

**ADDENDUM FOR TRANSFERS TO A
RETIREMENT INCOME FUND**

**For transfers pursuant to the Saskatchewan Pension Benefits Act, from a
Saskatchewan Pension Plan, Locked-In Retirement Account (LIRA), Life Income
Fund (LIF)
or Locked-In Retirement Income Fund (LRIF)**

**BMO InvestorLine Inc. Retirement Income Fund
Plan Carrier. The Trust Company of Bank of Montreal**

CLIENT NAME: _____ **ACCOUNT**
NUMBER: _____

WHEREAS the undersigned Planholder has applied for a BMO InvestorLine Inc. Retirement Income Fund (the .RIF.), to receive and hold funds governed by the Saskatchewan *Pension Benefits Act, 1992* (the .Act.) and the Pension Benefits Regulations, 1993 (the .Regulations.), as they may be amended from time to time.

AND WHEREAS the Plan Carrier has agreed to accept the transferred funds.

NOW IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Planholder and the Plan Carrier, that the full amount of the transferred funds, inclusive of all future investment earnings and gains or losses accruing thereto (the .RIF Assets.), shall be governed by the terms and provisions of this Addendum and by the Declaration of Trust for the RIF. Both this Addendum and the declaration of trust for the RIF (and any amendments to them) must be approved by Canada Customs and Revenue Agency (.CCRA.). Subject to the requirements of the *Income Tax Act* (Canada), to the extent that there is any inconsistency between this Addendum and the Declaration of Trust for the RIF, this Addendum shall govern the manner in which the RIF Assets are dealt with.

Upon receipt of the transferred funds, the Plan Carrier further declares as follows:

1. **Definitions.** For the purposes of this Addendum, the words "contract", "life annuity contract", "locked-in retirement account contract" (LIRA), .life income fund. (LIF), .locked-in retirement income fund. (LRIF), .pension. and .pension plan. have the same meanings as are respectively given to these words in the Act and the Regulations. In this Addendum, "Plan" has the same meaning given in the Declaration of Trust for the RIF and .Planholder. means the planholder, accountholder or annuitant under the Declaration of Trust and application form.

2. **Spouse.** The word .spouse. means another person, in relation to the Planholder, who:

- (a) is married to the Planholder or former Planholder; or
- (b) if the Planholder is not married, is cohabiting with the Planholder or former Planholder as spouses, whether of the opposite sex or of the same sex, at the relevant time and who has been cohabiting continuously with the Planholder or former Planholder as his or her spouse for at least one year prior to the relevant time.

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 income funds, "spouse" does not include any person who is not recognized as a spouse or common-law partner under the *Income Tax Act* (Canada).

3. Transfers Into the Plan. The Planholder shall not enter into this Addendum except with respect to transferred funds from:

- (a) a LIRA as defined in section 29 of the Regulations;
- (b) a LIF as defined in section 30 of the Regulations, entered into before section 30 was repealed effective April 1, 2002;
- (c) a LRIF as defined in section 31 of the Regulations, entered into before section 31 was repealed effective April 1, 2002;
- (d) another registered retirement income fund, with an addendum in accordance with section 29.1 of the Regulations;
- (e) a pension plan, as a transfer pursuant to section 32 of the Act;
- (f) a policy, as defined by section 42 of the former regulations; or
- (g) the Saskatchewan Pension Plan as established by *The Saskatchewan Pension Plan Act*.

No funds will be transferred to the RIF except in accordance with section 29.1 of the Regulations (as provided in this paragraph 3) and no assets will be held in the RIF except RIF Assets subject to this Addendum.

4. Eligibility. No funds will be transferred to or held under the RIF and this Addendum unless:

- (a) either (i) the Planholder is at least 55 years of age or (ii) the Planholder provides evidence to the satisfaction of the Plan Carrier that the pension plan or any of the pension plans from which funds are to be transferred provides for retirement at an earlier age and the Planholder has attained that age; and
- (b) a consent to transfer in Form 1 has been signed by the Planholder's spouse and filed with the issuer, carrier, administrator or the Saskatchewan Pension Plan Board of Trustees, whoever is transferring the funds (as required by subparagraph 29.1(4)(b)(ii) of the Regulation).

5. All Payments. The Planholder will be paid an income, the amount of which may vary annually and that will commence not later than the last day of the second fiscal year of the RIF. The amount of income paid during a fiscal year of the RIF will not be less than the minimum amount required to be paid under section 146.3 of the *Income Tax Act*.

