

ADDENDUM FOR LOCKED-IN PENSION TRANSFERS TO A LIFE INCOME FUND (LIF)
For transfers pursuant to the *Employment Pension Plans Act* (Alberta)

BMO RETIREMENT INCOME FUND
BMO INVESTORLINE RETIREMENT INCOME FUND

Plan Carrier - BMO Trust Company
Suite 5104, 1 First Canadian Place Toronto, Ontario M5X 1A1
Acting through its agent, Bank of Montreal

Upon receipt of locked-in pension assets pursuant to the *Employment Pension Plans Act* (Alberta), and in accordance with the instructions of the Planholder to transfer the assets to an Alberta life income fund, the Plan Carrier and Planholder agree that the provisions of this Addendum are appended to and form additional terms of the declaration of trust for the above-named retirement income fund.

1. Pension Legislation. For the purposes of this Addendum, the word "Act" means the *Employment Pension Plans Act* (Alberta) and the word "Regulation" means the Employment Pension Plans Regulation made under the Act.

2. Definitions. All terms in this Addendum, which are used in the Act or Regulation, have the same meaning as under the Act or Regulation. For greater certainty, the words "acknowledged", "addendum", "financial institution", "fiscal year", "non-pension partner owner", "owner" and "surviving pension partner owner" have the same meanings as given in section 39 of the Regulation; and the words "LIRA", "LIF", "LRIF", "life annuity contract", "non-member-pension partner" and "RRIF" have the same meanings as given in section 2 of the Regulation; and the words "pension", "Superintendent" and "Year's Maximum Pensionable Earnings" have the same meanings as given in section 1 of the Act.

In this Addendum, "Plan" means the above-named retirement income fund, governed by the declaration of trust and the additional terms of this Addendum. "Planholder" means the planholder, accountholder or annuitant under the declaration of trust and application form for the Plan and includes the "owner" of the Plan as that term is used in the Regulation. "Locked-In Assets" means all the assets in the Plan at any time, including any interest or other earnings realized or accrued to that time.

3. Pension Partner. The expression "pension partner" has the same meaning as given in section 1 of the Act, that is, in relation to another person,

- (a) a person who, at the relevant time, was married to that other person and had not been living separate and apart from that other person for 3 or more consecutive years; or
- (b) if there is no person to whom subparagraph (a) applies, a person who, immediately preceding the relevant time, had lived with that other person in a conjugal relationship
 - (i) for a continuous period of at least 3 years, or
 - (ii) of some permanence, if there is a child of the relationship by birth or adoption.

Notwithstanding anything to the contrary contained in the Plan, this Addendum or any endorsements forming a part thereof, for the purposes of any provision of the *Income Tax Act* (Canada) respecting registered income funds, "pension partner" does not include any person who is not recognized as a spouse or common-law partner under the *Income Tax Act* (Canada).

4. Transfers Into the Plan. The only assets that may be transferred into the Plan with this Addendum are assets originating, directly or indirectly, from:

- (a) a registered pension plan;
- (b) another LIRA;
- (c) a LIF or LRIF; or
- (d) a vehicle comprising a sum administered as a deferred life annuity pursuant to an agreement originally entered into under section 16 of The Regulations under the *Employment Pension Plans Act*, that conforms with the *Income Tax Act* (Canada), the Act and the Regulation.

Assets that are locked in will not be transferred to or held under a Plan with this Addendum, unless the Locked-In Assets will be held in a separate account that will contains only Locked-In Assets.

5. Used to Provide or Secure a Pension. Subject to paragraph 6 of this Addendum, all Locked-In Assets that are subject to a transfer to a Plan with this Addendum are to be used to provide or secure a pension that would, but for the transfer and previous transfers, if any, be required or permitted by the Act and the Regulation.

6. Transfers Out of the Plan. Subject to paragraph 17 of this Addendum, the Planholder may transfer all or part of the Locked-In Assets

- (a) to another LIF, on the relevant conditions specified in section 40 of the Regulation;
- (b) to a LIRA on the relevant conditions specified in section 39 of the Regulation;
- (c) to an LRIF on the relevant conditions specified in section 41 of the Regulation; or
- (d) for the purchase of a deferred life annuity contract that meets the conditions of section 39(10)(h) and (i) of the Regulation and paragraph 60(l) of the *Income Tax Act* (Canada).

