

**ADDENDUM FOR LOCKED-IN RETIREMENT ACCOUNT (LIRA)**

Pursuant to the *Pension Benefits Act* (Nova Scotia)

**BMO INVESTORLINE RETIREMENT SAVINGS PLAN**

Plan Issuer – BMO Trust Company  
1 First Canadian Place, 52<sup>nd</sup> Floor  
100 King Street West  
Toronto, Ontario M5X 1H3  
Acting through its Agent, BMO InvestorLine Inc.

CLIENT NAME: \_\_\_\_\_

ACCOUNT #: \_\_\_\_\_

Upon receipt of locked-in pension assets pursuant to the *Pension Benefits Act* (Nova Scotia), and in accordance with the instructions of the Planholder to transfer the assets to a Nova Scotia locked-in retirement account, the Plan Issuer 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 savings plan:

1. **Pension Legislation.** For the purposes of this Addendum the word "Act" means the *Pension Benefits Act* (Nova Scotia) and the word "Regulations" means the *Pension Benefits Regulations* made under the Act.
2. **Definitions.** All terms in this Addendum which are used in the Act or Regulations have the same meaning as under the Act or Regulations. In this Addendum, "Plan" means the above-named retirement savings plan, 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. "Locked-In Assets" means all the assets in the Plan at any time and includes any interest or other earnings realized or accrued to that time.
3. **Spouse and Common-Law Partner.** The word "Spouse" means either of a man or woman who
  - (a) are married to each other,
  - (b) are married to each other by a marriage that is voidable and had not been annulled by a declaration of nullity, or
  - (c) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the twelve-month period immediately preceding the date of entitlement.

The "Common-Law Partner" of an individual means another individual who has cohabited with the individual in a conjugal relationship for a period of at least two years, neither of them being a Spouse.

Notwithstanding anything to the contrary contained in the Plan, for the purposes of any provision of the *Income Tax Act* (Canada) respecting registered retirement savings plans, "Spouse" and "Common-Law Partner" do 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) the fund of a registered pension plan, under clause 50(1)(b) of the Act, or
  - (b) another LIRA or a LIF

that conforms with the *Income Tax Act* (Canada), the Act and the Regulations. Any transfer into the Plan must be made before maturity of the Plan and on a tax deferred basis under the *Income Tax Act* (Canada).
5. **Transfers Out of the Plan.** The Locked-in Assets will not be transferred, paid or withdrawn from the Plan in whole or in part except:
  - (a) for transfer to the pension fund of a registered pension plan that conforms with the Act and the Regulations;
  - (b) for transfer to another LIRA that conforms with the Act and the Regulations;

- (c) for transfer to a LIF that conforms with the Act and the Regulation;
- (d) to purchase only an immediate or deferred life annuity described in paragraph 7 of this Addendum that meets the requirements of section 24 of the Regulations and subsection 146(1) of the *Income Tax Act* (Canada);
- (e) to pay it in accordance with sections 27 (small amounts at age 65) or 28 (considerably shortened life expectancy) of the Regulations.

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

All of the Locked-In Assets must be transferred or paid on or before the 31<sup>st</sup> day of December of the year in which the Planholder reaches age 71 (or such other time for maturity as is permitted by the *Income Tax Act* (Canada)). If the Plan Issuer or the Agent does not receive instructions from the Planholder by this time, the Plan Issuer may in its discretion transfer the Locked-In Assets to a LIF pursuant to paragraph 5(c); and the Plan Issuer or the Agent will not be responsible 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 administration expenses.

6. **Overcontribution.** The Planholder may withdraw an amount of Locked-In Assets from the plan where an amount is required to be paid to the Planholder to reduce the amount of tax that would otherwise be payable under Part X.1 of the *Income Tax Act* (Canada).
7. **Subsequent Transfers.** The Plan Issuer or the Agent will not permit any subsequent transfer unless
  - (a) the transfer would be permitted under the Act and the Regulations; and
  - (b) the subsequent transferee agrees to administer the assets transferred as a pension or deferred pension in accordance with the Act and the Regulations.

The Plan Issuer or the Agent will advise any subsequent transferee in writing that the amount transferred must be administered as a pension or deferred pension under the Act and the Regulations.

8. **Annuity Purchased.** The income payable from an annuity that is purchased with funds from the Plan must not begin before the earlier of:
  - (a) the earliest date on which the Planholder who is a former member is entitled to receive pension benefits under the Act as a result of termination of employment or termination of membership in any pension plan from which money was transferred into the Plan; or
  - (b) the earliest date on which the Planholder who is a former member is entitled to receive pension benefits under any pension plan described in subparagraph (a) as a result of termination of employment or termination of membership in the plan.

An immediate or deferred life annuity purchased with the Locked-In Assets must not differentiate on the basis of the sex of the recipient, if the commuted value of a pension benefit that was transferred to the Plan was determined in a manner that did not differentiate on the basis of sex.

9. **Withdrawal Where Small Amount at Age 65.** The Planholder may, upon application on Form 10, withdraw all of the Locked-In Assets if, when the Planholder signs the application
  - (a) the Planholder is at least 65 years of age; and
  - (b) the value of all assets in all LIRAs, LIFs and pension plans providing defined contribution benefits owned by the Planholder is less than 40% of the year's maximum pensionable earnings for the calendar year in which the application is made.

The value of all assets in all LIRAs, LIFs and pension plans providing defined contribution benefits owned by the Planholder when he or she signs the application is to be determined in accordance with the most recent statement about each LIRA or LIF given to the Planholder. Each such statement must be dated within one year before the Planholder signs the application.