6. Liquidity. The Planholder is required, when directing the Plan Carrier to make investments, to select only investments having the liquidity necessary for the purposes required under this Addendum and the Plan Carrier will not be required to accept such investments where, in the opinion of the Plan Carrier, the necessary liquidity is not readily apparent.

7. Transfers Out of the Plan. The Planholder may transfer, to the extent a transfer is permitted on a tax-free basis under the *Income Tax Act*, all or part of the balance of the RIF Assets: a) to another registered retirement income fund, with an addendum in accordance with section 29.1 of the Regulations; b) for the purchase of a life annuity contract, as provided in paragraph 60(l) of the *Income Tax Act*, that meets the requirements of section 34 of the Act; or c) to a LIRA as defined in section 29 of the Regulations.

The Trustee shall in prescribed form and manner, transfer all or a part of the then current value of the RIF Assets together with all information necessary for the continuance of the RIF to another carrier of a registered retirement income fund for the Annuitant, provided that the Trustee will retain sufficient RIF Assets to satisfy the requirement to pay the minimum amount to the Annuitant for the year in accordance with paragraphs 146.3(2)(e) and 146.3(2)(e.2) of the *Income Tax Act* (Canada) and that the Trustee will retain an amount equal to the lesser of:

- (a) the fair market value of such portion of the property as would, if the fair market value thereof does not decline after the transfer, be sufficient to ensure that the minimum amount under the Fund for the year in which the transfer is made may be paid to the annuitant in the year, and
(b) (ii) the fair market value of all the property.

It is understood and agreed by the Planholder that unmatured investments held as RIF Assets may not be redeemed before maturity, for the purposes of transfer under this paragraph 7.

8. Notice to Transferee. Prior to the transfer of any RIF Assets pursuant to paragraph 7 of this Addendum, the Plan Carrier will advise the transferee institution in writing of the status of the RIF Assets and make acceptance of the transfer subject to the conditions of the Act and Regulations.

9. Death of Planholder. On the death of the Planholder, who was a member of the pension plan from which the funds were transferred, either directly or indirectly, the balance of the RIF Assets, to the extent permitted by the *Income Tax Act*, are to be paid:

- (a) where the Planholder had a spouse at the date of death who survives the Planholder for 30 days or more, to the surviving spouse unless a spouse's waiver in Form 2 has been signed by the spouse and filed with the Plan Carrier; or
(b) where there is no surviving spouse, where the spouse does not survive the Planholder for 30 days or more or where the surviving spouse has signed a spouse's waiver in Form 2 and the waiver has been filed with the Plan Carrier, to a designated beneficiary; or
(c) if there is no designated beneficiary, to the personal representative of the Planholder's estate in his/her representative capacity.

10. No Assignment etc. In accordance with section 63 of the Act, the RIF Assets may not be assigned, charged, alienated or anticipated and are exempt from execution, seizure or attachment and any transaction purporting to assign, alienate or anticipate the RRIF Assets is void. This paragraph is subject to paragraphs 11 and 12 of this Addendum.

11. Attachment. The RIF Assets are subject to attachment for the purpose of enforcing a maintenance order as defined in the *Enforcement of Maintenance Orders Act*. When an amount has been so attached, the Plan Carrier shall deduct such amounts as are provided for in the Act or the Regulations. The Planholder will have no further claim or entitlement to any pension respecting the amount attached and the Plan Carrier is not liable to any person by reason of having made payment pursuant to such attachment.

12. Marriage Breakdown Provisions. The RIF Assets are subject, with any necessary modification, to the division on spousal relationship breakdown provisions in Part VI of the Act.

13. Improper Payout Provisions. If the Plan Carrier pays out RIF Assets contrary to the terms of the Act, section 29.1 of the Regulations or this Addendum, the Plan Carrier will provide or ensure the provision of an amount equal to the amount that would have been provided pursuant to this Addendum had the RIF Assets not been paid out.

14. Indemnity. Should the Plan Carrier or its agent provide or be required to provide a pension as a result of RIF Assets being paid out or transferred contrary to the Act, section 29.1 of the Regulations or this Addendum, the Planholder or the Planholder's heirs, administrators, or executors will indemnify and hold harmless the Plan Carrier or its agent and pay back without demand all RIF Assets improperly paid out or transferred, to the extent that such RIF Assets were received by or accrued to the benefit of any recipient.