Or the Planholder may use part of the Locked-In Assets to purchase an immediate life annuity and transfer the remainder of the Locked-In Assets in the manner set out in subparagraphs (a), (b), (c) or (d). At any time prior to the date referred to in paragraph 17 of this Addendum, the Planholder may use all or part of the Locked-In Assets to purchase an immediate life annuity contract.

Any transfer out of the Plan must be made on a tax deferred basis under the *Income Tax Act* (Canada).

In accordance with paragraphs 146.3(2)(e) and (e.2) of the *Income Tax Act* (Canada), the Plan Carrier will retain sufficient Locked-In Assets to satisfy the requirement to pay the minimum amount to the Planholder for the year.

7. Conditions on Transfer. The Plan Carrier must not transfer Locked-In Assets to a LIRA, LIF or LRIF with a financial institution unless the Plan Carrier has ascertained that the financial institution is acknowledged as to LIRAs, LIFs and LRIFs. Before the Plan Carrier transfers Locked-In Assets to another financial institution, the Plan Carrier will advise the transferee financial institution in writing of the locked-in status of the assets and make its acceptance of the transfer subject to the conditions provided for in subsection 40(3) of the Regulation.

8. Fiscal Year of Plan. The fiscal year of the Plan ends on December 31 of each year.

9. Requirement to Pay Annual Income. The Planholder will be paid an income the amount of which may vary annually. The payment of the income will commence not later than the last day of the 2nd fiscal year.

10. Amount and Frequency of Payments. The Planholder must notify the Plan Carrier by instructions of the amount and frequency of the payments for each fiscal year. If the Planholder does not give instructions as to the amount of the payments or instructs an amount less than the minimum amount for the fiscal year, the minimum amount prescribed for a registered retirement income fund under the *Income Tax Act* (Canada) will be paid. If the Planholder does not give instructions as to the frequency of the payments, the amount will be paid in one payment at the end of the fiscal year. The instructions must be given at the beginning of the fiscal year to which they relate, after the receipt of the information specified in paragraph 29 of this Addendum.

The instructions expire at the end of the fiscal year to which they relate. However, where the Agent guarantees the return of the Plan over a period that is greater than one year, then the Planholder may give instructions, at the beginning of that period, of the amount of income to be paid during any one or more of the calendar years that end not later than the expiration of that period.

With the consent of the Plan Carrier, the Planholder may change the amount and frequency of the payments or request additional payments by instructing the Plan Carrier.

The Planholder must give the Plan Carrier instructions as to which of the Locked-In Assets to sell where required in order to ensure there is sufficient cash in the Plan to make the payments. If the Plan Carrier does not receive the instructions within a reasonable time before a payment is required, the Plan Carrier may sell any of the Locked-In Assets that the Plan Carrier, in its discretion, considers appropriate to provide the required cash; and the Plan Carrier will not be liable for any loss that may result from this action, including but not limited to investment losses or diminution of the Locked-In Assets, or for any related investment or administration expenses.

11. Amount of Annual Income. Subject to paragraphs 13, 14 and 15 of this Addendum, the amount of income paid during a fiscal year of the Plan will not be less than the minimum amount required to be paid under the *Income Tax Act* (Canada) and will not exceed M, with that symbol being calculated in accordance with the following formula:

$$M = C/F$$

Where:

C = the balance of the Locked-In Assets in the Plan on the first day of the fiscal year; and

F = the value on January 1 of the year in which the calculation is made of a guaranteed amount of which the annual payment is \$1 payable at the beginning of each fiscal year between that date and December 31 of the year in which the Planholder attains the age of 90 years.

12. Value of F. The value F in paragraph 11 of this Addendum will be calculated by using:

- (a) an interest rate of not more than 6% per year, or
- (b) for the first 15 years after the date of the valuation, an interest rate exceeding 6% per year if that rate does not exceed the interest rate obtained on long-term bonds issued by the Government of Canada for the month of November preceding the year of the valuation, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series B-14013, and using an interest rate not exceeding 6% in subsequent years.

