

# Addendum for a Manitoba Prescribed Retirement Income Fund

For transfers to a “prescribed RRIF” from a Life Income Fund (LIF) or a Pension Plan pursuant to The Pension Benefits Act (Manitoba)

## BMO InvestorLine Inc. Manitoba Prescribed Retirement Income Fund

Plan Carrier — BMO Trust Company

100 King St. W., 41st Floor, Toronto, Ontario M5X 1H3

Acting through its Agent, BMO InvestorLine Inc.

Client name	Branch code	Account number

Upon receipt of locked-in assets from a pension plan or a LIF pursuant to The Pension Benefits Act (Manitoba) and the Pension Benefits Regulation (Manitoba), and in accordance with the instructions of the Planholder to transfer the assets to a Manitoba “prescribed RRIF”, the Plan Carrier and Planholder agree that the provisions of this Addendum are appended to and form additional terms of the declaration of trust or trust agreement for the above-named retirement income fund.

### 1. Pension Legislation

For the purposes of this Addendum, the word “Act” means The Pension Benefits Act (Manitoba) and the word “Regulations” means the Pension Benefits Regulation 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 income fund, governed by the declaration of trust or trust agreement and the additional terms of this Addendum and includes the “balance” as that term is used in the Regulations. “Planholder” means the planholder, accountholder or annuitant under the declaration of trust or trust agreement and application form for the Plan and includes the “owner” of the Plan as that term is used in the Regulations.

### 3. Spouse and Common-Law Partner

The word “Spouse” where used in relation to another person means the individual who is married to that other person.

The “Common-Law Partner” of a member or former member means:

- a. a person who, with the member or former member, registered a common-law relationship under section 13.1 of The Vital Statistics Act, or
- b. a person who, not being married to the member or former member, cohabited with him or her in a conjugal relationship
  - i. for a period of at least three years, if either of them is married, or
  - ii. for a period of at least one year, if neither of them is married.

“Common-Law Relationship” means the relationship between two persons who are Common-Law Partners of each other.

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” 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. Eligibility

Subject to an order under The Garnishment Act to enforce a maintenance order within the meaning of that Act, to an order under section 59.3 of The Family Maintenance Act to preserve assets, to paragraphs 5, 6 and 7 of this Addendum and the Regulations, only a person who:

- a. i. is at least 55 years old;
- ii. is the annuitant under one or more LIFs; and
- iii. by filing prescribed information with the superintendent in accordance with the Regulations, satisfies the superintendent that he or she has not previously made a transfer under section 21.4 of the Act;

may, despite any provisions in the LIF, transfer an amount from each LIF to this Plan; OR

- b. i. is at least 55 years old; and
- ii. is entitled, at the time of applying for the transfer,
  - (A) as a member of the pension plan, to transfer money to a variable benefits account (VB account) under the Regulations or out of the pension plan to a LIF or to purchase an annuity,
  - (B) as the surviving Spouse or Common-Law Partner of a member, to transfer money out of the pension plan to a LIF or to purchase an annuity, or
  - (C) as a member’s current or former Spouse or Common-Law Partner who is entitled to a division of assets under subsection 31(2) of the Act (division of pension benefits on breakup), to transfer money out of the pension plan to a LIF or to purchase an annuity; and
- iii. complies with the requirements under the Regulations;

may transfer part of his pension benefit credit under the pension plan to this plan.

### 5. Maximum Amount for Transfer

The maximum amount that may be transferred under paragraph 4 of this Addendum from a LIF is 50% of the amount by which:

- a. the balance in the LIF on the day the application for the transfer is made;

exceeds the total of

- b. the amount, if any, that is or may become payable under subsection 31(2) of the Act from the LIF to a person who is living separate and apart from the Planholder at the time that he or she applies for the transfer; and

- c. all amounts, if any, required to be paid out of the LIF on or after the date of the application pursuant to an order under section 14.1 of The Garnishment Act that is served before the transfer is made.

