



Addendum for Locked-In Pension Transfers to a Locked-In Retirement Account (LIRA)

(for transfers pursuant to the Employment Pension Plans Act (New Brunswick))

**BMO RETIREMENT SAVINGS PLAN
BMO MUTUAL FUNDS RETIREMENT SAVINGS PLAN
BMO MUTUAL FUNDS GROUP RETIREMENT SAVINGS PLAN
BMO INVESTORLINE SELF-DIRECTED RETIREMENT SAVINGS PLAN
THE TRUST COMPANY OF BANK OF MONTREAL RETIREMENT SAVINGS PLAN
(Plan Issuer - The Trust Company of Bank of Montreal)**

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

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.
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 plan referenced above to which the Locked-In Assets are transferred. "Planholder" means the Planholder or Member as defined under the Plan.
3. **Spouse.** The word "Spouse" means a person of the opposite sex of the Planholder who
 - (i) is married to the Planholder, or
 - (ii) is married to the Planholder by a marriage that is voidable and has not been avoided by a declaration of nullity,
 - (iii) 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
 - (iv) is not married to the Planholder and has cohabited with the Planholder
 - (a) 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
 - (b) 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.

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 pension plan;
 - (ii) another retirement savings arrangement, including a LIRA or a LIF; or
 - (iii) a life or deferred life annuity under a contract;
 that conforms with the *Income Tax Act* (Canada), the Act and the Regulation or with similar legislation in another jurisdiction.
5. **Conversion to Life Annuity Prior to Maturity.** Except as otherwise provided in this Addendum, the balance of the assets in the Plan, in whole or in part, may be converted at any time on or before the 31st day of December in the year in which the Planholder reaches age 69 or such greater age permitted by *Income Tax Act* (Canada) only into a life or deferred life annuity that conforms to section 23 of the Act and the requirements specified in the definition of "retirement income" in subsection 146(1) of the *Income Tax Act* (Canada).
6. **Death of the Planholder.** If the planholder dies before signing a contract under which an annuity is purchased under paragraph 5 of this Addendum, the balance of the assets in the Plan shall be paid:
 - (i) to the Planholder's spouse;
 - (ii) if the Planholder does not have a spouse but has designated a beneficiary on death in accordance with the Plan, to the beneficiary; or
 - (iii) 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 Issuer 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 transfers 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.

7. **Withdrawals.** Subject to paragraph 8 of this Addendum, no withdrawal, commutation or surrender to the Planholder of Locked-In Assets of the Plan is permitted except where
 - (i) 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) (over contribution provision) and only if the Canada Customs and Revenue Agency has confirmed that the whole of the monies in any of the other registered retirement savings plans owned by the Planholder have been fully exhausted; and
 - (ii) the Plan Issuer, notwithstanding section 20 of the Regulation, establishes a sub-account, that is not a registered retirement savings plan, of the Plan, and the Planholder deposits the amount withdrawn, less any amount required to be withheld by the Plan Issuer under the *Income Tax Act* (Canada), into the sub-contract.

8. **Payment Due to Disability.** The Planholder may withdraw the balance of the 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 Issuer, in a form satisfactory to the Plan Issuer, that the Planholder suffers from a significant physical or mental disability that considerably reduces life expectancy and such certificate is provided to the Plan Issuer.
9. **No Surrender etc.** Subject to paragraphs 7 of this Addendum, the assets in the Plan, including all investment earnings, may not be commuted or surrendered during the lifetime of the Planholder except under and in accordance with paragraph 8 of this Addendum, section 57(6) of the Act (support or maintenance order) or section 44 of the Act (marriage breakdown). Any transaction in contravention of this paragraph is void.
10. **Commutated 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.
11. **Marriage Breakdown Provisions.** Sections 27 to 33 of the Regulation shall apply with necessary modifications to the division on marriage breakdown of the assets in the Plan.
12. **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.
13. **Transfers.** 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:
 - (i) to transfer before a conversion referred to in paragraph 5 of this Addendum, the balance of the assets in the Plan, in whole or in part, to the pension fund of a pension plan or a retirement savings arrangement, including a LIRA or LIF, that is in conformity with the Act, the Regulation or similar legislation in another jurisdiction; or
 - (ii) on or before the 31st day of December in the year in which the Planholder reaches age 69, to convert the balance of the assets in the Plan, in whole or in part, into a life or deferred life annuity that conforms to section 23 of the Act and paragraph 146(1) of the *Income Tax Act* (Canada).
14. **Amendment Entailing Reduction in Benefits.** An amendment to the Plan shall not be made:
 - (i) that would result in a reduction of the benefits arising from the contract 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 paragraph 13 of 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;
 - (ii) unless the contract as amended remains in conformity with the Act; and
 - (iii) except to bring the contract into conformity with requirements under an Act of the New Brunswick Legislature or other legislation in another jurisdiction.
15. **Transfer of Securities.** A transfer under subparagraph 13(i) or 14(i) of this Addendum may, at the option of the Plan Issuer and if not otherwise stipulated in the Plan, be effected by the remittance to the Planholder of the investment securities respecting the Plan.
16. **Timing of Transfers.** Unless the Plan provides for an early cashing-in value before the expiration of the term agreed to for the investments, if there is money invested in the Plan that may be transferred under subparagraph 13(i) or 14(i) of this Addendum, such funds shall be transferred no more than thirty days after the Planholder's application for the transfer.
17. **Restriction on Type of Annuity.** The 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 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 question below)
18. **General Amendment.** The Plan Issuer 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 of the *Income Tax Act* (Canada).
19. **Indemnity.** Should the Plan Issuer 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 Issuer or 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 one improperly paid out or transferred cannot be returned to the Plan.
20. **All Payments.** All transfers and other payments under this Addendum 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 proper charges.
21. **General.** The Plan Issuer 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.

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 the sex?

Please check one box Yes No

Plan Issuer, by its agent

Signature of Authorized Person

Date

Full Name of Planholder

Signature of Planholder

Date

(Français au verso)