



**Canadian Worker Co-operative Federation  
Self-Directed RRSP & TFSA Program**

Support Manual for CEDIFs, CEDBs, CEDCs and NPOs

Updated June 2020

## Table of Contents

Introduction .....	4
I. Joining the CWCF Plan.....	5
II. Forwarding Account Documents to CWCF .....	6
Electronic Signatures.....	7
III. Setting up Individual Contracts for Annuitants .....	7
IV. Making Deposits to the SD-RRSP & SD-TFSA Plan .....	8
Cash Contribution .....	8
Cash Transfer .....	9
Contribution In-Kind.....	11
Transfer In-Kind.....	11
V. Electronic Deposit and Payment Options.....	13
VI. Offerings and Deadlines.....	14
VII. Income Earned on Securities Held in a SD-RRSP or SD-TFSA .....	15
VIII. Annual Account Fees.....	16
IX. Security Redemptions .....	17
X. Withdrawals and Transfers Out of a Registered Plan .....	17
Withdrawal of cash from RRSP.....	18
Withdrawal of cash from TFSA.....	19
In-Kind Withdrawal of Securities from RRSP .....	20
In-Kind Withdrawal of Securities from TFSA .....	21
Transfer Out.....	22
XI. Maturing Accounts.....	22
XII. Instructions for the Completion of Forms .....	24
CWCF Associate Member Application Form .....	24
CWCF Agency Agreement (including Member Fee Schedule).....	24
Authorized Signing Officers ( <i>NEW in 2020</i> ).....	25
Declaration Regarding Directors and Officers ( <i>NEW in 2020</i> ).....	25
Certificate of Compliance and Due Diligence Checklist ( <i>NEW in 2020</i> ).....	25
Application Form for Opening a SD-RRSP or SD-TFSA Account.....	26
CWCF Self-Directed RRSP/TFSA Program Overview and Investment Risk Acknowledgement ( <i>NEW in 2019</i> ).....	27

Declaration of Trust.....	27
Designation of Beneficiary* .....	27
Appointment of Successor Holder and Optional Beneficiary Designation <b>(TFSA accounts only)</b> .....	28
Fee Schedule.....	29
Payment Authorization Form .....	29
Deposit Form .....	30
Direct Transfer Authorization Form.....	31
Small Business Shares Annuitant Declaration <b>(CED entities only)</b> .....	31
Community Bonds Annuitant Declaration <b>(NPOs only)</b> .....	31
Share or Bond Register Confirmation Letter.....	31
Issuer Representation Letter (IRL) .....	32
Withdrawal Request Form.....	32
Letter of Direction .....	33
XIII. Liquidation/Dissolution .....	33

## Introduction

The Canadian Worker Co-operative Federation (henceforth referred to as **CWCF**) is a federally incorporated not-for-profit co-operative incorporated in 1992. CWCF is a national federation of worker co-operatives with members all across Canada. Visit [www.canadianworker.coop](http://www.canadianworker.coop) for more information about the organization.

### **CWCF Vision**

To be a growing, cohesive network of democratically-controlled worker co-operatives that provide a high-quality work life, and support the development of healthy and sustainable local economies, based on co-operative principles.

### **CWCF SD-RRSP & SD-TFSA Program**

One of the many steps that CWCF has taken to embody its vision is the development of a Self-Directed RRSP (SD-RRSP) and Self-Directed TFSA (SD-TFSA) Program, which enables worker co-operatives to capitalize their operations with securities held within a Registered Plan. These Specimen Plans are registered with the Canada Revenue Agency (CRA) and work with Concentra Trust as the formal trustee. CWCF's SD-RRSP & SD-TFSA Plans are completely administered by CWCF under an agency agreement with Concentra Trust and in accordance with CRA regulations.

CWCF is pleased that the SD-RRSP & SD-TFSA Program can also be used by any co-operative or similar enterprise that has eligible securities, including Community Economic Development Investment Funds (CEDIFs) in Nova Scotia, Community Economic Development Businesses (CEDBs) in Prince Edward Island, and Community Economic Development Corporations (CEDCs) in New Brunswick. As of January 2020, we are also authorized to hold securities for Non-Profit Organizations (NPOs).

This support manual provides a guide for CED and NPO administrators and boards of directors for joining the Program and administering it to their investors. Throughout the manual, the term '**Organization**' will be used to refer to any of the aforementioned types of enterprises.

Contact information for SD-RRSP & SD-TFSA administration is as follows:

**Address:** Suite #1, 41 Aberdeen Street      Kentville, NS      B4N 2M9

**Tel:** 902-678-1683      **Fax:** 902-678-0780

Kristin Van Hattem, RRSP/TFSA Program Manager

**Email:** [rrsp@canadianworker.coop](mailto:rrsp@canadianworker.coop)

Josh Dyke, RRSP/TFSA Program Administrator

**Email:** [josh@canadianworker.coop](mailto:josh@canadianworker.coop)

Laura MacDonald, RRSP/TFSA Program Assistant

**Email:** [rrsp-assist@canadianworker.coop](mailto:rrsp-assist@canadianworker.coop)

## I. Joining the CWCF Plan

### Requirements and Procedure:

1. The organization applies for Associate Membership with CWCF by submitting the Member Application Form with an accompanying cheque made out to CWCF for \$100 plus GHST. Alternatively an e-transfer can be sent to [payments@canadianworker.coop](mailto:payments@canadianworker.coop); please reference the organization's name and "First Year Dues" in the message. For continued use of the program, the organization must remain a member in good standing by paying annual membership dues upon receipt of an invoice from CWCF in December of each year.
2. The organization must read and sign two copies of the Agency Agreement provided by CWCF, as well as the Declaration Regarding Officers and Directors, and Authorized Signing Officers forms. These documents must accompany the Membership Application form and application fee.

The organization should also review CWCF's Compliance and Due Diligence Form, which will be required annually beginning in the year following the organization's acceptance to CWCF's RRSP/TFSA Program.

3. In order to make use of CWCF's RRSP and/or TFSA Program, the organization must meet the definition of a CEDIF, CEDB, CEDC or NPO according to the appropriate provincial or federal regulating body based on its registration.

**CEDIFs and CEDBs only:** Nova Scotia and Prince Edward Island have legislation in place so that Specified Small Business Corporations such as CEDIFs and CEDBs have a blanket type of approval for their securities, meaning they will meet the definition of a Qualified Investment for the purpose of being held in a registered plan.

**CEDCs and NPOs only:** New Brunswick does not have legislation in place to deem all CEDC securities Qualified Investments. Similarly, there is no blanket legislation deeming all NPO securities as Qualified Investments. To determine whether or not securities are a Qualified Investment to be held in a registered plan, CEDCs and NPOs must have an independent accountant (CA, CMA, CGA) or lawyer confirm their securities' eligibility. The Opinion Letter written by the accountant or lawyer must reference (in appropriate detail) the applicable sections of the Income Tax Act and Regulations that are being referenced to deem the security a Qualified Investment. The CEDC/NPO must be prepared to provide an updated Opinion Letter on a regular (annual) basis, *or* with each new offering, at the request of CWCF.

**All organizations:** Confirmation of the securities' ongoing eligibility for RRSP/TFSA purposes is to be in the form of CWCF's Small Business Shares Annuitant Declaration (CED entities) or Community Bonds Annuitant Declaration (NPOs), which must be completed by each account holder ("**Annuitant**"). This Declaration must be submitted with each set of new investment

documents. It is also the responsibility of Annuitants to ensure that they are not holding a Prohibited Investment, which carries significant tax implications.

4. The organization must generally hold an escrow account with an authorized financial institution or legal firm if engaged in raising capital funds through an offering document, though this may not always be a requirement.
5. Membership Application paperwork is reviewed by CWCF Board Members at their quarterly meetings. All fully completed paperwork must be received by CWCF staff at least two weeks prior to a meeting so that the Board Members will have sufficient time to consider the application prior to discussing approval.
6. Upon approval of the Membership Application, the organization becomes a Sub-Agent of CWCF (also referred to as an **Account Representative**), and is responsible for upholding its commitments as outlined in the Agency Agreement and this Support Manual.

**IMPORTANT NOTE FOR CED ENTITIES:**

**CWCF does not issue nor administer the Equity Tax Credit**, and therefore recommends that the organization contact the regulatory body in its province when questions arise pertaining to the credit. CWCF has been advised that investors wishing to hold CEDIF or CEDB securities in a TFSA account will forego the Equity Tax Credit.

## **II. Forwarding Account Documents to CWCF**

1. Please include a cover letter with the following information:
  - a. a list of all Annuitants whose documents are enclosed; and
  - b. notations indicating the applicable transaction type(s) for each Annuitant (contribution, transfer, dividend, etc.)
2. Keep a copy of all documents for your records.
3. Send completed documents to CWCF via email, fax, courier or regular mail. Please note that documents submitted electronically that are to be accompanied by a fee payment will be kept on file and processed upon receipt of the funds.