15. Amendment. The Plan Carrier may from time to time in its discretion amend this Addendum by giving 30 days notice to the Planholder. No amendment shall be made unless the Plan and

this Addendum as amended remain in conformity with the standard contract approved under the Regulation and in accordance with section 146.3 of the *Income Tax Act* (Canada).

The New Brunswick Pension Benefits Regulations require that spousal consent be obtained when a Planholder enters into a New Brunswick LIF. The information below is the prescribed spousal consent form provided by the government of New Brunswick.

For administrative use:

If a LIF account is opened for a transfer from a pension fund, a life annuity or a locked-in plan at another financial institution, make sure: a Locking-In Agreement has been received and signed, and the jurisdiction indicated in the Locking-In Agreement is New Brunswick.

If a LIF account is being opened for an internal transfer, (i.e. from a LIRA at the same financial institution) make sure the jurisdiction of the LIF is the same as the LIRA (i.e. New Brunswick).

SPOUSAL CONSENT FOR THE TRANSFER TO THE LIF

It is advised the Planholder's spouse get legal advice from a lawyer regarding the rights and legal consequences of signing the consent below.



Form 1
[Subclause 29.1(4)(b)(ii)]

**SPOUSE'S CONSENT TO TRANSFER TO A REGISTERED RETIREMENT INCOME
FUND CONTRACT**

I, _____
(print or type full name of spouse)

certify that I am the spouse (within the meaning of clause 2(1)(ff) of *The Pension Benefits Act, 1992*) of

(print or type full name of member or former member)

(hereinafter called "the owner") who is a member or former member of a registered pension plan that is subject to the provisions of *The Pension Benefits Act, 1992*.

1. I understand that the owner wants to transfer his or her pension benefit entitlement to a registered retirement income fund contract (hereinafter called "the contract") in accordance with section 29.1 of *The Pension Benefits Regulations, 1993*, and that my written consent is required to enable the owner to make the transfer.

2. I understand that transferring the pension benefit entitlement to the contract will allow the owner to manage the money in the contract, subject to the minimum annual withdrawal payment required by the *Income Tax Act (Canada)*.

3. I also understand that there is no maximum withdrawal restriction imposed under the contract and that the owner may withdraw part or all of the balance of the money in the contract at any time.

4. I certify that this consent is being signed freely and voluntarily without any compulsion on the part of the owner and outside the immediate presence of the owner.

In witness whereof, I sign this consent at _____

this _____ day of _____ 20____ in the presence of

(print or type name of witness)

of _____
(address of witness)

(Signature of witness)

(Spouse's signature)

SKFORM1-2002

**COMMENTS AND INSTRUCTIONS FORM 1 SPOUSE'S CONSENT TO TRANSFER
TO A REGISTERED RETIREMENT INCOME FUND CONTRACT**

This consent must be completed by the spouse of a member or former member (hereinafter called "the owner") of a pension plan that is subject to the provisions of *The Pension Benefits Act, 1992* (the *Act*), where the owner wishes to transfer his or her pension benefit entitlement to a registered retirement income fund contract.

A registered retirement income fund contract has no limit on the amount of annual income that may be withdrawn. The owner could withdraw the entire balance in the contract leaving the spouse with no survivor benefit payable on the death of the owner. Prior to signing this consent form, the spouse should seek the advice of a lawyer and a qualified financial advisor.

Under *The Pension Benefits Act, 1992*, a spouse is the spouse of a former member at the day on which the pension is payable to the former member. "Spouse" means:

- (a) a person who is married to a member or former member; or
- (b) if a member or former member is not married, a person with whom the member or former member is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the member or former member as his or her spouse for at least one year prior to the relevant time.

This consent must be completed and signed by the spouse if the owner has assets in:

- a registered pension plan;
- a locked-in retirement account contract;
- a life income fund contract; or
- a locked-in retirement income fund contract

and the owner wishes to transfer to a registered retirement income fund contract.

The consent must be:

- completed in its entirety;
- signed by the spouse, in the presence of a witness, outside of the immediate presence of the owner; and
- filed with:
 - (a) the administrator of the registered pension plan if the assets are still held by the plan; or
 - (b) the financial institution that issued the locked-in retirement account contract, the life income fund contract or the locked-in retirement income fund contract holding the assets of the owner.

We strongly urge the spouse to seek independent legal advice before signing this consent.