13. Annual Income for Initial Fiscal Year.	For the initial fiscal year of the Plan, the minimum amount to be paid (as referred to in paragraph 11 of this Addendum) will be set at zero and the limit M will be adjusted in proportion to the number of months in the fiscal year divided by 12, with any part of an incomplete month counting as one month.
14. Annual Income Where Transfer from an LIF or LRIF.	If the Locked-In Assets are derived from assets transferred directly or indirectly from, and comprising the whole of, an LRIF or another LIF of the Planholder then, during the first fiscal year following the transfer, the limit M will be equal to zero, except to the extent that the <i>Income Tax Act</i> (Canada) requires the payment of a higher amount.
15. Additional Withdrawal Where Transfer Other Than From Another LIF or LRIF.	If in any fiscal year an additional transfer is made to the Plan and that additional transfer has never been under a LIF or an LRIF before, an additional withdrawal will be allowed in that fiscal year. The additional amount of withdrawal will not exceed the maximum amount that would be calculated under section 40 of the Regulation if the additional transfer were being transferred into a separate LIF and not this Plan, with paragraph 13 of this Addendum applying.
16. Income Fixed for More Than One Year.	Where, in the application of paragraph 10 of this Addendum, the amount of income to be paid to the Planholder is fixed at an interval of more than one year, paragraphs 11, 12, 13 and 14 will apply with such modifications as the circumstances require to determine, at the date at the beginning of the first fiscal year in the interval, the amount of income to be paid for each fiscal year in that interval.
17. Life Annuity at Age 80.	The balance of the Locked-In Assets must be used to purchase an immediate life annuity contract not later than the end of the calendar year in which the Planholder attains the age of 80 years.
18. Joint Life Pension.	Where the balance of the Locked-In Assets is to be used to purchase a life annuity contract, the pension to be provided to the Planholder who is a living non-pension partner owner with a pension partner at the date when the Planholder commences the pension will be such joint life pension as would, if the Planholder was a former member, be in compliance with section 40 of the Act, unless the pension partner waives the entitlement in the form and manner prescribed in Form 1 of Schedule 1.
19. No Withdrawal, Surrender or Commutation Except Where Required.	Subject to paragraphs 20 through 23 of this Addendum, and in conformity with the Act and the Regulation, no withdrawal, commutation or surrender of the Locked-In Assets is permitted at all.
20. Withdrawal Where Terminal Illness or Disability.	The Locked-In Assets may be withdrawn as a lump sum or a series of payments where a physician certifies, in a form and manner satisfactory to the Plan Carrier, that the Planholder has a terminal illness or that due to a disability the Planholder's life is likely to be considerably shortened. In accordance with subsection 46(3) of the Act, the Planholder must be a member, former member, or the surviving pension partner of a deceased member or former member. But the payment or payments may only be made, in the case of a Planholder who is a living non-pension partner owner with a pension partner, where the pension partner has waived the entitlement to the joint life pension described in section 40 of the Act in the form and manner prescribed in Form 2 of Schedule 1 of the Regulation.
21. Withdrawal Where Small Amount.	<p>On application by the Planholder who is a former member or the surviving pension partner of a deceased member or former member, in a form and manner satisfactory to the Plan Carrier, an amount equal to the commuted value of the pension to which the Planholder is entitled may be paid, at any time, in a single lump sum payment</p> <ul style="list-style-type: none"> (a) if the value of the Plan does not exceed 20% of the Year's Maximum Pensionable Earnings for the calendar year in which the application is made; or (b) if <ul style="list-style-type: none"> (i) the Planholder has attained the age of 65 years at the end of the preceding calendar year; (ii) the application is accompanied by a completed declaration in the form set out in Schedule 3 of the Regulation; and (iii) the value of the Plan and of other plans and vehicles listed in Schedule 3 of the Regulation belonging to the Planholder does not exceed 40% of the Year's Maximum Pensionable Earnings for the year in which the application is made. <p>If the Plan is not eligible for the payment option referred to in this paragraph 21, it may not be severed so as to transform it into two or more plans that are so eligible.</p>
22. Withdrawal Where Financial Hardship.	On application to the Plan Carrier, the whole or part of the Locked-In Assets may be withdrawn, as a lump sum payment or a series of payments, if the Superintendent has previously given written consent, pursuant to Schedule 4 of the Regulation, for the withdrawal on the grounds of being in circumstances of financial hardship and need.
23. Withdrawal Where Non-Resident.	The Locked-In Assets may be withdrawn in a lump sum if the Planholder applies to the Plan Carrier with written evidence that the Canada Customs and Revenue Agency has confirmed that the Planholder has become a non-resident for the purposes of the <i>Income Tax Act</i> (Canada) and, where the Planholder is a living non-pension partner owner with a pension partner, if the pension partner has waived all entitlements under the Plan in the form and manner prescribed in Form 2 of Schedule 1 of the Regulation.