**NOTE 1:** If submitting paperwork electronically, whenever possible please send separate emails pertaining to each Annuitant, clearly stating the Annuitant's name and transaction type in the subject line. Documents submitted electronically should be sent from a secure email address. Any scanned copies must be clear and legible. CWCF reserves the right to request original documents if necessary, such as in the event that electronic documents are unclear or illegible, or if there is a potential conflict of information.

## **Electronic Signatures**

CWCF's transaction paperwork is available fillable PDF documents, which will allow Account Representatives and Annuitants to complete these forms electronically. Electronic signatures will be accepted so long as they can be verified via Adobe, DocuSign, or a similar verification process. Scanned/emailed signatures are also acceptable. There may be some exceptions with regard to specific estate documents, but CWCF will advise the Annuitant and/or Account Representative if that is the case.

## **III. Setting up Individual Contracts for Annuitants**

To set up a SD-RRSP or SD-TFSA contract for an investor (hereinafter referred to as the **Annuitant**), the responsibilities of the Account Representative are as follows:

1. Ensure the Annuitant receives and reads the appropriate Declaration of Trust for their SD-RRSP or SD-TFSA. English and French versions of each are available.
2. Provide the Annuitant with CWCF's Self-Directed RRSP/TFSA Program Overview and Investment Risk Acknowledgement. Confirm that they understand the terms and are comfortable proceeding; if so, have them sign and date the document.
3. Assist the Annuitant in completing the SD-RRSP or SD-TSFA Application Form. If the Annuitant is setting up more than one type of account (i.e. RRSP, Spousal RRSP and/or TFSA), have them complete separate application forms for each contract.
4. Take a copy of the Annuitant's photo ID. Include the back of the ID for signature verification.
5. Explain the Designation of Beneficiary / Appointment of Successor Holder option and assist the Annuitant in completing the appropriate form(s) if they choose to make such an election. (This is not a requirement to open a Registered Plan.) Indicate on the form whether the contract is a SD-RRSP or a SD-TFSA. If applicable, have the Annuitant complete a separate form for each type of account. If the Annuitant opts not to designate a beneficiary / appoint a successor holder when they open their account, they can complete the form at any time in the future should they change their mind. Designations may also be updated at any time.
6. Ensure the Annuitant reads and signs the Fee Schedule and Payment Authorization Form.
7. Provide the Annuitant with copies of all completed paperwork.

**NOTE:** If an Annuitant already holds a SD-RRSP or SD-TFSA with CWCF, they are not required to complete a new Application Form, Risk Acknowledgement, Designation of Beneficiary / Appointment of Successor Holder, or Fee Schedule, nor submit photo ID, so long as they intend to invest within the same Registered Plan. However, please ensure that they have provided CWCF with any updates to their contact information.

## **IV. Making Deposits to the SD-RRSP & SD-TFSA Plan**

Ensure the Annuitant has set up a SD-RRSP or SD-TFSA Contract with CWCF; see Section III above.

When making a deposit to a SD-RRSP or SD-TFSA, the Annuitant has four options. Please choose the appropriate category below and follow the corresponding instructions.

- A. Cash Contribution** – Contributing new money into the RRSP/TFSA. RRSP account holders will receive a contribution receipt for this transaction for the amount of the deposit. Receipts issued for contributions to a spousal RRSP account will reflect the contributor's name and SIN, as well as the Annuitant's. No receipts are issued to TFSA account holders for this type of transaction.
- B. Cash Transfer** - Transferring funds from an existing RRSP/TFSA held with another financial institution. No receipt is issued for this type of transaction.
- C. Contribution In-Kind** – Contributing eligible securities that have been previously purchased outside an RRSP/TFSA by the owner of the securities. RRSP account holders will receive a contribution receipt for this transaction based on the Fair Market Value of the securities at the time of deposit. Receipts issued for contributions to a spousal RRSP account will reflect the contributor's name and SIN, as well as the Annuitant's. No receipts are issued to TFSA account holders for this type of transaction.
- D. Transfer In-Kind** – Transferring eligible securities from an existing RRSP/TFSA held with another financial institution. No receipt is issued for this type of transaction.

**NOTE 1:** Per CWCF's Fee Schedule, Annuitants whose first deposit requires a transfer-in of funds must include payment for the applicable \$50 fee with their account-opening paperwork. Alternate arrangements for fee payments may be acceptable if made in advance.

**NOTE 2:** Per CWCF's Fee Schedule, a \$50 administration fee is charged for third and subsequent acquisitions of securities by the plan per annum; two security acquisitions per annum are free of charge. Please include payment for this fee if/when applicable along with the requisite paperwork. Alternate arrangements for fee payments may be acceptable if made in advance.

**NOTE 3 - SD-RRSP only:** The CRA's deadline for both cash and in-kind contributions to be made to an RRSP for a given calendar year is 60 days after the beginning of the *next* calendar year. In the event that the 60<sup>th</sup> day falls on a weekend, the deadline will be the next business day. Contributions made up to this date can be processed for the previous tax year – i.e. funds deposited on or before March 1, 2021 will be processed in the 2020 tax year as a 'First 60 days' contribution.

### **Cash Contribution**

1. Have the Annuitant write a cheque for the amount of the purchase, **made payable to CWCF**. Alternatively, the Annuitant may opt to transfer funds electronically directly to



CWCF's RRSP or TFSA trust account. In the case of the latter, please refer to section V: "Electronic Deposit Options."

2. Assist the Annuitant in completing the Deposit Form, indicating the appropriate Deposit Detail (i.e. "Cash Contribution") and account type. Be sure to list contributor information for *spousal RRSP accounts only*.
3. Complete the Subscription Form, noting that securities should be registered as "CWCF ITF John Doe SD-RRSP **OR** SD-TFSA," where 'ITF' means 'In Trust For.' Have the Annuitant and an Authorized Signing Officer for the Account Representative sign the form.
4. Have the Annuitant read and complete the Small Business Shares Annuitant Declaration form.
5. Have an Authorized Signing Officer complete the Issuer Representation Letter (IRL) on the organization's letterhead stating the Fair Market Value of one security at the current date.  
**NOTE:** When sending a batch of paperwork for multiple Annuitants, only one copy of the IRL is required.
6. Forward the completed documents (Deposit Form, Annuitant Declaration, Subscription Form and IRL), along with the investor's cheque, to CWCF. Paperwork may be sent via email or fax rather than regular mail, but it will not be processed until the corresponding funds have been received.
7. Once the contribution has been deposited, CWCF will send funds to the organization to complete the security purchase.
8. Upon receipt of the purchase funds, have an Authorized Signing Officer complete a Share or Bond Register Confirmation Letter on the organization's letterhead or issue a share/bond certificate reflecting the securities to be held in trust by CWCF for the Annuitant. Securities must be registered as follows: **CWCF ITF John Doe SD-RRSP (or SD-TFSA)**.
9. Forward the original Share/Bond Confirmation Letter or Share/Bond Certificate to CWCF within sixty (60) days of receipt of the purchase funds.

### **Cash Transfer**

**NOTE 1:** CWCF does not hold Locked-In funds, nor do we offer Registered Retirement Income Funds (RRIFs), Registered Pension Plans (RPPs), Registered Education Savings Plans (RESPs), or other registered investments. However, we can accept transfers from some of these types of registered plans. Please contact our office if more information is required.

**NOTE 2:** CWCF does not permit the co-mingling of spousal and non-spousal property/funds. Upon receipt of a request for a transfer from a non-spousal account to a spousal plan, CWCF will request written authorization from the Annuitant. It will be made explicitly clear to the Annuitant that once the property has been co-mingled, the plan becomes spousal in every respect. This means that any subsequent withdrawals are subject to the attribution rules, and any future T4RSPs will include the contributor's information.

1. Assist the Annuitant in completing the Direct Transfer Authorization Form, making sure to indicate whether the transfer is to a SD-RRSP or a SD-TFSA. Section 2 will be completed by CWCF, while the relinquishing institution will complete Section 5. A representative from the organization or a financial institution must provide a 'Signature Guarantee' on the form.
2. Assist the Annuitant in completing the Deposit Form, indicating the appropriate Deposit Detail and account type. Have them enter the amount they expect to be transferred, noting that this can sometimes be slightly different from the amount sent by the relinquishing institution for a number of reasons (e.g. deduction of fees, closing out the account if only a small balance remains, etc.).
3. Complete the Subscription Form, noting that securities should be registered as "CWCF ITF John Doe SD-RRSP/SD-TFSA," where 'ITF' means 'In Trust For.' Have the Annuitant and an Authorized Signing Officer for the Account Representative sign the form.
4. Have the Annuitant read and complete the Small Business Shares Annuitant Declaration form.
5. Have an Authorized Signing Officer complete the Issuer Representation Letter (IRL) on the organization's letterhead stating the value of one security at the current date.