The application form must be signed by the Planholder and given to the Plan Issuer or the Agent. Any document that is required to be given to the Plan Issuer or the Agent under the paragraph and that must be signed by the Planholder is void if it is signed more than 60 days before the Plan Issuer or

the Agent receives it. The Plan Issuer or the Agent must give the Planholder a receipt for the application form stating the date on which it was received.

The Plan Issuer or the Agent is entitled to rely upon the information provided by the Planholder in the application. An application that meets the requirements of section 27 of the Regulations constitutes authorization to the Plan Issuer to pay the amount from the Plan. The Plan Issuer is required to make the payment to which the Planholder is entitled under section 27 of the Regulation within 30 days after the Plan Issuer or the Agent receives the completed application form and accompanying document.

10. **Withdrawal Where Shortened Life Expectancy.** The Planholder may, upon application on Form 11, withdraw all or part of the Locked-In Assets if, when the Planholder signs the application, he or she has a mental or physical disability that is likely to shorten considerably his or her life expectancy.

The application form must be accompanied by a statement signed by a physician who is licensed to practice medicine in a jurisdiction in Canada that, in the opinion of the physician, the Planholder has a mental or physical disability that is likely to shorten considerably his or her life expectancy.

The application form must be signed by the Planholder and be given to the Plan Issuer or the Agent. Any document that is required to be given to the Plan Issuer or the Agent under the paragraph and that must be signed by the Planholder is void if it is signed more than 60 days before the Plan Issuer or the Agent receives it. The Plan Issuer or the Agent must give the Planholder a receipt for the application form stating the date on which it was received.

The Plan Issuer or the Agent is entitled to rely upon the information provided by the Planholder in the application. An application that meets the requirements of section 28 of the Regulations constitutes authorization to the Plan Issuer to make the payment from the Plan. The Plan Issuer is required to make the payment to which the Planholder is entitled under section 28 of the Regulations within 30 days after the Plan Issuer or the Agent receives the completed application form and accompanying document.

11. **Withdrawal Where Financial Hardship.** The Planholder may, upon written application, apply for the Superintendent's consent to the commutation or surrender, in whole or in part of the Locked-In Assets if the Superintendent is satisfied as to the existence of such circumstances of financial hardship as may be prescribed in the Regulation.

The application must be completed and signed by the Planholder on a form approved by the Superintendent and submitted with the statements and any other documents required under the Regulations, by the Planholder to the Superintendent.

Where the Superintendent consents under subsection 72(5) of the Act, the Plan Carrier is authorized to pay from the Plan, in accordance with the consent:

- (a) the specified amount, net of any withholding tax and fee, to the Planholder; and
- (b) the amount of any related fee approved by the Minister, net of withholding tax, to the Minister.

The specified amount may be paid in the form of a lump sum payment or as a transfer to a designated non-locked-in retirement savings arrangement. The Plan Carrier shall make the payment, or the first payment, as the case may be, within 30 days after receiving the Superintendent's consent. The consent is a nullity if the Plan Carrier or the Agent receives it more than 12 months after the date of the Superintendent signs it.

12. **No Commutation, Withdrawal, Surrender Except As Permitted.** The Locked-In Assets will not be commuted or surrendered during the lifetime of the Planholder who was a member, except as provided in sections 57 or 71A of the Act or sections 27 or 28 of the Regulations. Any transaction purporting to surrender or commute the Locked-In Assets is void.
13. **No Assignment etc.** The Locked-In Assets will not be assigned, charged, anticipated or given as security except as permitted by subsection 70(3) or section 71A of the Act. Any transaction purporting to assign, charge, anticipate or give the Locked-In Assets as security is void.
14. **Exemption from Execution, Seizure or Attachment.** The Locked-In Assets are exempt from execution, seizure or attachment, except as permitted by section 71A of the Act.
15. **Division of Locked-In Assets.** The Plan is subject to division of the Locked-In Assets between Spouses or Common-Law Partners (or former Spouses or Common-Law Partners) under section 61 of the Act and in accordance with Part II of the Regulations.

16. **Death of Planholder.** On the death of the Planholder, the Spouse or Common-Law Partner or, if there is no Spouse or Common-Law Partner or the Spouse or Common-Law Partner is otherwise disentitled, the beneficiary or estate of the Planholder, will be entitled to the full value of the Locked-In Assets.
17. **Terms of Investments; Transfers and Payments.** All transfers and payments from the Plan are subject to the terms of the investments of the Locked-In Assets and will be subject to the withholding of any applicable tax and deduction of all reasonable expenses, costs, fees and 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 Issuer or the Agent.
18. **Indemnity.** Should the Plan Issuer 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 Regulations or as may be required by applicable law, the Planholder will indemnify and hold harmless the Plan Issuer 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.
19. **Amendment.** No amendment shall be made to the Plan or this Addendum unless the Plan and this Addendum as amended remain in conformity with the Act and the Regulations and with section 146 of the *Income Tax Act* (Canada).

**Determination of Commuted Value on the Basis of Sex.** Was the commuted value of the pension benefit that was transferred into the Plan determined in a manner that differentiated on the basis of sex? YES          NO

If the commuted value of the pension benefit that was transferred into the Plan was not determined in a manner that differentiated on the basis of sex, then an annuity purchased with funds from the Plan shall not differentiate on the basis of sex.

Plan Issuer, by its Agent:

Planholder:

\_\_\_\_\_

*Print Full Name*

\_\_\_\_\_

*Signature of Authorized Person*

\_\_\_\_\_

*Signature of Planholder*

\_\_\_\_\_

*Date*

\_\_\_\_\_

*Date*