

**ADDENDUM FOR LOCKED-IN PENSION TRANSFERS TO A
LIFE INCOME FUND (LIF)**

(for transfers pursuant to the Pension Benefits Act (New Brunswick))

**BMO RETIREMENT INCOME FUND
BMO INVESTORLINE SELF-DIRECTED RETIREMENT INCOME FUND
Plan Carrier - BMO Trust Company**

1 First Canadian Place, 54th Floor, P.O. Box 150, Toronto, Ontario M5X 1H3

Upon receipt of locked-in pension assets ("Locked-In Assets") to one of the above-named plans pursuant to the Pension Benefits Act (New Brunswick) the Plan Carrier and Planholder further agree as follows:

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- 1. Pension Legislation.** For the purposes of this Addendum the word "Act" means the Pension Benefits Act (New Brunswick) and the word "Regulation" means New Brunswick Regulation 91-195, as amended, being the Pension Benefits Regulation under the Act.
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- 2. Definitions.** For the purposes of this Addendum the words "life income fund (LIF)", "locked-in retirement account (LIRA)", "pension plan", and "retirement savings arrangement", shall have the same meanings given to these words in the Act or the Regulation. As used in this Addendum, "Plan" means the applicable plan above to which the Locked-In Assets are transferred. "Planholder" means the Planholder or Member as defined under the Plan.
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- 3. Spouse.** The word "spouse" means, a person of the opposite sex of the Planholder who
- (a) is married to the Planholder, or
 - (b) is married to the Planholder by a marriage that is voidable and has not been avoided by a declaration of nullity,
 - (c) has gone through a form of marriage with the Planholder, in good faith, that is void and has cohabited with the Planholder within the preceding year, or
 - (d) is not married to the Planholder and has cohabited with the Planholder
 - (i) continuously for a period of not less than three years in a conjugal relationship where one person has been substantially dependent upon the other for support, or
 - (ii) in a relationship of some permanence where the person and the Planholder are the natural parents of a child,
- and have cohabited within the preceding year.
- Notwithstanding anything to the contrary contained in this Addendum, including any endorsements forming a part thereof, "spouse" does not include any person who is not recognized as a spouse or common law partner for the purposes of any provision of the *Income Tax Act* (Canada) respecting registered retirement income funds.
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- 4. Transfers Into The Plan.** The only assets that may be transferred into the Plan are sums originating, directly or indirectly from:
- (i) the fund of a registered pension plan;
 - (ii) another retirement savings arrangement, including a LIRA or LIF; or
 - (iii) a life or deferred life annuity under a contract;
- that conforms with the *Income Tax Act* (Canada) and, with the Act and the Regulation or with similar pension legislation in another jurisdiction.