**NOTE:** When sending a batch of paperwork for multiple Annuitants, only one copy of the IRL is required.

6. Forward the completed documents (Transfer Authorization, Deposit Form, Small Business Shares Annuitant Declaration, Subscription Form and IRL) to CWCF.
7. Upon receipt of the forms, CWCF will initiate the transfer of funds with the Annuitant's financial institution.

**NOTE:** It can take up to 4-6 weeks for a relinquishing institution to process a transfer request. Please keep this in mind when setting your offering deadline.

8. Once the transfer has been received, CWCF will send the purchase funds to the organization, or in trust to the organization's escrow agent as applicable, to complete the security purchase.

9. Upon receipt of the purchase funds, have an Authorized Signing Officer complete a Share/Bond Register Confirmation Letter on the organization's letterhead **or** issue a share/bond certificate reflecting the securities to be held in trust by CWCF for the Annuitant. Securities must be registered as follows: **CWCF ITF John Doe SD-RRSP (or SD-TFSA)**.
10. Forward the original Share/Bond Confirmation Letter or Share/Bond Certificate to CWCF within 60 days of receipt of the purchase funds.

### **Contribution In-Kind**

1. Assist the Annuitant in completing the Deposit Form, indicating the appropriate Deposit Detail (i.e. In-Kind Contribution) and account type. In the case of a spousal RRSP, ensure the contributor information is entered accurately.
2. In the Securities Deposit box on the Deposit Form, enter a description of the securities being contributed. Include all relevant details about the securities (e.g. # of securities, certificate #, share/bond class, etc.) and their value.
3. Have the Annuitant read and complete the Small Business Shares Annuitant Declaration form.
4. Have an Authorized Signing Officer complete the Share/Bond Register Confirmation Letter on the organization's letterhead **or** issue the share/bond certificates reflecting the securities to be held in trust by CWCF for the Annuitant. Securities must be registered as follows: **CWCF ITF John Doe SD-RRSP (or SD-TFSA)**.
5. Have an Authorized Signing Officer complete the Issuer Representation Letter (IRL) on the organization's letterhead stating the value of one security at the current date.  
**NOTE:** When sending a batch of paperwork for multiple Annuitants, only one copy of the IRL is required.
6. Forward completed documents, along with the original Share/Bond Confirmation Letter or Share/Bond Certificate, to CWCF.

### **Transfer In-Kind**

**NOTE 1:** CWCF does not hold Locked-In property, nor do we offer Registered Retirement Income Funds (RRIFs), Registered Pension Plans (RPPs), Registered Education Savings Plans (RESPs), or other registered investments. However, we can accept transfers from some of these types of registered plans. Please contact our office if more information is required.

**NOTE 2:** CWCF does not permit the co-mingling of spousal and non-spousal property/funds. Upon receipt of a request for a transfer from a non-spousal account to a spousal plan, CWCF will

request written authorization from the Annuitant. It will be made explicitly clear to the Annuitant that once the property has been co-mingled, the plan becomes spousal in every respect. This means that any subsequent withdrawals are subject to the attribution rules, and any future T4RSPs will include the contributor's information.

1. Assist the Annuitant in completing the Direct Transfer Authorization Form, making sure to indicate whether the transfer is to a SD-RRSP or a SD-TFSA. Section 2 will be completed by CWCF, while the relinquishing institution will complete Section 5. A representative from the organization or a financial institution must provide a 'Signature Guarantee' on the form.
2. Assist the Annuitant in completing the Deposit Form, indicating the appropriate Deposit Detail (i.e. In-Kind Transfer) and account type. In the case of a spousal RRSP, ensure the contributor information is entered accurately. In the Security Details box, enter a description of the co-op securities being contributed. Include all relevant details about the securities (e.g. # of securities, certificate #, share/bond class, etc.) and their value.
3. Forward the completed documents (Transfer Authorization and Deposit Form) to CWCF.
4. Upon receipt of the forms, CWCF will initiate the transfer of securities with the Annuitant's relinquishing financial institution.

**NOTE:** It can take up to 4-6 weeks for a relinquishing institution to process a transfer request.

5. The relinquishing institution will send CWCF the original Share/Bond Certificate or Confirmation Letter, along with a Power of Attorney letter to reflect the change in registration. CWCF will forward these documents to the organization to make the appropriate changes.
6. Complete a new Share/Bond Register Confirmation Letter on the organization's letterhead or issue a share/bond certificate reflecting the securities to be held in trust by CWCF for the Annuitant. Securities must be registered as follows: **CWCF ITF John Doe SD-RRSP (or SD-TFSA).**
7. Have an Authorized Signing Officer produce a new Share/Bond Register Confirmation Letter on the organization's letterhead or issue a new share/bond certificates reflecting that the securities are now held in trust by CWCF for the Annuitant. Securities must be registered as follows: **CWCF ITF John Doe SD-RRSP (or SD-TFSA).**
8. Forward the new original Confirmation Letter or Share/Bond Certificates to CWCF within 60 days of receipt of the Power of Attorney Letter.
9. Once the new Certificate/Confirmation Letter has been received, CWCF will deposit the securities into the Annuitant's account.

## **V. Electronic Deposit and Payment Options**

As of April 2020, CWCF is able to accept Annuitants' cash contributions and cash transfers electronically, via direct deposit to our RRSP and TFSA trust accounts. Additionally, organizations may use this option to remit any amounts that are payable directly to its investors' trust accounts, including security redemptions and dividend/interest payments.

**NOTE: Invoice and fee payments must not be directed to the RRSP or TFSA trust accounts. Please refer to CWCF's "Electronic Payment Options" form for additional guidance on how to direct electronic funds, including invoice payments.**

For smaller deposits to a Registered Plan (e.g. a contribution top-up for a transfer that has come in short; a small dividend payout to one or two individuals, etc.), CWCF can also accept e-transfers.

CWCF's RRSP and TFSA trust accounts are held at the New Minas branch of Valley Credit Union, located at 9237 Commercial Street, New Minas NS, B4N 3G1.

Please ensure that the **correct account information** below is used when sending funds to a Registered Plan electronically, or assisting an Annuitant to do so.

**RRSP trust deposits**, payable to CWCF In Trust For an Annuitant:

Institution # 839      Transit # 12633      Account # 50672127

e-transfer: [RRSPdeposits@canadianworker.coop](mailto:RRSPdeposits@canadianworker.coop)

**TFSA trust deposits**, payable to CWCF In Trust For an Annuitant:

Institution # 839      Transit # 12633      Account # 50672137

e-transfer: [TFSAdeposits@canadianworker.coop](mailto:TFSAdeposits@canadianworker.coop)

When remitting funds electronically, whether it be by wire, direct deposit or e-transfer, the sender **must provide CWCF with the information below either in advance of the deposit or immediately after it has been made.**

- Deposit date
- Deposit amount
- Registered plan(s) to which the funds are to be deposited, including Annuitant name(s) and accounts number(s)
  - NOTE: If funds are being deposited to a new account that is being opened, the account # is not required.
- Any additional relevant information about the deposit, including but not limited to:
  - Cash contribution
  - Dividend/interest payment, including detailed breakdown of amounts payable to each individual account
  - Security redemption, including detailed breakdown of amounts payable to each individual account, and breakdown of accrued gains vs. principal, as applicable

**NOTE:** CWCF reserves the right to impose a service fee if sufficient information to track an electronic deposit is not provided, or if the deposit is made to the wrong account.

## **VI. Offerings and Deadlines**

It is the responsibility of the organization to notify CWCF of any upcoming offerings and deadlines (if applicable). Our typical processing time for a security purchase is 5-7 business days from the time the purchase funds have been deposited to the plan; however, this can vary depending on the time of year. It is also important to note that when a transfer-in from another financial institution is requested, it can often take 4-6 weeks for CWCF to receive the funds.

**SD-RRSP only:** The CRA's deadline for both cash and in-kind contributions to be made to an RRSP is 60 days from the beginning of the next calendar year. This is typically March 1<sup>st</sup>, or February 29<sup>th</sup> in leap years. However, if the 60<sup>th</sup> day falls on a weekend, the deadline will be extended to the next business day. Contributions made on or before the deadline are processed for the previous tax year – i.e. funds deposited March 1, 2021 will be reported in the 2020 tax year as a 'First 60 days' contribution. It is up to the Annuitant to decide which year to claim their deduction. CWCF will send an email to your organization's Designated Representative early in January reminding them of the contribution deadline. It is the organization's responsibility to follow all instructions in this email and ensure all funds and corresponding documents have been received by CWCF by the deadline. Funds and paperwork received after the deadline **will not be processed as a First 60 Days contribution** for the prior tax year. Please note that due to our office's rural location, express or overnight courier services often take at least 2 business days to reach us. Keep this in mind when preparing to send packages close to the deadline.

