

**ADDENDUM FOR LOCKED-IN PENSION TRANSFERS TO A
LOCKED-IN RETIREMENT ACCOUNT (LIRA)**

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

BMO INVESTORLINE INC. RETIREMENT SAVINGS PLAN

**Plan Carrier – BMO Trust Company
52nd Floor, 100 King St. 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* (New Brunswick) and in accordance with the instructions of the Planholder to transfer the assets to a New Brunswick locked-in retirement account, the Plan Carrier and Planholder agree that the provisions of this Addendum are appended to and form additional terms of the Trust Agreement or Declaration of Trust for the above-named retirement savings plan, 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 the *General Regulation-Pension Benefits Act*, 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. In this Addendum, "Plan" means the above-named retirement savings plan, governed by the Trust Agreement or Declaration of Trust and the additional terms of this Addendum. "Planholder" means the planholder, accountholder or annuitant under the Trust Agreement or Declaration of Trust and application form and includes the "owner" as that term is used in the Regulation. "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.** The word "Spouse" means either of a man or a woman who:
 - (a) are married to each other,
 - (b) are married to each other by a marriage that is voidable and has not been avoided by a declaration of nullity,
 - (c) have gone through a form of marriage with each other in good faith that is void and have cohabited within the preceding year, or

- (d) not being married to each other, have cohabited
 - (i) continuously for a period of not less than three years in a conjugal relationship in which one person has been substantially dependent upon the other for support, or
 - (ii) in a relationship of some permanence where there is a child born of who they are the natural parents,
- and have cohabited within the preceding year.

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 retirement savings plans, "Spouse" 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 money that may be transferred into the Plan are sums originating, directly or indirectly, from:
- (a) the fund of a registered pension plan;
 - (b) another locked-in retirement account or a life income fund; or
 - (c) a life or deferred life annuity under a contract;

that conforms with the *Income Tax Act* (Canada), the Act and the Regulation (or, in the case of the fund of a registered pension plan, with legislation in another jurisdiction similar to the Act and the Regulation). 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). Before assets are transferred into the Plan, Form 3.2 must be completed.

5. **Differentiation on the Basis of Sex.** If the information provided on Form 3.2 indicates that the commuted value transferred was determined on transfer in a manner that differentiated, while the Planholder was a member of the registered pension plan, on the basis of the sex of the Planholder, the only money that may be subsequently transferred into the Plan is money that is also differentiated on the same basis.

No Locked-In Assets, including investment earnings, transferred into the Plan shall subsequently be used to purchase a life or deferred life annuity that differentiates on the basis of the annuitant's sex, unless the commuted value transferred from the registered pension plan into the Plan was determined in a manner that differentiated, while the Planholder was a member of the registered pension plan, on the basis of the sex of the Planholder.

6. **Conversion to Annuity Prior to Maturity.** Except as otherwise provided in this Addendum, the balance of the Locked-In 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 71 (or such greater age for maturity as is permitted by the *Income Tax Act* (Canada)) only into a life or deferred life annuity that conforms with section 23 of the Regulation.

7. **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, but on or before the 31st day of December of the year in which the Planholder reaches age 71 (or such greater age for maturity as is permitted by the *Income Tax Act* (Canada)):

- (a) to transfer before a conversion referred to in subparagraph (c), the balance of the Locked-In Assets in the Plan, in whole or in part, to the pension fund of a registered pension plan that conforms with the Act and the Regulation (or with similar legislation in another jurisdiction,

- (b) to transfer before a conversion referred to in subparagraph (c), the balance of the Locked-In Assets in the Plan, in whole or in part, to a locked-in retirement account or a life income fund that conforms with the Act and the Regulation; or
- (c) to convert the balance of the Locked-In Assets in the Plan, in whole or in part, into a life or deferred life annuity that conforms with section 23 of the Regulation.

Any transfer out of the Plan must be made on a tax deferred basis under the *Income Tax Act* (Canada). Before assets are transferred out of the Plan, Form 3.2 (with any necessary modifications) must be completed.