- 5. Transfers Out of the Plan.** Unless the Plan provides for an early cashing-in value before the expiration of the term agreed to for the investment, the Planholder is entitled at any time after the term has expired, to transfer all or part of the Locked-In Assets of the Plan (excluding funds retained to ensure the Planholder is paid the Minimum Amount for the year of transfer in accordance with the *Income Tax Act* (Canada)):
- (a) to another LIF which is registered as a retirement income fund under the *Income Tax Act* (Canada) on the relevant conditions specified in section 22 of the Regulation;
 - (b) to purchase a life annuity contract which meets the requirements of section 60(l) of the *Income Tax Act* (Canada) and the requirements of section 23 of the Regulation; or
 - (c) on or before the 31st day of December of the year in which the Planholder turns age 69 or such greater age permitted by the *Income Tax Act* (Canada), to a LIRA which is registered as a retirement savings plan under the *Income Tax Act* (Canada) on the relevant conditions specified in section 21 of the Regulation.
- The foregoing transfers shall be made not more than 30 days after the date of the request for transfer by the Planholder unless the term agreed to for the investments has not expired. Locked-In Assets which consist of identifiable and transferable securities may be transferred out of the Plan by the Plan Carrier with the Planholder's consent.
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- 6. No Surrender etc.** The Locked-in Assets of the Plan, including all investment earnings, may not be commuted or surrendered during the lifetime of the Planholder except under and in accordance with subsection 33(2) of the Act (shortened life expectancy), subsection 57(6) of the Act (support or maintenance order) or section 44 of the Act (marriage breakdown) and in accordance with this Addendum. Any transaction in contravention of this paragraph is void.
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- 7. Transfer of Securities.** A transfer under paragraphs 5 or 24 of this Addendum may, at the option of the Plan Carrier and if not otherwise stipulated in the Plan, be effected by the remittance to the Planholder of the investment securities respecting the Plan.
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- 8. Timing of Transfers.** Unless the Plan provides for an early cashing-in value before the end of the term agreed to for the investments, if there is money invested in the Plan that may be transferred under paragraphs 5 or 24 of the Addendum, such funds shall be transferred no more than thirty days after the Planholder's application for the transfer.
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- 9. Commuted Value on Marriage Breakdown.** The commuted value of the Planholder's benefits provided for under the Plan shall be determined in accordance with the Act and the Regulation if it is divided under section 44 of the Act.
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- 10. Marriage Breakdown Provisions.** Sections 27 to 33 of the Regulation and paragraph 146.3(14)(b) of the *Income Tax Act* (Canada) shall apply to the division on marriage breakdown of the Locked-in Assets in the Plan.
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- 11. No Assignment etc.** The Locked-in Assets, including all investment earnings, in the Plan may not be assigned, charged, anticipated, given as security except in accordance with section 44 of the Act and paragraph 146.3(14)(b) of the *Income Tax Act* (Canada) or subjected to execution, seizure, attachment or other process of law except in accordance with subsection 57(6) of the Act and the *Income Tax Act* (Canada). Any transaction in contravention of this paragraph is void.
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- 12. Payment Due to Disability.** The Planholder may withdraw the balance of the Locked-in Assets in the Plan, in whole or in part, and receive a payment or a series of payments if a physician certifies in writing to the Plan Carrier, in a form satisfactory to the Plan Carrier, that the Planholder suffers from a significant physical or mental disability that considerably reduces life expectancy and such certificate is provided to the Plan Carrier.
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- 13. Death of Planholder.** If the Planholder dies before signing a contract under which an annuity is purchased, the balance of the Locked-In Assets in the Plan shall be paid:
- (a) to the Planholder's Spouse;
 - (b) if the Planholder does not have a Spouse but has designated a beneficiary on death in accordance with the Plan, to the beneficiary; or
 - (c) if the Planholder does not have a Spouse and has not designated a beneficiary on death in accordance with the Plan, to the estate of the Planholder.
- The Plan Carrier shall provide the Planholder's Spouse, beneficiary, estate administrator or executor, as the case may be, with a statement containing the amount of money deposited in the Plan, its source, the accumulated earnings of the Plan, the withdrawals from the Plan, any fees deducted from the Plan since the preparation of the previous account statement and the balance of money in the Plan, as of the date of the Planholder's death.
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- 14. Fiscal Year of Plan.** The fiscal year of the Plan ends on December 31 of each year and shall not exceed 12 months.
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- 15. Requirement to Pay Annual Income.** The Planholder will be paid an income the amount of which may vary annually, until the day on which the entire balance of the money in the Plan is converted into a life annuity or the funds in the Plan are exhausted.