During February and March, CWCF's processing time increases significantly due to the high volume of RRSP contributions. During this time, we prioritize RRSP contributions over all other types of transactions, including redemptions, withdrawals and all activity pertaining to TFSA accounts. If an Annuitant urgently requires one of these actions to be taken on their account, please notify CWCF staff and we will do our best to accommodate the request if possible.

It is **not advisable** to set your offering deadline close to the RRSP contribution deadline. However, if this happens, it is the organization's responsibility to notify CWCF of the deadline as early as possible and ensure all paperwork has been forwarded well in advance to provide sufficient turnaround time to process the security purchases. It can be more expeditious to have investors intending to contribute new funds to an RRSP complete their security purchase outside of the registered plan (i.e. purchase non-registered funds directly from the organization) and then deposit those securities to the plan by making a contribution in-kind. This process cuts out the step of CWCF having to send funds back to the organization to complete the purchase in time for the offering deadline, but has the same end result in terms of the Annuitant receiving a contribution receipt for the intended value. The organization should not count on CWCF receiving

funds for deposit and turning around those funds for security purchases within the same business day.

Throughout the rest of the year, CWCF staff will do our best to accommodate the expedition of transaction processing if requested. However, please understand that these processes take time and we may be unable to accommodate requests on short notice. We appreciate our program members understanding and respecting the capacity of our program and staff.

## **VII. Income Earned on Securities Held in a SD-RRSP or SD-TFSA**

**All investment income** (dividends or interest) earned on securities held in a registered plan is payable to the SD-RRSP or SD-TFSA. Under no circumstances may dividends or interest earned on registered securities be paid directly to the Annuitant, nor is the organization authorized to deduct any fees from the investment income payment. (See Note 1 in Section VIII, below.)

If the dividend/interest is issued as cash, a cheque must be made payable to CWCF in trust for the Annuitant's account and forwarded to CWCF's office; alternatively, electronic payment can be made by following the steps outlined in Section V. If payments are being issued for a number of Annuitants, one cheque or EFT can be made for the full amount. In this case, please include a comprehensive listing of the Annuitants to whom the investment income belongs. This list should include the Annuitants' full names, account numbers and/or social insurance numbers, the number of registered securities they hold, and the value of the dividend/interest earned. This list must be sent electronically to CWCF in a password-protected Excel document. Alternatively, the organization may send a list in the mail along with a cheque **only if** there are less than ten (10) accounts to which the payment applies.

If dividends are issued as additional securities, the organization should forward to CWCF a Share/Bond Register Confirmation Letter or a Share/Bond Certificate for each Annuitant, along with a document summarizing the dividends being issued so that CWCF can properly track all securities registered in the Annuitant's name.

**NOTE 1:** The organization is not required to issue a T5 to CWCF for dividends earned on securities held within a registered plan. However, if the organization insists on issuing a T5 slip, it must be issued to CWCF as opposed to the individual investor(s) who hold registered securities, as CWCF is holding the securities in trust for the RRSP Annuitant(s). The Annuitant's (or Annuitants') Social Insurance Number(s) should not be included on the slip, nor should the slip be issued in an individual Annuitant's name. Please refer to CRA's T4015 T5 Guide for additional instructions for correctly completing a T5 for dividends issued to an RRSP trustee.

**NOTE 2:** The organization is expected to send CWCF any returns owed to its investors' Registered Plans within a reasonable time after declaring and recording them. When an investor requests a redemption of their securities, the organization **must include** any returns accrued up to the redemption date with the redemption funds. If a dividend payout is issued after an Annuitant has

closed their account, and their registered investment was owed said returns, it could result in tax implications for the Annuitant and potential liability for the organization as well.

## **VIII. Annual Account Fees**

Each year in December, CWCF will forward to the organization's Designated Representative an invoice for the full amount of all annual fees incurred by Annuitants whose accounts are represented by the organization. The current account fee is \$65/year, tax included. \*

**Note:** Annuitants who have invested with your organization but who opened their account through a different Representative will not have their account fees billed to your organization; however, their investment will still appear on your organization's Security Holdings Report, as distributed by CWCF annually around May.

\* The annual account fee for accounts represented by an NPO whose mandate is to place capital raised through community bonds into co-operatives will be \$55/year, tax included, which is the same rate that applies to CWCF's Associate Members that are co-operative corporations. All other NPOs are subject to the \$65 annual fee per account.

A Contract Listing letter that specifies the Annuitants to whom the fees apply will accompany the fee invoice, and will include the mailing address CWCF has on record for those individuals. If any contact information is outdated, CWCF will highlight those individuals and request current information from the representative.

Upon receipt of the invoice, the organization is responsible for forwarding payment to CWCF for the full amount. *(See Note 3 below.)*

**NEW IN 2019:** For our members' convenience, CWCF can now accept payments via e-transfer! EMTs can be sent to [payments@canadianworker.coop](mailto:payments@canadianworker.coop), referencing the invoice number in the message. Alternatively, payment may still be made by cheque, or by credit card by means of phoning our office.

If the organization intends to recover annual account fees from Annuitants, it is your responsibility to send out individual invoices and collect the annual fees from your investors. All Annuitants sign a Payment Authorization form when they open a new account, which states that they will reimburse the organization for any fees levied on their account.

**NOTE 1:** Account fees cannot be directly withheld from dividends or interest earned on securities held within a SD-RRSP or SD-TFSA. If the organization would like its investors' account fees to be paid using these funds, the full value of the investment income must first be made payable to CWCF. CWCF will deposit the funds into Annuitants' accounts and subsequently deduct the fees from the accounts' cash balances. Only CWCF is authorized to withdraw account fees from Annuitants' cash accounts. If any accounts are short funds, we will notify the organization, which will then be responsible for following up with the Annuitant(s) and making payment arrangements.



**NOTE 2:** There is a separate annual fee for each account type held by an individual (i.e. RRSP, Spousal RRSP, or TFSA), but not for holding multiple investments within the same account.

**NOTE 3:** If the organization has had difficulty in the past recovering annual fees from Annuitants, or if such difficulties are anticipated, please contact CWCF **within one (1) month of receiving the invoice** to discuss alternate payment options. If CWCF is not contacted by the organization within this timeframe, full payment of the invoice will be expected within sixty (60) days of it being sent to the Account Representative, and interest may be charged after the deadline has elapsed, per the terms of CWCF's Agency Agreement.

## **IX. Security Redemptions**

Under no circumstances may the organization change the ownership or redeem (i.e. buy back) securities held within a SD-RRSP or SD-TFSA, except upon written instruction from CWCF, unless the terms of the securities state otherwise. Securities may only be redeemed (sold back to the organization) based on the redemption terms and conditions set by the organization for its securities.

Upon CWCF receiving a withdrawal or transfer request from an Annuitant that indicates the assets are to be paid "all in cash," the process below will be followed:

1. CWCF will issue a written request to the organization to request a security redemption on behalf of the Annuitant.
2. If the redemption is unable to be processed, a written response is required from the organization stating that the request has been declined.
3. If the organization accepts the redemption request, they will determine the Fair Market Value of the securities being redeemed and have two (2) Authorized Signing Officers complete the Issuer Representation Letter (IRL) confirming the current Fair Market Value of the securities.
4. The organization will forward the IRL, along with a cheque (or EFT) for the full value of the redemption made out to "CWCF ITF (Name of Annuitant) SD-RRSP," to CWCF. Any outstanding dividends or interest earned on the securities being redeemed must be paid to the registered plan at the same time. (See Section VIII.)
  - a. If the redemption was only for the partial value of the Annuitants' securities, the issuer must also provide a new Share/Bond Certificate or Share/Bond Confirmation Letter accurately reflecting the new balance of securities registered to CWCF in trust for the Annuitant.
5. CWCF will process the redemption within the Annuitant's registered plan and return the original Share/Bond Certificate or Share/Bond Confirmation Letter to the organization. CWCF will then take the appropriate action on the cash as instructed by the Annuitant.

## **X. Withdrawals and Transfers Out of a Registered Plan**

Securities held within a SD-RRSP or SD-TFSA contract may only be withdrawn or transferred with

written instruction from the Annuitant to CWCF. Under no circumstances may the organization change the ownership or redeem (i.e. buy back) securities held within a SD-RRSP or SD-TFSA, except upon written instruction from CWCF, unless the terms of the securities state otherwise.

When moving property or funds out of a SD-RRSP or SD-TFSA, the Annuitant has three options. Please choose the appropriate category below and follow the corresponding instructions for the type of account held by the Annuitant.