If the Plan Carrier does not receive instructions from the Planholder by the end of the calendar year in which the Planholder reaches age 71 (or such greater age for maturity as is permitted by the *Income Tax Act* (Canada)), the Plan Carrier may in its discretion transfer the Locked-In Assets to a life income fund pursuant to subparagraph (b). The Planholder will be responsible for any related administration expenses.

8. **No Surrender or Commutation.** The Locked-In Assets in the Plan shall not be commuted or surrendered during the lifetime of the Planholder except under paragraphs 9, 10, 11 or 12 of this Addendum, subsection 57(6) of the Act (enforcement of support or maintenance order) or section 44 of the Act (marriage breakdown). Any transaction in contravention of this paragraph is void.
9. **Overcontribution Penalty Tax.** The Planholder may withdraw an amount of Locked-In Assets from the Plan where
 - (a) the amount is withdrawn to reduce the amount of tax that would otherwise be payable under Part X.1 of the *Income Tax Act* (Canada) (over contribution provision) by the Planholder; and
 - (b) the Plan Carrier, 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 Carrier under the *Income Tax Act* (Canada), into the sub-account.
10. **Withdrawal Where Shortened Life Expectancy.** 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. If the Planholder has a Spouse, the Planholder must deliver a completed spousal waiver in Form 3.01 to the Plan Carrier.
11. **Withdrawal Where Small Amount.** The Planholder may withdraw the balance of the Locked-In Assets if:
 - (a) the total assets held by the Planholder in all locked-in retirement accounts, life income funds and life or deferred life annuities would be commutable upon termination of employment if they were held in a pension fund under a pension plan that permitted payment of the commuted value of the pension benefit in accordance with section 34 of the Act (where the adjusted commuted value of the benefit payable is less than 40% of the Year's Maximum Pensionable Earnings for the calendar year of the withdrawal); and

- (b) the total of the pension adjustments reported to the Planholder by the Canada Revenue Agency for the two taxation years immediately preceding the request for withdrawal is zero.

The Planholder must request that the balance be withdrawn by delivering a completed Form 3.6 and, where applicable, Form 3.7 (for spousal consent) to the Plan Carrier or its agent. The Plan Carrier or its agent must be satisfied, based upon the information provided in Forms 3.6 and 3.7 and any other information that they have requested, that the reported present distribution of assets transferred from pension funds connected with employment in New Brunswick is consistent with the amounts reported to have been transferred from such pension funds and that the requested withdrawal is permitted under subsection 21(16) of the Regulation.

12. **Withdrawal Where Non-Resident.** The Planholder may withdraw the balance of the Locked-In Assets if:
 - (a) the Planholder and his or her Spouse, if any, are not Canadian citizens;
 - (b) the Planholder and his or her Spouse, if any, are not resident in Canada for the purposes of the *Income Tax Act* (Canada); and
 - (c) the Planholder's Spouse, if any, waives, on Form 3.5, any rights that he or she may have in the Plan under the Act, the Regulation or this Addendum.
13. **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 on an application to divide marital property under section 44 of the Act.
14. **Marriage Breakdown Provisions.** Sections 27 to 33 of the Regulation apply with necessary modifications to the division on marriage breakdown of the Locked-In Assets in the Plan.
15. **No Assignment etc. and Exemption from Execution, Seizure or Attachment.** The Locked-In Assets may not be assigned, charged, anticipated, given as security or subjected to execution, seizure, attachment or other process of law except under section 44 or subsection 57(6) of the Act. Any transaction in contravention of this provision is void.

Except as otherwise provided by the Act, any transaction that purports to assign, charge, anticipate or give as security any interest in or under the Plan or any money payable under the Plan is void. Except as otherwise provided by the Act, any transaction that purports to commute or surrender the Plan is void.

