxable portion of this payment will be deemed to be nil.

- 11. OBLIGATIONS OF THE ISSUER.** The Issuer will forward notification of any change in Holder under the Plan to the Specified Minister containing prescribed information on or before the day that is 60 days after the later of:
- (i) the day on which the Issuer is advised of the change in Holder; and
  - (ii) the day on which the Issuer is provided with the social insurance number or business number of the new Holder.

The Minister of National Revenue must approve amendments to the specimen plan under which this Plan is based before the Issuer can amend the Plan's terms and conditions.

If the Issuer discovers that the Plan is or will likely become non-compliant, the Issuer will notify both the Minister of National Revenue and the Specified Minister of this fact within 30 days after the Issuer becomes aware of possible or factual non-compliance.

The Issuer will exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan Trust holds a non-qualified investment.

If a Qualifying Family Member (who is a Qualifying Person solely because of conditions a) to e) under the Qualifying Person definition) opens this Plan and becomes Holder, the Issuer will promptly notify the Beneficiary of this fact in writing. The notification will include the information in Section 4 that describes how the Qualifying Family Member can be replaced by another entity as the Plan Holder. The Issuer will collect and use all information provided by the Holder that is required to administer and operate the Plan.

If the Issuer fails to comply with these obligations, the Issuer is liable to penalties as set out in subsection 162(7) of the ITA.

The Issuer will not be held liable for entering into this Plan with a Qualifying Family Member if at the time the Plan was entered into, the Issuer had made a reasonable enquiry into the beneficiary's contractual competence and it was the Issuer's opinion that the beneficiary's contractual competence was in doubt.

**12. RESPONSIBILITY FOR THE PLAN AND THE PLAN TRUST.** The Issuer has ultimate responsibility for the administration of the Plan and the Plan Trust. Therefore, the Issuer shall ensure that the Plan and the Plan Trust are administered in compliance with the requirements of the Applicable Legislation.

**13. DELEGATION OF DUTIES.** If the Issuer enters into a contractual arrangement with a third party for the purpose of permitting the third party to perform administrative or other duties under the Plan, the ultimate responsibility for the Plan and the Plan Trust remains with the Issuer as detailed in section 12. The Issuer is responsible for the payment of any penalties resulting from non-compliance as detailed in section 11. For more information on the RDSP program, see IC99-1R3.

**14. ISSUER'S FEES.** In consideration for administering the Plan, the Issuer is entitled to the payment of its customary fees, which is acknowledged by the Holder(s) and which may be deducted from the Plan assets. Written notice of any change in fees shall be sent to any Holder within at least thirty (30) days of the effective date of such change in fees.

In addition, the Issuer is entitled to payment for the services rendered hereunder at its rates in effect from time to time and is also entitled to reimbursement of all taxes it may be required to pay as Issuer of the Plan, as well as reasonable fees for all special services rendered hereunder in accordance with the time and liability involved.

Should the Holder(s) fail to pay fees, charges, expenses and taxes referred to in the preceding paragraphs upon thirty (30) days' written notice, the Issuer shall be entitled to deduct from the Plan assets all amounts described above in the manner the Issuer shall determine and may, at the Issuer's discretion, liquidate and convert into cash the assets of the Plan to obtain these amounts, the Issuer being hereby specifically authorized to act accordingly. The Holder(s) shall remain liable to the Issuer for the amount of all fees, charges, expenses, etc. in excess of the Plan assets.

**15. RESPONSIBILITY OF THE ISSUER.** The Issuer assumes responsibility for administration of the Plan. However, the Issuer may act on any written information the Issuer deems authentic and which is signed by the Holder(s) or by the legal representative of the Holder(s) and shall be under no obligation to perform any research or investigation concerning such information.

**16. GOVERNMENT FUNDED BENEFITS.** Desjardins Trust Inc., as Issuer of the Plan, shall ensure that an application for the Canada Disability Savings Grant (CDSG), and, if applicable, for the Canada Disability Savings Bond (CDSB), are filed as agreed. Once granted, the CDSG and, if applicable, the CDSB, will be invested as instructed by the Holder(s). The Issuer will make the necessary grant refunds pursuant to the provisions of the CDSA. The plan will comply with the conditions set out in the *Canada Disability Savings Act* and the *Canada Disability Savings Regulations*. The Holder(s) agree(s) to provide the information requested by Desjardins Trust Inc. as Issuer to enable it to apply and administer the CDSG and the CDSB.

**17. RESIGNATION OF THE ISSUER.** The Issuer may resign from its office by providing sixty (60) days' written notice of such resignation to the Holder. The replacing Issuer must be a Canadian-based corporation duly authorized to exercise as issuer and must undertake to assume the responsibilities of the Plan.

After the sixty (60) days, the Issuer shall transfer all the assets held under the Plan to any other Trustee in accordance with the ITA.

**18. PLAN AMENDMENTS.** The Issuer may amend this Plan to ensure it complies, at all times, with the conditions for registration stipulated in the ITA.

Furthermore, the Issuer, may, at its discretion, amend, from time to time, the terms and conditions not related to conditions for registration of this Plan, including any change in fees, and undertakes to send thirty (30) days' written notice to the Holder(s) before such amendments take effect.

**19. NOTICE.** Any notice given by the Holder shall be valid and effective if delivered in person or sent postage prepaid to the Issuer at:

2 Complexe Desjardins  
P.O. Box 34, Desjardins Station  
Montréal, Québec  
H5B 1J2

and such notice shall be deemed to have been effectively given on the date of delivery.

**20. GOVERNING LAW.** This Plan shall be governed by and interpreted in accordance with the laws of the province of residence of the Beneficiary and with the ITA.

The Plan meets the prescribed conditions.

2023