- A. Cash withdrawal**
- B. In-kind withdrawal**
- C. Transfer out (in-cash or in-kind)**

**NOTE:** Given the inherent tax-free nature of a TFSA account, there are no tax implications for a withdrawal from this type of registered plan. As such, please ensure the appropriate withdrawal process detailed below is followed based on the Annuitant's account type.

#### **Withdrawal of cash from RRSP**

*\*This transaction requires withholding tax to be deducted from the funds being withdrawn. The Annuitant will receive a T4RSP for the full value of the withdrawal, and CWCF will remit the withheld taxes to the Canadian Revenue Agency (CRA) as required.*

1. The Annuitant completes a CWCF RRSP Withdrawal Request Form and submits it to CWCF via mail, email or fax. Assist the Annuitant in selecting the appropriate 'Withdrawal Details.'
  - a. 'Full cash balance' indicates that the Annuitant would like to withdraw only the cash that is currently available in their account.  
*If the Annuitant selects this option, skip to step 3 below.*
  - b. 'All assets in-cash' indicates that the Annuitant would like to redeem all securities and withdraw all resulting cash from their account.
  - c. 'All assets in-kind' indicates that the Annuitant would like to withdraw the securities and/or cash from their account as-is (i.e. no redemption requested).  
*If the Annuitant selects this option, also see the section below called "In-Kind Withdrawal of Securities from RRSP" for instructions on how to complete that portion of transaction.*
  - d. 'Partial' requires the completion of the next section of the form.
    - i. If the requested withdrawal is 'In cash' and requires a redemption of securities, indicate the amount (\$) and a description of the investment(s) to be redeemed (i.e. # of securities, investment name).
    - ii. If the requested withdrawal is 'In cash' but no redemption is required, simply note the amount (\$), indicate "Cash Account" in the description, and skip to step 6 below.
    - iii. If the requested withdrawal is 'In-kind,' provide a description of the securities to be withdrawn from the account and refer to the "In-Kind Withdrawal of Securities from RRSP" section below.

2. Upon receipt of the Withdrawal Request from the Annuitant, *if applicable*, CWCF will send a request to the organization for redemption of the securities. See Section IX above for details about the redemption process.
3. CWCF will issue a cheque (or electronic transfer, if specifically requested) to the Annuitant for the full amount of their request, less withholding tax being remitted to the CRA and any fees payable to CWCF. See below for applicable withholding tax rates.
4. By the last day of February following the year of withdrawal, CWCF will issue a T4RSP indicating the full value of the withdrawal and any taxes deducted for the Annuitant to report as income when filing their taxes.

**NOTE:** Tax rates for withdrawals from an RRSP depend on residency and the value of the withdrawal. The tax that is withheld may not always be enough to account for the tax that an Annuitant owes based on their tax bracket, and they may be required to pay additional taxes when they include the withdrawal on their income tax return. CRA's current federal tax rates on RRSP withdrawals are as follows, based on the Annuitant's residency:

- 10% on amounts up to \$5,000 (5% in Quebec)
- 20% on amounts over \$5,000 up to and including \$15,000 (10% in Quebec)
- 30% on amounts over \$15,000 (15% in Quebec)

#### **Withdrawal of cash from TFSA**

*\*Due to the inherent tax-free nature of this type of account, this transaction carries no tax implications; no tax slip will be issued to the Annuitant. CWCF will report the withdrawal to CRA as required for the calendar year in which it occurs.*

1. The Annuitant completes a TFSA Withdrawal Request Form and submits it to CWCF via mail, email or fax. Assist the Annuitant in selecting the appropriate 'Withdrawal Details.'
  - a. 'Full cash balance' indicates that the Annuitant would like to withdraw only the cash that is currently available in their account.  
*If the Annuitant selects this option, skip to step 3 below.*
  - b. 'All assets in-cash' indicates that the Annuitant would like to redeem all securities and withdraw all resulting cash from their account.
  - c. 'All assets in-kind' indicates that the Annuitant would like to withdraw the securities and/or cash from their account as-is (i.e. no redemption requested).  
*If the Annuitant selects this option, see the section below called "In-Kind Withdrawal of Securities from TFSA" for instructions on how to complete the transaction.*
  - d. 'Partial' requires the completion of the next section of the form.
    - i. If the requested withdrawal is 'In cash' and requires a redemption of securities, indicate the amount (\$) and a description of the investment(s) to be redeemed (i.e. # of securities, investment name).

- ii. If the requested withdrawal is 'In cash' but no redemption is required, simply note the amount (\$), indicate "Cash Account" in the description, and skip to step 3 below.
  - iii. If the requested withdrawal is 'In-kind,' provide a description of the securities to be withdrawn from the account and refer to the "In-Kind Withdrawal of Securities from TFSA" section below.
- 2. Upon receipt of the Withdrawal Request from the Annuitant, *if applicable*, CWCF will send a request to the organization for redemption of the securities. See Section IX above for details about the redemption process.
- 3. CWCF will issue a cheque to the Annuitant for the full amount of their request, less any fees payable to CWCF.

### **In-Kind Withdrawal of Securities from RRSP**

*\*This entails changing the registration of an investment held within a SD-RRSP so that it will be held solely by the Annuitant outside of the Registered Plan. In this case, the Annuitant is not selling the securities; rather, they are withdrawing the investment itself, resulting in the securities becoming non-registered. This is considered by the CRA to be a withdrawal of income from a registered plan, and as such the transaction carries tax implications. Withholding tax must be remitted from the plan, and the Annuitant will receive a T4RSP for the full value of the withdrawal.*

1. The Annuitant completes the RRSP Withdrawal Request Form and submits it to CWCF. Assist the Annuitant in selecting the appropriate 'Withdrawal Details.' Ensure that they provide a description of the securities to be withdrawn from the account (i.e. # of securities, investment name).
2. Upon receipt of the Withdrawal Form, CWCF will request an Issuer Representation Letter (IRL) from the organization confirming the current Fair Market Value (FMV) of the securities.
3. Based on the FMV of the securities per the IRL, CWCF will calculate the amount of tax required to be withheld from the withdrawal per CRA regulations. If the Annuitant has a sufficient cash balance in their account, the withdrawal will be processed as requested, with the withholding tax and any fees payable to CWCF (\$50 for a partial withdrawal, or \$75 to close the account, plus the annual fee if applicable) will be deducted from the cash available in the account. It is also possible for the organization to pay these fees on behalf of the Annuitant. If this is the case, please make prior arrangements with CWCF staff.

If there is insufficient cash in the Annuitant's account to cover the required deductions, they must generate the funds in one of the following ways:

- a. Make a contribution to the SD-RRSP if they have sufficient contribution room to do so. This will generate a Contribution Receipt to be filed with the Annuitant's taxes for the year of the transaction.

- b. Transfer funds into the SD-RRSP from an RRSP held with another financial institution. This transaction does not have any tax implications.
- c. Redeem enough securities to generate the amount of the tax to be deducted. This requires that the securities be liquid. This could potentially affect the Annuitant's Equity Tax Credit; however, as CWCF does not administer the ETC so this will be up to your organization to determine.

**NOTE:** If the Annuitant does not have sufficient cash in their SD-RRSP to pay the required withholding tax and fees, CWCF staff will contact them directly to inform them of their options for generating these funds, as well as provide them with the calculation for how much tax they will owe for the transaction. This amount will vary depending on whether they opt to contribute/transfer funds into the plan or redeem a portion of their investment, as adding funds to the account will increase the total value of the withdrawal.

4. CWCF will complete the in-kind withdrawal and forward a Power of Attorney letter to the Annuitant stating that the securities are now held solely in their name outside the SD-RRSP, along with a cheque (or electronic transfer, if requested) for any remaining cash in the account.

**NOTE:** If the Annuitant redeemed part of their investment, the Power of Attorney issued to them would reflect the remaining securities only.

5. The Annuitant uses the Power of Attorney letter to inform the organization that the securities are no longer held within the SD-RRSP. The organization should update its registry and reprint the corresponding Share/Bond Certificate(s) or Share/Bond Register Confirmation Letter to reflect the change in ownership.
6. By the last day of February following the year of withdrawal, CWCF will issue a T4RSP indicating the full value of the withdrawal and any taxes deducted for the Annuitant to report as income when filing their taxes.

#### **In-Kind Withdrawal of Securities from TFSA**

*\*This entails changing the registration of an investment held within a SD-TFSA so that it will be held solely by the Annuitant outside of the registered plan. In this case, the Annuitant is not selling the securities; rather, they are withdrawing the investment itself, resulting in the securities becoming non-registered. Due to the inherent tax-free nature of this type of account, this transaction carries no tax implications. CWCF will report the withdrawal to CRA as required for the calendar year in which it occurs.*

1. The Annuitant completes the TFSA Withdrawal Request Form and submits it to CWCF. If there are insufficient funds in the account to cover the transaction fee (\$50 for a partial withdrawal, \$75 to close the account), a cheque, e-transfer or credit card payment for the appropriate amount must accompany the Withdrawal Request Form. It is also possible for the organization to pay these fees on behalf of the Annuitant. If this is the case, please make prior arrangements with CWCF staff.