16. Commencement of Payments.	The payment of income to the Planholder from the Plan shall commence not later than the last day of the second fiscal year of the Plan.
17. Amount of Annual Income.	<p>The amount of income paid during a fiscal year of the Plan shall not be more than 'M' (the "Maximum Amount") or less than "m", where "m" is the greater of the minimum amount required to be paid under the <i>Income Tax Act</i> (Canada) and the minimum amount required to be paid under the Regulation (the "Minimum Amount") and where 'M' and "m" are calculated using the following formulas:</p> $M = C/F$ $m = C/H$ <p>where</p> <p>C = the balance of the money in the Plan on the first day of the fiscal year,</p> <p>F = the value, on the first day of the fiscal year, of a guaranteed pension, the annual payment of which is \$1 payable on the first day of each fiscal year between the first day of that fiscal year and December 31, inclusive, of the year in which the Planholder attains the age of 90 years; and</p> <p>H = the number of years between the January 1st of the year in which the calculation is made and December 31st of the year in which the Planholder attains the age of 90 years.</p> <p>The amount and frequency of the payments in respect of any fiscal year shall be as specified in writing by the Planholder, on such form as the Plan Carrier may provide for this purpose, once every year at the beginning of that fiscal year or at intervals of greater than one year, if the Plan Carrier guarantees the rate of return of the Plan during each such interval and if such intervals end at the end of a fiscal year of the Plan. With the consent of the Plan Carrier, the Planholder may change the amount and frequency of the said payment or payments or request additional payments by instructing the Plan Carrier in writing or on such form as the Plan Carrier may provide for this purpose.</p>
18. Annual Income in Initial Fiscal Year.	For the initial fiscal year of the Plan, the Minimum Amount ("m") to be paid will be set at zero. Where all or part of the Locked-in Assets in the Plan are derived from sums transferred directly or indirectly during the first fiscal year from another LIF of the Planholder, the Maximum Amount ("M") shall be set at zero with respect to those Locked-in Assets.
19. Income Calculation.	<p>The value of F in paragraph 17 of this Addendum will be calculated at the beginning of each fiscal year of the Plan, by using:</p> <ol style="list-style-type: none"> an interest rate of not more than 6% per year, or 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 calendar year in which the calculation is made, as published in <i>Bank of Canada Review</i> as CANSIM Series B-1 4013, and using an interest rate not exceeding 6% per year in subsequent years.
20. Income Payable at Intervals of Greater than One Year.	If the amount of income payable to the Planholder under paragraph 17 of this Addendum is established at intervals that are greater than one year, paragraphs 17 to 19 of this Addendum apply with such necessary modifications to the establishment of the amount of income payable in each fiscal year in the interval and the amount of income payable shall be established at the beginning of the first fiscal year in the interval.
21. Transfer to RRIF.	<p>Notwithstanding paragraph 17 of this Addendum, the Planholder may request that the New Brunswick Superintendent of Pensions, (the "Superintendent") approve the transfer of an amount from the Plan to a registered retirement income fund as defined in the <i>Income Tax Act</i> (Canada) that is not a life income fund by filing with the Superintendent completed New Brunswick Forms 3.3 and 3.4, provided:</p> <ol style="list-style-type: none"> the Planholder has never previously obtained the Superintendent's consent to such a transfer; and the amount to be transferred is not greater than the lesser of: <ol style="list-style-type: none"> three times the amount of "m" as determined under paragraph 17 of this Addendum; and twenty-five percent of the balance in the Plan on the first day of the fiscal year in which the transfer is to be made.
22. Account Statements.	<p>The Plan Carrier agrees to provide annual account statements at the beginning of each fiscal year of the Plan containing the information required by subsection 22(7) of the Regulation. Where the Planholder has died before signing a contract under which an annuity is purchased, the Plan Carrier agrees to provide the information listed in paragraphs 22(7)(a) and 22(7)(b) of the Regulation to the Spouse of the Planholder, designated beneficiary of the Planholder or estate administrator or executor of the Planholder, as the case may be. Where the Planholder transfers Locked-in Assets out of the Plan under paragraph 5 of this Addendum, the Plan Carrier agrees to provide the Planholder with the information listed in paragraphs 22(7)(a) and 22(7)(b) of the Regulation.</p>

23. Indemnity.

Should the Plan Carrier or its agent provide or be required to provide a pension pursuant to the Act or the Regulation, the Planholder and the Planholder's heirs, administrators, and executors will indemnify and hold harmless the Plan Carrier or its agent and pay to the Plan Carrier and its agent on demand all Locked-in Assets improperly paid out or transferred, to the extent that such Locked-in Assets were received by or accrued to the benefit of any recipient. Locked-in Assets which are improperly paid out or transferred cannot be returned to the Plan.