24. Relationship Breakdown.	Where Part 4 of the Act and Part 4 of the Regulation (Division and Distribution of Assets on Relationship Breakdown) apply with respect to the share of a non-member-pension-partner, the conditions set out in those Parts continue to apply to that share when it is transferred into a Plan with this Addendum.
25. Death of Planholder.	On the death of the Planholder who is a non-pension partner owner, within 60 days after the submission to the Plan Carrier of the relevant documents required by the Plan Carrier, the Locked-In Assets are to be paid to or on behalf of the surviving pension partner owner or, if there is none, the designated beneficiary or, if there is no valid designation of beneficiary, the personal representatives of the estate in their representative capacity.
26. No Assignment etc. and Exempt.	The Locked-In Assets may not be assigned, charged, alienated or anticipated and are exempt from execution, seizure or attachment. Any transaction purporting to assign, charge, alienate or anticipate the Locked-In Assets is void.
27. Manner of Investment.	The Locked-In Assets will be invested and re-invested on the direction of the Planholder as provided in the declaration of trust, and will be invested in a manner that complies with the rules for the investment of RRIF assets contained in the <i>Income Tax Act</i> (Canada). The Locked-In Assets will not be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the Planholder or the parent, brother, sister or child of the Planholder or the pension partner of any such person.
28. Terms of Investments; Transfers and Payments.	All transfers and payments from the Plan are subject to the terms of the investments under the Plan and will be subject to the withholding of any applicable tax and deduction of all reasonable charges. Transfers and payments may be made in cash or in kind, in accordance with the instructions of the Planholder and subject to the terms of the investments and the requirements of the Plan Carrier or the Agent.
29. Information in Statements.	<p>The Plan Carrier shall provide:</p> <ul style="list-style-type: none"> (a) to the Planholder, at the beginning of each fiscal year, information on <ul style="list-style-type: none"> (i) the sums deposited, the investment income, gains and losses earned, the payments made out of the Plan and the fees charged against it during the previous fiscal year, (ii) the balance in the Plan, and (iii) the minimum amount that must, and the maximum amount that may, be paid out of the Plan to the Planholder during the current fiscal year; (b) to the Planholder, if the balance in the Plan is transferred as described in paragraph 6 of this Addendum, the information described in subparagraph (a), as of the date of transfer; and <p>if the Planholder dies before the balance in the Plan is used to purchase a life annuity contract or transferred under paragraph 6 of this Addendum, to the person entitled to receive the balance, the information described in subparagraph (a), as of the date of death.</p>
30. Provision on Improper Pay Out.	If Locked-In Assets are paid out contrary to the Act or section 40 of the Regulation, the Plan Carrier shall provide or secure the provision to the Planholder of a pension in a manner and in the amount that would have been provided had the Locked-In Assets not been paid out.
31. Provision on Improper Transfer.	If the Plan Carrier does not ensure that the transferee financial institution is appropriately acknowledged or comply with the second sentence of paragraph 7 of this Addendum, and the transferee financial institution fails pay the assets transferred in the form of a pension or in the manner required or permitted by section 40 of the Regulation, the Plan Carrier will provide or secure the provision to the Planholder of the pension referred to in paragraph 30 of this Addendum.
32. Indemnity.	Should the Plan Carrier and/or its Agent be required to make payments or to provide an annuity or a pension as a result of any Locked-In Assets being paid out or transferred otherwise than in accordance with the provisions of this Addendum, the Regulation or as may be required by applicable law, the Planholder will indemnify and hold harmless the Plan Carrier and/or the Agent to the extent that Locked-In Assets were previously received by or accrued to the benefit of any of them or the Planholder's estate. This indemnity will be binding upon the Planholder's legal representatives, successors, heirs and assigns.
33. Compliance with Regulation.	To the extent that this Addendum does not in any respect effect a provision required by subsection 40(3) of the Regulation, the Addendum is deemed to make such provision in that respect as would make it comply with subsection 40(3). The Plan Carrier shall comply with the contractual provisions provided for in subsection 40(3), or ensure that they are complied with.
34. Amendment.	No amendment shall be made to the Plan unless the Plan as amended remains in conformity with the Act and the Regulation and with section 146.3 of the <i>Income Tax Act</i> (Canada)

LIFE INCOME FUND (LIF)
for transfers pursuant to the *Employment Pension Plans Act (Alberta)*

THE FOLLOWING MUST BE COMPLETED:

LIF Account # _____

A. Type of Planholder. The Planholder represents to the Plan Carrier that the Planholder is:

- a member or former member of the pension plan ("non-spouse owner" as defined in the Regulation) from which the Locked-In Assets originated.
 - a surviving spouse of a person who was a member or former member of the pension plan ("surviving spouse owner" as defined in the Regulation) from which the Locked-In Assets originated.
 - a former spouse of a member or former member of the pension plan from which the Locked-In Assets originated.
-

B. Income Payment Type. The following income payment type selected by the Planholder shall remain in effect until such time that the Planholder requests a change by way of signed request.