2. CWCF will obtain an Issuer Representation Letter (IRL) from the organization confirming the current Fair Market Value of the securities.
3. CWCF will complete the in-kind withdrawal transaction and forward a Power of Attorney letter to the Annuitant stating that the securities are now held solely in their name outside the SD-TFSA, along with a cheque for any remaining cash in the account (if requested).
4. The Annuitant uses the Power of Attorney letter to inform the organization that the securities are no longer held within the SD-TFSA. The organization should reprint the corresponding Share/Bond Certificate(s) or Share/Bond Register Confirmation Letter to reflect the change in ownership.

### **Transfer Out**

*\*This type of transaction does not carry any tax implications, even for an RRSP, as the funds or property being transferred are moving from one Registered Plan to another. CWCF will not issue a T4RSP for the transfer, nor will the receiving Financial Institution issue a contribution receipt.*

1. The Annuitant must initiate a transfer-out by coordinating with the financial institution to whom the property/funds are being transferred (i.e. the Receiving Institution). The Receiving Institution will assist them in completing a transfer authorization request, which is generally a T2033 or the financial institution's equivalent form.
2. The Receiving Institution will forward the transfer request to CWCF by either mail or fax.
3. Upon receipt of the transfer request, if applicable, CWCF will send a request to the co-op for redemption of the securities. See Section IX above for details about the redemption process.
4. If the transfer was requested in cash, CWCF will issue the full value of the request to the Receiving Financial Institution for, less any fees payable to CWCF. If the transfer was requested in-kind (i.e. the Annuitant wishes to transfer their securities to the Receiving Institution, rather than cash), CWCF will forward a Power of Attorney Letter to the Receiving Institution along with the original share/bond certificates to be reprinted to reflect the change in ownership.

## **XI. Maturing Accounts**

*Note: This section refers to RRSP accounts only.*

While an Annuitant may opt to close their RRSP at any time, the RRSP will mature by December 31 of the year in which they turn 71 – meaning it must be closed on or before that date.

In January of each year, CWCF staff go through our database to determine which accounts will be maturing in the current calendar year. Letters are then sent to each applicable account holder informing them of their account's maturity and detailing the possible options they have for their RRSP. These options are as follows:

1. Redeem their securities and transfer the cash to a RRIF, Life Annuity or Term Certain Annuities at another financial institution. They may also transfer to an existing RRSP at another financial institution, but the same maturity process will need to be completed for any RRSP accounts held with other financial institutions. *(See Note 1 below.)*
2. Redeem their securities and withdraw the funds as cash. This will require tax to be withheld by the CWCF and remitted to the CRA. A T4RSP will be issued for the current tax year indicating the amount of taxes withheld and the gross amount to be claimed as income. *(See Note 1 below.)*
3. Withdraw their securities in-kind. This entails taking the investment out of the RRSP and claiming its value as income. In this case, they will still own the securities. A T4RSP will be issued for the current tax year indicating the value of the withdrawn investment (to be claimed as income) as well as the amount of taxes paid. *(See Note 2 below.)*
4. Transfer their securities in-kind from their RRSP to a RRIF or RRSP with another financial institution. They may only select this option if we receive confirmation that their financial institution is able and willing to hold the investment. *(See Note 3 below.)*

**NOTE 1:** CWCF advises Annuitants that Options 1 and 2 may not be available to them, as not all securities are redeemable by the issuer. We recommend that the Annuitant contacts their Account Representative for more information on current share value and liquidity.

**NOTE 2:** CWCF draws attention to the fact that this option requires withholding tax be remitted to the CRA based on the Fair Market Value of the securities being withdrawn. If the Annuitant's account does not have sufficient cash to cover the withholding tax, they must generate the funds by: a) redeeming part of their investment (if possible); b) transferring in funds from another registered plan; or c) making a contribution to the RRSP (if they have room to do so). Option C will generate a contribution receipt for the current tax year.

**NOTE 3:** CWCF points out that an in-kind transfer to a RRIF generally requires that the shares are redeemable (liquid), and/or that they have other assets in the RRIF that can be withdrawn in accordance with RRIF requirements. We advise Annuitants to contact their financial institution to inquire. CWCF does not offer a RRIF program, but in some cases our RRSPs can be rolled over to RRIFs held by our trustee if certain criteria are met. Alternatively, the Account Representative may wish to identify in advance a trustee that is willing to hold its securities in a RRIF so that their investors know they will have that option upon maturity of their RRSP.

In May, CWCF will follow up with any maturing account holders from whom we have not heard back, and will notify the Account Representative as to which of its investors' accounts are maturing that year. In some cases, we may request assistance in communicating with the account holder. CWCF will also be in touch with the Account Representative regarding any requests for

security redemptions. If the investment is not liquid, the issuer must inform CWCF so that we can let the account holder know that redemption is not an option.

Annuitants are given a deadline of September 30 to provide CWCF with instructions for handling their maturing account; however, the hard deadline to close out the RRSP is December 31 of the year of maturity. CWCF will make every effort to reach Annuitants and abide by their wishes throughout the year in which the account is set to mature; however, if we have been unable to reach the Annuitant by December 1, CWCF is authorized under the terms of our Declaration of Trust to take appropriate action to close the account.

## **XII. Instructions for the Completion of Forms**

### **Forms for Program Members:**

#### **CWCF Associate Member Application Form**

1. Print the name of the organization and all of its contact information.
2. Print the name of the Designated Representative (i.e. the contact person for the organization regarding its relationship with CWCF) and have them sign the form.
3. Have the CEO or President sign and date the application.
4. Confirm that you have enclosed membership fee payment (or note that payment will be sent via e-transfer to [payments@canadianworker.coop](mailto:payments@canadianworker.coop), or by calling to provide credit card information).
5. Confirm that the additional required forms – Declaration of Directors and Officers **and** Authorized Signing Officers – have been completed and enclosed.
6. Confirm that an Opinion Letter has been enclosed *if requested by CWCF* or note “N/A.”
7. Indicate whether the organization would like to be included on CWCF’s website listing of our RRSP-TFSA Program Members.
8. Indicate whether the organization would like to receive CWCF’s bi-monthly newsletter.
9. Forward the completed Application (along with the Declaration of Directors and Officers, Signing Officers form and fee payment) to the CWCF *at least 2 weeks prior* to a Board Meeting.

**NOTE:** It is the responsibility of the organization to notify CWCF in a timely manner of any updates to the information noted on the application form, including contact information and the Designated Representative(s).

#### **CWCF Agency Agreement (including Member Fee Schedule)**

1. Print two copies of the Agency Agreement.
2. On page 1, date the document. Enter the full legal name of the organization, as well as the city and province of its head office, in the appropriate blanks.
3. On page 6, provide contact information for the organization.



4. Have **two** officers/directors of the organization sign the 'Sub-Agent' section on page 8 of the agreement.
5. Have an Authorized Signing Officer date and sign the Member Fee Schedule (Schedule B).
6. Forward **both** completed and signed copies to CWCF (along with the Membership Application, Declaration of Directors and Officers, Signing Officers form and fee payment) *at least 2 weeks prior* to a Board Meeting.
7. If membership is approved by the Board of Directors, CWCF will return one signed copy to the organization to retain for its records.

#### Authorized Signing Officers (NEW in 2020)

1. The Designated Representative should enter their name, title and the organization's full legal name.
2. Have each individual who is to be recognized by CWCF as an Authorized Signing Officer provide their name, title, signature and email address. If there are to be more than 4 signing officers, please attach an additional page.
3. Once complete, the Designated Representative can date and sign the form and submit it to CWCF (along with the Membership Application, Agency Agreement, Declaration of Directors and Officers, and fee payment).

**NOTE:** This form must be submitted upon joining the CWCF SD-RRSP/SD-TFSA Program, and again whenever there is a change in Authorized Signing Officers. As this is a new form in 2020, all current Program Members will be required to complete it.

#### Declaration Regarding Directors and Officers (NEW in 2020)

1. The Board President and Senior Manager should enter their names, along with the full name of the organization.
2. Provide the first and last name of all Directors and Officers for the organization.
3. Check the appropriate box to confirm that you have enquired with each Director and/or Officer regarding any discipline or bankruptcies.
4. Once complete, the Board President and Senior Manager can sign the form and submit it to CWCF (along with the Membership Application, Agency Agreement, Signing Officers form, and fee payment).