Except as otherwise provided in the Act, any interest in or under the Plan and any money payable under the Plan are exempt from execution, seizure or attachment or other process of law. Money payable under the Plan is subject to execution, seizure or attachment or other process of law in satisfaction of an order for support or maintenance enforceable in New Brunswick, but, other than in the case of a refund of contributions with interest, to a maximum of 50% of the payment unless otherwise ordered by a court of competent jurisdiction.

16. **Death of the Planholder.** If the Planholder dies before signing a contract under which an annuity is purchased under paragraph 6 of this Addendum, the balance of the Locked-In Assets in the Plan shall be paid:
 - (a) to the Planholder's Spouse, unless the Spouse waives on Form 3.02 all rights that he or she may have in the Plan under the Act, the Regulation or this Addendum;
 - (b) if the Planholder has a Spouse who has waived all rights under subparagraph (a) or if the Planholder does not have a Spouse, to a beneficiary on death designated by the Planholder; or

- (c) if the Planholder has a Spouse who has waived all rights under subparagraph (a) or if the Planholder does not have a Spouse and the Planholder has not designated a beneficiary on death, to the estate of the Planholder.
- 17. **Transfers and 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.
- 18. **Transfer of Securities.** A transfer under subparagraphs 7(a) or (b) or 21(a) of this Addendum may, on the instruction of the Planholder, at the option of the Plan Carrier or its agent and if not otherwise stipulated in the Plan, be effected by the remittance of the investment securities in the Plan.
- 19. **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 subparagraphs 7(a) or (b) or 21(a) of this Addendum, such funds shall be transferred no more than 30 days after the Planholder's application for the transfer.
- 20. **Indemnity.** Should the Plan Carrier or its agent provide or be required to make payments or pay 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 its agent to the extent that Locked-In Assets were received by or accrued to the benefit of the Planholder or the Planholder's estate. This indemnity will be binding upon the Planholder's legal representatives, successors, heirs and assigns.
- 21. **Amendment Entailing Reduction in Benefits.** An amendment to the Plan or this Addendum shall not be made:
 - (a) that would result in a reduction of the benefits arising from the Plan or this Addendum unless the Planholder is entitled, before the effective date of the amendment, to transfer the balance of the Locked-In Assets in the Plan in accordance with paragraph 7 of this Addendum and unless a notice is delivered to the Planholder at least 90 days before the effective date, describing the amendment and the date on which the Planholder may exercise the entitlement to transfer;
 - (b) unless the Plan and this Addendum as amended remain in conformity with the Act and the Regulation; or
 - (c) except to bring the Plan or this Addendum into conformity with requirements under an Act of the New Brunswick Legislature or other legislation in another jurisdiction.

FORM 3.2
NEW BRUNSWICK
RECORD OF TRANSFER OF LOCKED-IN RETIREMENT FUNDS
General Regulation - Pension Benefits Act, ss. 21(8.1) and (8.2)

PART I

Transferee Information: *(To be completed by the Transferee)*

| | | |
|---|--------------|--------------------------------|
| Financial Institution <i>(Trustee for LIRA, LIF or Annuity)</i> OR Pension Plan Administrator: | | |
| Address: | | City: |
| Province: | Postal Code: | Telephone # () - |
| Broker named in LIRA or LIF <i>(if any)</i> | | |
| Address: | | City: |
| Province: | Postal Code: | Telephone # () - |

Type of fund to which assets are being transferred: *(please tick one)*

- LIRA
 LIF
 Annuity
 Pension Plan

| | |
|---|-------------------------------|
| CCRA Registration #: | New Brunswick Registration #: |
| Name of Retirement Savings Arrangement or Pension Plan: | |

Owner Information: *(To be completed by the Transferee)*

| | | |
|--|------------------------------------|--------------------------------|
| Name: | | SIN #: _____ - _____ - _____ |
| Address: | | City: |
| Province: | Postal Code: | Telephone # () - |
| Date of Birth: _____ / _____ / _____ Mth. / Day / Yr. | Owner's Account # with Transferee: | |

Transferee Agreement (To be completed by the Transferee)

As the **financial institution** or **pension plan** to receive the assets as trustee, the assets shall only be accepted if the assets are transferred in compliance with the *Pension Benefits Act* and regulations. The assets shall be transferred into the registered account referred to in Part I. It is understood that if the assets are not transferred in compliance with the Act and regulations, the transfer is void and all assets transferred shall be returned to the transferor. The trustee undertakes to comply with the Act and the regulations while the assets remain under its trust.