The maximum amount which may be transferred under paragraph 4 of this Addendum from a pension plan is 50% of the amount by which:

- d. the pension benefit credit to which the person is entitled under the pension plan at that time that he or she applies for the transfer:

exceeds the total of:

- e. all amounts, if any, required to be paid out of the pension plan on or after the date of the application pursuant to an order under section 14.1 of The Garnishment Act that is served before the transfer is made; and
- f. in the case of a transferor referred to in paragraph 4(b)(ii)(A), the amount, if any, that is or may become payable under subsection 31(2) of the Act from the pension plan to a person who is living separate and apart from the transferor at the time that he or she applies for the transfer.

#### **6. Consent of Cohabiting Spouse or Common-Law Partner**

If the Planholder:

- a. i. is a former member of a pension plan; or  
ii. is a former member of a pension plan who directly or indirectly transferred the commuted value of his or her pension under the plan to the LIF; and
- b. has a Spouse or Common-Law Partner; and
- c. at the time of applying for the transfer into this Plan under paragraph 4 of this Addendum, is not living separate and apart from the Spouse or Common-Law Partner by reason of a breakdown of their relationship;

the Plan Carrier must not permit the transfer into this Plan unless the Spouse or Common-Law Partner, after being given prescribed information in accordance with the Regulations, consents in writing to the transfer, in a form approved by the superintendent.

#### **7. Transfers Into the Plan**

Amounts that may be transferred into the Plan are restricted to amounts that are transferred from:

- a. one or more LIFs under section 21.4 of the Act;
- b. a pension plan as permitted by Division 4 of Part 10 of the Regulations, or
- c. another prescribed RRIF.

#### **8. Transfers Out of the Plan**

The Planholder may transfer all or any part of the balance of the Plan:

- a. to another prescribed RRIF,
- b. to purchase an annuity (within the meaning of the Regulations); or
- c. to a pension plan, if it is permitted under the terms of the plan.

Any transfer out of the Plan must be made on a tax-deferred basis under the Income Tax Act (Canada). The Trustee shall in prescribed form and manner, transfer all or a part of the balance of the plan together with all information necessary for the continuance of the Plan to another carrier

of a prescribed RRIF, provided that the Trustee will retain sufficient 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).

#### **9. Notice to Transferee**

Prior to a transfer pursuant to paragraph 8 of this Addendum, the Plan Carrier will advise the transferee institution in writing of the status of the Plan with this Addendum and make acceptance of the transfer subject to the conditions of the Act and Regulations.

#### **10. Amount and Frequency of Payments**

The Planholder must notify the Plan Carrier or the Agent by instructions of the amount and frequency of the payments for each fiscal year. If the Planholder does not give instructions as to the amount of the payments or instructs an amount less than the minimum amount for the fiscal year, the minimum amount prescribed for a registered retirement income fund under the Income Tax Act (Canada) will be paid. If the Planholder does not give instructions as to the frequency of the payments, the amount will be paid in one payment at the end of the fiscal year.

If the Planholder provided instructions regarding the amount and frequency of payments in a prior year, the Plan Carrier or the Agent may continue to apply these instructions to the payment of future amounts (assuming that these instructions remain acceptable under the applicable legislation and that the Planholder does not provide any new instructions).

The Planholder must give the Plan Carrier instructions as to which of the assets to sell where required in order to ensure there is sufficient cash in the Plan to make the payments. If the Plan Carrier does not receive the instructions within a reasonable time before a payment is required, the Plan Carrier may sell any of the assets that the Plan Carrier, in its discretion, considers appropriate to provide the required cash; and the Plan Carrier will not be liable for any loss that may result from this action, including but not limited to investment losses or diminution of the assets, or for any related investment or administration expenses.

There is no minimum amount that must be paid out as income to the Planholder in the first year, however, in the second and each subsequent year, the total annual payment must not be less than the “Minimum Amount”, which is the amount prescribed from time to time under the Income Tax Act (Canada) as the minimum amount which must be paid out of the RRIF each year. There is no limit on the maximum annual payments.