**NOTE:** This form must be submitted upon joining the CWCF SD-RRSP/SD-TFSA Program, and again whenever there is a change in the organization's Directors or Officers. As this is a new form in 2020, all current Program Members will be required to complete it.

#### Certificate of Compliance and Due Diligence Checklist (NEW in 2020)

As a Sub-Agent of CWCF, it is imperative that your organization adheres to its responsibilities as denoted in the Agency Agreement and further explained in this manual, which will assist CWCF in carrying out our own due diligence and mitigating risk as we administer the Registered Plans.

This checklist ensures that the organization is aware of its responsibilities, and serves to notify CWCF of any potential issues that may impact the administration of the Registered Plans.

1. An Authorized Officer will enter the date, the organization's name, and all contact information.
2. Please respond honestly and to the best of your ability by ticking the appropriate checkboxes and providing additional information as necessary. If clarification or assistance is required, contact CWCF staff prior to the submission deadline.
3. Date, sign and submit the form to CWCF by the deadline noted at the top of Page 1.

**NOTE:** This form should be reviewed by all new members, but is not required to be completed until the year following membership approval. As this is a new form, all current Program Members will be required to complete it no later than July 31, 2020, and it will be required annually from now on.

#### **Forms for Annuitants:**

**NOTE: IT IS THE RESPONSIBILITY OF THE ORGANIZATION TO PROVIDE COPIES OF ALL COMPLETED ACCOUNT-RELATED PAPERWORK (AS LISTED BELOW) TO ANNUITANTS.**

#### Application Form for Opening a SD-RRSP or SD-TFSA Account

1. Enter the Annuitant's personal information (or have them do so), confirming that all information is accurate. The individual's legal name that would be on file with the CRA is required.
2. Confirm that the Annuitant is a resident of Canada by indicating 'Y' in the appropriate box.
3. **SD-RRSP only:** The 'Pension Jurisdiction' section can be left blank, as it is not applicable to our program. CWCF does not accept Locked-In funds.
4. **SD-RRSP only:** In the 'Contributor' section, indicate whether or not contributions to the account will be made and claimed by the Annuitant's spouse (i.e. whether the account will be a Spousal RRSP).
  - a. If yes, indicate 'Y' and enter the spouse's legal name and SIN.
  - b. If no, indicate 'N' and leave this section blank.
5. Leave the line above 'Accepted by Canadian Worker Co-operative Federation...' at the bottom of the form blank for CWCF staff to sign.
6. Have the Annuitant sign and date the form.
7. Above 'Agent Name,' print the name of your organization; above 'Agent Telephone,' enter the phone number of the organization's Designated Representative.
8. **\*NEW in 2019\*** Take a copy of the Annuitant's photo ID (front & back, including their signature) and attach it to the application form.
9. Make a copy of the document; have the Annuitant retain one copy, and send the other to CWCF along with the rest of the account-opening paperwork.

## CWCF Self-Directed RRSP/TFSA Program Overview and Investment Risk Acknowledgement (NEW in 2019)

The Program Overview provides important information about the registered plans offered by CWCF, including the self-directed nature of the plans, the relationship between CWCF and the organization, and correspondence that can be expected from CWCF. The Risk Acknowledgement includes disclaimers about the typically high-risk nature of the investments held in trust by CWCF, potential long-term tax implications of investing through a SD-RRSP, and what happens when an Annuitant turns 71 and their RRSP account matures.

1. Provide the Annuitant with CWCF's Program Overview and Risk Acknowledgement.
2. Ensure the Annuitant reads and understands the terms of the document.
3. Have the Annuitant sign and date the bottom of the Risk Acknowledgement.
4. Make a copy of the document; have the Annuitant retain one copy, and send the other to CWCF along with the rest of the account-opening paperwork.

### Declaration of Trust

This document outlines the terms of the trust created between Concentra Trust and the Annuitant when the application form is signed. Concentra acts as Trustee for the SD-RRSP and SD-TFSA Programs administered by CWCF.

1. Provide the Annuitant with the appropriate version of CWCF's Declaration of Trust – i.e. RRSP or TFSA, in either English or French per their preference.
2. Ensure the Annuitant reads, understands, and retains a copy of the Declaration of Trust.  
**A copy does not need to be submitted to CWCF with the account paperwork.**

### Designation of Beneficiary\*

An Annuitant may designate a beneficiary(ies) to receive their RRSP/TFSA proceeds upon death. If the Annuitant is unsure how to proceed in designating a beneficiary(s), it is recommended that they seek professional counsel. It is not the role of CWCF – or the organization – to provide an Annuitant with this advice.

**NOTE:** This form is optional and may be completed or updated at any time. If a Designation of Beneficiary is not listed on the RRSP/TFSA contract, the estate is processed per the terms of the Annuitant's Will. In the event that there is no Will, the laws of Intestacy will be followed.

1. Ensure the Annuitant reads and understands the form.
2. Indicate whether the plan is an RRSP or TFSA.
3. Have the Annuitant enter their full legal name and their province of residence.

4. For a new contract, leave the Contract Number blank; CWCF will complete this once the account has been created. If the Annuitant is making a change to their designation, enter the Contract Number; this can be found on the Annuitant's annual account statement.
5. Client Number does not apply to CWCF registered plans.
6. Complete the required information for each beneficiary.  
**NOTE:** The full name of the beneficiary(ies) and their relationship(s) to the Annuitant are mandatory fields. Including the beneficiary's SIN is optional but strongly recommended.
7. Ensure the Annuitant reads the "CAUTION" riders.
8. Have the Annuitant date and sign the form. Please note, electronic signatures are not acceptable.
9. Make a copy of the document; have the Annuitant retain the copy, and forward the original form to CWCF along with the rest of the account-opening paperwork.

\*The Designation of Beneficiary Form may be used to designate a *beneficiary only* on an RRSP or TFSA; this form should **not** be completed for appointment of a successor holder on a TFSA contract. If a TFSA contract holder wishes to appoint his/her spouse/common-law partner as successor holder on the account, they must complete the Appointment of Successor Holder and Optional Beneficiary Designation form.

#### Appointment of Successor Holder and Optional Beneficiary Designation (TFSA accounts only)

This optional form applies to TFSA account holders only and should only be completed if the holder wishes to appoint his/her spouse/common-law partner (CLP) as successor holder on the TFSA. Upon the account holder's death, the TFSA would continue intact in the name of the surviving spouse/CLP. However, if the successor holder is not the account holder's spouse/CLP at the time of the account holder's death, that individual is not eligible to become the successor holder and will not be eligible to receive the proceeds, as they are not a beneficiary.

This form can also be used to designate one or more beneficiaries of a TFSA account if the holder wishes to do so; however, this is not a requirement. The beneficiary designation would apply only if a) the successor holder has predeceased the account holder; b) the successor holder is not the account holder's spouse/CLP immediately prior to the account holder's death; or c) the successor holder renounces the appointment after the death of the account holder.

**NOTE:** If a TFSA account holder does not wish to appoint a successor holder, but would like to designate one or more beneficiaries, they must complete the Designation of Beneficiary form instead.

1. Ensure the Annuitant reads and understands the form. (Feel free to have them reach out to CWCF if they or your organization's Designated Representative have questions.)
2. Have the Annuitant enter their full legal name and their province of residence.

3. For a new contract, leave the Contract Number blank; CWCF will complete this once the account has been created. If the Annuitant is making a change to their designation, enter the Contract Number; this can be found on the Annuitant's annual account statement.
4. Client Number does not apply to CWCF registered plans.
5. Enter the Annuitant's spouse/CLP's full legal name and social insurance number.
6. (Optional) Complete the required information for each beneficiary.  
**NOTE:** The full name of the beneficiary(ies) and their relationship(s) to the Annuitant are mandatory fields. Including the beneficiary's SIN is optional but strongly recommended.
7. Ensure the Annuitant reads the "CAUTION" riders.
8. Have the Annuitant date and sign the form. Please note, electronic signatures are not acceptable.
9. Make a copy of the document; have the Annuitant retain the copy, and forward the original form to CWCF along with the rest of the account-opening paperwork.

### Fee Schedule

This form explains the various fees charged by CWCF for administration of the Registered Plans. If at any time CWCF elects to change these fees, Annuitants will be given 30 days' written notice before the new Fee Schedule would come into effect.

1. Ensure the Annuitant reads and understands the fee schedule.
2. Print the Annuitant's name in the appropriate blank at top of the form.
3. Have the Annuitant date and sign the form. CWCF will add the contract number once the account has been opened.
4. Make a copy of the document; have the Annuitant retain one copy, and send the other to CWCF along with the rest of the account-opening paperwork.

### Payment Authorization Form

This form entitles the organization to collect reimbursement from the Annuitant for any and all fees the organization may pay to CWCF on the Annuitant's behalf.