I certify that the information given on this form is correct and complete and that I am authorized to act on behalf of the financial institution or pension plan.

| | |
|-----------------------------|---------------------------|
| _____ | _____ |
| Name (Print) | Position or Office |
| _____ | _____ |
| Authorized Signature | Date |

Owner/Planholder Transfer Information (To be completed by the Owner/Planholder)

As the **Owner/Planholder** of the assets to be transferred, I agree to the transfer and understand that the assets must be transferred in compliance with the *Pension Benefits Act* and regulations. I shall only request that the assets be transferred in compliance with the Act and regulations and I understand that if the assets are not transferred in compliance with the Act and the regulations, the transfer is void.

_____ dollars and _____ cents
Amount of Transfer (in words)

\$ _____
Amount of Transfer (numerical)

I request that the assets be transferred to the above-mentioned

(Please tick applicable fund type) LIRA LIF Annuity Pension Plan

I certify that the information given on this form is correct and complete and I agree to comply with the terms of the transfer as required by the *Pension Benefits Act* and the regulations.

| | |
|-------------------------------------|-------------|
| _____ | _____ |
| Owner/Planholder's Signature | Date |

NOTE:

- (a) **This form is to be completed in triplicate.**
 - (b) **After Part I is completed, forward this form, in triplicate, to the Transferor for completion of Part II.**
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PART II

Transferor Information and Agreement: *(To be completed by the Transferor)*

| | |
|--|---------------------|
| Pension Plan Administrator or Financial Institution: | |
| New Brunswick Registration #: | CRA Registration #: |

The assets for the transfer originate from:

- a pension plan that complies with the Act and regulations and from which assets are being transferred under section 36 of the Act
- a pension plan that complies with legislation similar to the Act in a designated jurisdiction and from which the assets are being transferred under a provision similar to section 36 of the Act
- another retirement savings arrangement that complies with the Act and regulations (LIF or LIRA)
- a life or deferred life annuity under a contract that complies with the Act and regulations
- the fund of a pension plan that is sponsored by the Province

_____ dollars and _____ cents
Amount of Transfer *(in words)*

\$ _____
Amount of Transfer *(numerical)*

- OR - Total Remaining Balance

Was the commuted value of the amount for transfer determined on transfer in a manner that differentiated on the basis of the sex of the member? Yes No

I certify that I have authenticated the New Brunswick Registration Number given in Part I, that the information in Part II is correct and complete and, with respect to this transfer, I have complied with the provisions of the *Pension Benefits Act* and the regulations. It is understood that if the assets are not transferred in compliance with the Act and the regulations, the transfer is void.

Name (Print)

Authorized Signature

Position or Office

Date

NOTE:

This form shall be forwarded in triplicate to the transferee with the transferred assets for completion of Part III.

PART III

Receipt by Transferee: *(To be completed by the transferee)*

We have received \$_____ in compliance with the *Pension Benefits Act* and regulations.

We have noted that the commuted value of the transfer was / was not differentiated on the basis of the sex of the Owner/Planholder.

We certify that this form was completed in compliance with the *Pension Benefits Act* and regulations.

Name (Print)

Position or Office

Authorized Signature

Date

NOTE:

The transferee shall retain one copy of the completed form until ninety-three years after the owner/Planholder's date of birth. The second copy of the completed form shall be returned to the transferor, who shall retain the copy until ninety-three years after the owner/Planholder's date of birth. The third copy of the completed form shall be given to the owner/Planholder.