#### **11. Death of Planholder**

If any part of the balance of the Plan is derived, directly or indirectly, from the Planholder’s previous entitlement (as a member of a pension plan) to pension benefits under that plan, on the death of the Planholder who is or was a member, the balance of the Plan shall be paid:

- a. to the Planholder’s surviving Spouse or Common-Law Partner, unless he or she has received or is entitled to receive all or any part of the balance under an agreement or order under the Family Property Act or has waived his or her entitlement to receive the balance and has not revoked that waiver; and
- b. in any other case, to the designated beneficiary or the estate of the Planholder.

The Trustee must receive satisfactory evidence of death, evidence as to whether or not the Planholder had a spouse at the date of the Planholder’s death, and any other documents as the Trustee may require.

## **12. Attachment**

Subject to an agreement or order under The Family Property Act or enforcement proceedings taken by a designated officer, as defined in section 52 of The Family Maintenance Act, under Part VI of that Act, the balance of the Plan:

- a. may not be assigned, charged, anticipated or given as security, and any transaction purporting to do so is void, and
- b. is exempt from execution, seizure or attachment.

## **13. Provision of Amount on Improper Payout**

If all or any part of the balance of the Plan is paid out contrary to the Act, Division 4 of Part 10 of the Regulations or this Addendum, the Plan Carrier will provide, or ensure the provision of, an amount equal to the amount of the balance paid out.

## **14. Indemnity**

Should the Plan Carrier or its agent provide or be required to provide a payment as a result of all or any part of the balance of the Plan being paid out or transferred contrary to the Act, Division 4 of Part 10 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 amounts improperly paid out or transferred, to the extent that such amounts 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 Regulations and in accordance with section 146.3 of the Income Tax Act (Canada).

## **16. Information to be Provided by Plan Carrier**

At the beginning of each fiscal year, the Plan Carrier must provide the following information to the Planholder:

- a. amounts transferred to the Plan, any accumulated investment earnings including any unrealized capital gains or losses, any transfers, payments or withdrawals from the Plan and any fees, expenses, costs and charges to the Plan during the previous fiscal year;
- b. balance of the Plan as of the beginning of the fiscal year;
- c. the minimum amount that must be paid out and the maximum amount that may be paid out during the current fiscal year.

If the monies are transferred out of the Plan, the information must be determined as of the date of transfer. Upon the death of the Planholder, the person entitled to receive the balance must be provided the information determined as of the date of the Planholder's death.

## **17. Headings and Renumbering**


Headings in this Addendum are for ease of reference only and do not affect its interpretation. If any provision of the Pension or Income Tax Legislation referred to in this Addendum are renumbered due to a change in law, then that reference is considered to be updated to reflect the renumbering.

## **18. Conflict between Legislation and Addendum**

If there is a conflict between the applicable Pension or Income Tax Legislation and this Addendum, the Legislation will prevail to the extent necessary to resolve the conflict.

<p><b>► Type of planholder</b></p> <p>The Planholder represents to the Plan Carrier that the Planholder is (check <b>one</b> box):</p> <p><input type="checkbox"/> A member or former member of the pension plan from which the assets originated</p> <p><input type="checkbox"/> A surviving spouse or former spouse of a member or former member of the registered pension plan from which the assets originated</p>
<p><b>► Income payment type</b></p> <p>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 (check <b>one</b> box):</p> <p><input type="checkbox"/> Minimum Amount as defined in this Addendum</p> <p><input type="checkbox"/> Flat Amount \$ _____ ( <input type="checkbox"/> Before Tax   <input type="checkbox"/> After Tax)</p> <p>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.</p>
<p><b>► Source of assets</b></p> <p>The assets are being transferred from the following (check all that apply):</p> <p><input type="checkbox"/> Pension Plan   <input type="checkbox"/> LIF   <input type="checkbox"/> PRIF</p>

<b>► Client/Planholder acknowledgement</b>		
Client/Planholder name (please print)	Client/Planholder signature 	Date (DD-MMM-YYYY)

<b>► Plan carrier (by its agent)</b>	
Authorized person signature 	Date (DD-MMM-YYYY)

BMO Trust: MP – 1114