1. Ensure the Annuitant reads and understands the commitment being made. At this time, the Designated Representative should discuss with the Annuitant what its standard practice is regarding fees. (i.e. Will the organization pay fees on behalf of the Annuitant? Will the organization expect to be reimbursed by the Annuitant? What is the reimbursement process?)
2. Enter the name of the organization in the first blank.
3. Have the Annuitant date and sign the form, as well as provide their printed name.
4. Make a copy of the document; have the Annuitant retain one copy, and send the other to CWCF along with the rest of the account-opening paperwork.

**NOTE:** Account fees cannot be withheld from dividends or interest earned on securities held within a SD-RRSP or SD-TFSA. If the organization would like its Annuitants' account fees to be paid using these funds, the full value of the investment income must be sent to CWCF to be deposited to the registered plan. CWCF will subsequently withdraw the fees from their cash balance.

### Deposit Form

This form must be completed any time an Annuitant makes a deposit to their Registered plan, either via contrition or transfer-in.

1. Account Information
  - a. Ensure the Annuitant's legal name is printed clearly and spelled correctly.
  - b. If this is the first time a deposit is being made to a new account, leave the 'Contract Number' blank and CWCF will enter it once the Annuitant's account has been opened. If this is a subsequent transaction on the account, please enter the contract number; this can be found on the annual account statement issued to the Annuitant.
  - c. Indicate the account type by checking the appropriate box.
2. Contributor Information
  - a. This section only pertains to Spousal RRSP accounts. If relevant, ensure the contributor's legal name is printed clearly and spelled correctly, and that their SIN is entered accurately.
3. Indicate the Deposit Detail by checking the box beside the appropriate deposit type.
  - a. If the Annuitant is making a cash contribution, have them indicate the amount they are contributing.
  - b. If the Annuitant has requested a transfer-in from another institution, have them indicate the amount they expect to be transferred.
4. **If the Annuitant is making an in-kind contribution or in-kind transfer**, complete the Security Details section. Provide a detailed description of the securities including the following details:
  - a. investment name
  - b. type of security (e.g. preferred shares, bonds, etc.)
  - c. share certificate number(s) and/or bond registration number(s), if applicable
  - d. quantity of securities being deposited
  - e. value of the investment being deposited
5. Have the Annuitant date and sign the form.
6. Have the Designated Representative who is assisting the Annuitant sign and print their name as the Sub-Agent, and include their phone number in the space provided.
7. Leave the section entitled "CWCF Office Use Only" blank.

## Direct Transfer Authorization Form

This form is used to request a transfer from another institution with whom the Annuitant holds a Registered Plan (the “Relinquishing Institution”) to their account with CWCF.

1. Section A – Ensure all of the Annuitant’s information is printed clearly and correctly.
2. Section B – Indicate whether the transfer is being made to an RRSP, Spousal RRSP or TFSA. Include the Contract Number (if known) and note the appropriate Specimen Plan (i.e. RSP or TFSA). Leave the ‘Authorized Agent’ line blank for CWCF staff to complete.
3. Section C – Enter **all** contact information for the Relinquishing Institution (i.e. the financial institution from whom here the funds are being transferred). Be sure to include the contract/plan number at that institution and any other relevant details about the account from which funds are to be transferred. Indicate the property that is to be transferred to CWCF and note the type of account it is being transferred from. If a fax number is provided, CWCF will use this as the primary means of submission to the relinquishing institution.  
**SD-RRSP only:** If the funds are coming from a spousal RRSP, include the Contributor’s Name & SIN in the spaces provided.
4. Section D – Have the Annuitant sign and date the authorization. A representative from the organization or a financial institution must provide a signature guarantee.  
**NOTE:** By providing a Signature Guarantee, you are verifying that you have checked the signatory’s ID and verified their identity, and that the signatory appears to be of sound mind and is signing the document of their own free will.
5. Leave Section E blank; this is for the Relinquishing Institution to complete when they process the transfer request.

## Small Business Shares Annuitant Declaration (CED entities only)

1. Ensure the Annuitant reads and understands the form.
2. Print the Annuitant’s name and contract (Plan) number. If it is a new account, CWCF will add the contract number once the account has been opened.
3. Have the Annuitant date and sign the form before a witness, who also signs the form.

## Community Bonds Annuitant Declaration (NPOs only)

1. Ensure the Annuitant reads and understands the form.
2. Print the Annuitant’s name and contract (Plan) number. If it is a new account, CWCF will add the contract number once the account has been opened.
3. Have the Annuitant date and sign the form before a witness, who also signs the form.

## Share or Bond Register Confirmation Letter

**NOTE:** This letter is only required if the organization does not provide share/bond certificates. If certificates are issued, the originals **must** be provided to CWCF to retain in Annuitants’ files, and no confirmation letter would be required.

1. Copy the Share/Bond Register Confirmation Letter template provided by CWCF onto the organization's letterhead, or create your own Register Confirmation Letter that includes the same information as the template.
2. Print the full legal name of your organization as the 'name of issuer.'
3. Enter the class, quantity and/or value of the securities as applicable, depending on whether the organization issues shares or bonds.
4. Print the name of the Annuitant for whom the securities are being registered and enter their account (contract) number, then indicate the account type. The registration of the securities must be recorded as "CWCF ITF Annuitant Name SD-RRSP (or SD-TFSA) Contract #XXXXXXXX."
5. Have two authorized signing officers for the organization date, sign and print their names and titles on the spaces provided.

### Issuer Representation Letter (IRL)

This letter is used to confirm the Fair Market Value of the organization's securities, and is required by CWCF before any transactions involving its securities can be processed.

1. Copy the IRL template as provided by CWCF onto the organization's letterhead.
2. Add the current date at the top of the form.
3. Enter the name of the security (i.e. Common Share, Preferred Share B, etc.), the name of the security issuer (i.e. your organization) and date of the valuation.
4. Enter the current Fair Market Value of an individual security (i.e. one share/bond).
5. Beside 'Name of Security Issuer,' enter the legal name of the organization.
6. Have two authorized signing officers for the organization complete and sign the bottom left portion of the form.

**NOTE:** So long as the Fair Market Value of a particular investment does not change throughout an offering, CWCF will require **only one IRL per offering**, up to a period of 6 months. Alternatively, you may send **one IRL per package of paperwork**.

### Withdrawal Request Form

This form is completed when an Annuitant wishes to withdraw funds or securities from their Registered Plan, to be issued directly to them.

1. Ensure that the Annuitant has the appropriate Withdrawal Form for their account type (i.e. RRSP or TFSA).
2. Instruct the Annuitant to complete all of their personal information.
3. Assist the Annuitant in determining the appropriate Withdrawal Detail to select:
  - a. **Full cash balance** indicates that the Annuitant wishes to withdraw **only** any cash funds in their account.



- b. **All assets, in kind** indicates that the Annuitant wishes to withdraw all property from their account, in its current state (i.e. cash and/or securities). If this option is selected and the Annuitant is holding securities, CWCF will reach out to the issuer(s) to obtain an Issuer Representation Letter indicating the Fair Market Value of the securities.
  - c. **All assets, in cash** indicates that the Annuitant wishes to redeem any securities they hold and withdraw those funds, along with any other cash balance. If this option is selected, CWCF will reach out to the organization to request the redemption.
  - d. **Partial, as listed below** requires the Annuitant to complete the table indicating whether they wish to withdraw part of their cash balance, part of their securities, of a combination of both.
4. Ensure the Annuitant is aware of the applicable fee(s) for the transaction.
  5. **RRSP only:** Ensure the Annuitant is aware of the withholding tax requirements and implications.
  6. Have the Annuitant sign and date the form. If they wish, have them retain a copy of the document for their records.

#### Letter of Direction

This letter allows Annuitants to instruct CWCF to use cash funds available in their Registered Plan to make a security purchase.

1. Have the Annuitant date the form.
2. Enter the investment details, including the name of the investment being purchased, the quantity, and the total purchase price.
3. If any additional instructions are required, please note them in the designated space.
4. Enter the Annuitant's Account Number, **or** their SIN and plan type.
5. Have the Annuitant print their name and sign the form. If they wish, have them retain a copy of the document for their records.

### **XIII. Liquidation/Dissolution**

In the event that an organization will be winding down, liquidating or dissolving, please advise CWCF at your earliest possible opportunity so that we may take appropriate action on the securities held within Registered Plans. This may involve the organization redeeming the securities at their original value, or redeeming them for a lesser value. It may also require the securities to be revalued to \$0 and either withdrawn in-kind or sold from the registered plans. CWCF will work with the organization's Designated Representative to ensure that proper steps are taken.

*If there are any questions regarding the information contained within this manual, or pertaining to CWCF's forms, please have the organization's Designated Representative reach out to CWCF staff to provide clarification.*