- Minimum Amount as defined in this Addendum
- Maximum Amount as defined in this Addendum.
- Flat Amount \$ _____ (Before Tax After Tax)

Payment frequency is indicated in the Application. Where the Planholder selects a Flat Amount income payment type, the Plan Carrier shall pay to the Planholder the amount specified as the Flat Amount on each payment date indicated in the Application. However, the total of such payments shall not be less than the Minimum Amount required to be paid out of the Plan and shall not exceed the Maximum Amount permitted to be paid out of the Plan in accordance with this Addendum. Where the Planholder does not select an income payment type, the Planholder will be deemed to have chosen to receive the Minimum Amount. If the Maximum Amount is less than the Minimum Amount, the Minimum Amount shall be paid.

C. Source of Locked-In Assets. The Locked-In Assets are being transferred from the following:

- LIRA
 - LIF
 - Pension Plan
 - Life Annuity
-

Plan Carrier, by its Agent

Print Full Name of Planholder

Signature of Authorized Person

Signature of Planholder

Date (DD/MM/YYYY)

Date (DD/MM/YYYY)

1 - Branch Copy

LIFE INCOME FUND (LIF)
for transfers pursuant to the *Employment Pension Plans Act (Alberta)*

THE FOLLOWING MUST BE COMPLETED:

LIF Account # _____

A. Type of Planholder. The Planholder represents to the Plan Carrier that the Planholder is:

- a member or former member of the pension plan ("non-spouse owner" as defined in the Regulation) from which the Locked-In Assets originated.
 - a surviving spouse of a person who was a member or former member of the pension plan ("surviving spouse owner" as defined in the Regulation) from which the Locked-In Assets originated.
 - a former spouse of a member or former member of the pension plan from which the Locked-In Assets originated.
-

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C. Source of Locked-In Assets. The Locked-In Assets are being transferred from the following:

- LIRA
 - LIF
 - Pension Plan
 - Life Annuity
-

Plan Carrier, by its Agent

Print Full Name of Planholder

Signature of Authorized Person

Signature of Planholder

Date (DD/MM/YYYY)

Date (DD/MM/YYYY)

2 - Investment Services (CDC) Copy

LIFE INCOME FUND (LIF)
for transfers pursuant to the *Employment Pension Plans Act (Alberta)*

THE FOLLOWING MUST BE COMPLETED:

LIF Account # _____

A. Type of Planholder. The Planholder represents to the Plan Carrier that the Planholder is:

- a member or former member of the pension plan ("non-spouse owner" as defined in the Regulation) from which the Locked-In Assets originated.
 - a surviving spouse of a person who was a member or former member of the pension plan ("surviving spouse owner" as defined in the Regulation) from which the Locked-In Assets originated.
 - a former spouse of a member or former member of the pension plan from which the Locked-In Assets originated.
-

B. Income Payment Type. The following income payment type selected by the Planholder shall remain in effect until such time that the Planholder requests a change by way of signed request.

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- Maximum Amount as defined in this Addendum.
- Flat Amount \$ _____ (Before Tax After Tax)

Payment frequency is indicated in the Application. Where the Planholder selects a Flat Amount income payment type, the Plan Carrier shall pay to the Planholder the amount specified as the Flat Amount on each payment date indicated in the Application. However, the total of such payments shall not be less than the Minimum Amount required to be paid out of the Plan and shall not exceed the Maximum Amount permitted to be paid out of the Plan in accordance with this Addendum. Where the Planholder does not select an income payment type, the Planholder will be deemed to have chosen to receive the Minimum Amount. If the Maximum Amount is less than the Minimum Amount, the Minimum Amount shall be paid.

C. Source of Locked-In Assets. The Locked-In Assets are being transferred from the following:

- LIRA
 - LIF
 - Pension Plan
 - Life Annuity
-

Plan Carrier, by its Agent

Print Full Name of Planholder

Signature of Authorized Person

Signature of Planholder

Date (DD/MM/YYYY)

Date (DD/MM/YYYY)

3 - Customer Copy