24. Amendments.

The Plan Carrier, may from time to time, unilaterally and without other notice, amend this Addendum in order to bring it into compliance with applicable legislation, including the *Income Tax Act (Canada)* and may make other amendments on 30 days' notice to the Planholder provided that any other amendment to the Addendum shall not be made that would result in a reduction of the benefits arising from the Plan unless the Planholder is entitled, before the effective date of the amendment, to transfer the balance of the assets in the Plan in accordance with this Addendum and, unless a notice is delivered to the Planholder at least ninety days before the effective date, describing the amendment and the date on which the Planholder may exercise the entitlement to transfer. No amendment shall be made unless the Plan as amended remains in conformity with the standard contract registered in accordance with the Regulation and section 146.3 of the *Income Tax Act (Canada)*.

25. Restriction on Type of Annuity.

The Locked-In Assets under the Plan originate from the transfer of a deferred pension under a pension plan. At the time of such transfer the value of the deferred pension was assessed (the "commuted value"). If the commuted value of the deferred pension transferred from the pension plan was determined on transfer in a manner that differentiated on the basis of the sex, the only assets that may be subsequently transferred into the Plan are assets that are also differentiated on the same basis. No Locked-In Assets, including investment earnings, in the Plan shall be used to purchase a life or deferred life annuity that differentiates on the basis of the annuitant's sex, unless the commuted value of the deferred pension transferred into the Plan was determined on transfer from the pension plan in a manner that differentiated on the basis of sex (see Section C below).

26. All Payments.

All transfers and other payments under this Addendum are subject to the terms of the investments under the Plan (except transfers under paragraph 24 of this Addendum) and will be subject to the withholding of any applicable tax and deduction of all proper charges.

27. General.

The Plan Carrier hereby affirms the Terms and Conditions or Declaration of Trust of the Plan. The conditions of this Addendum will take precedence over the Terms and Conditions or Declaration of Trust of the Plan in the case of conflicting or inconsistent provisions.

**LIFE INCOME FUND (LIF)
(for transfers pursuant to the Pension Benefits Act (New Brunswick))**

THE FOLLOWING MUST BE COMPLETED AND SIGNED:

LIF Account # _____

A. 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.

Please check one box

- 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.

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

Please check one box

- Pension Plan LIF
- LIRA Life Annuity

C. Manner of Determination of Commuted Value. Was the commuted value of the deferred pension transferred from the pension plan into the Plan determined on transfer in a manner that differentiated on the basis of sex (see paragraph 25 of this Addendum)?

Please check one box

- Yes No

Plan Carrier, by its agent

Signature of Authorized Person

Date

Full Name of Planholder (Please print)

Signature of Planholder

Date

**LIFE INCOME FUND (LIF)
(for transfers pursuant to the Pension Benefits Act (New Brunswick))**

THE FOLLOWING MUST BE COMPLETED AND SIGNED:

LIF Account # _____

A. 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.

Please check
one box

- 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.

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

Please check
one box

- Pension Plan LIF
 LIRA Life Annuity

C. Manner of Determination of Commuted Value. Was the commuted value of the deferred pension transferred from the pension plan into the Plan determined on transfer in a manner that differentiated on the basis of sex (see paragraph 25 of this Addendum)?

Please check
one box

- Yes No

Plan Carrier, by its agent

Signature of Authorized Person

Date

 Full Name of Planholder (Please print)

 Signature of Planholder

 Date

**LIFE INCOME FUND (LIF)
(for transfers pursuant to the Pension Benefits Act (New Brunswick))**

THE FOLLOWING MUST BE COMPLETED AND SIGNED:

LIF Account # _____

A. 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.

Please check one box

- 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.

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

Please check one box

- Pension Plan LIF
- LIRA Life Annuity

C. Manner of Determination of Commuted Value. Was the commuted value of the deferred pension transferred from the pension plan into the Plan determined on transfer in a manner that differentiated on the basis of sex (see paragraph 25 of this Addendum)?

Please check one box

- Yes No

Plan Carrier, by its agent

Signature of Authorized Person

Date

Full Name of Planholder (Please print)

Signature of Planholder

Date