

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

For transfers pursuant to the Supplemental Pension Plans Act (Quebec)

## BMO InvestorLine Inc. Self-Directed Retirement Savings Plan

Plan Issuer — 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 pension assets pursuant to the Supplemental Pension Plans Act (Quebec), the Plan Carrier and Planholder agree, further to the 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 Supplemental Pension Plans Act (Quebec) and the word “Regulation” means the Regulation Respecting Supplemental Pension Plans 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 the Regulation. In this Addendum, “Plan” has the same meaning given in the declaration of trust for the above-named retirement savings plan and “Planholder” means the planholder, accountholder or annuitant under the declaration of trust and application form.

### 3. Spouse

The word “spouse” means, in relation to the Planholder, another person who,

- a. is married to or in a civil union with the Planholder;
- b. has been living in a conjugal relationship with the Planholder who is neither married nor in a civil union, whether the person is of the opposite sex or the same sex, for a period of not less than three years, or for a period of not less than one year if:
  - i. at least one child is born, or to be born, of their union;
  - ii. they have adopted, jointly, at least one child while living together in a conjugal relationship; or
  - iii. one of them has adopted at least one child who is the child of the other, while living together in a conjugal relationship.

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 assets that may be transferred into the Plan are sums originating, directly or initially, from:

- a. the fund of a registered pension plan governed by the Act;
- b. a supplemental pension plan not governed by the Act namely:
  - i. a supplemental pension plan governed by an Act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension; or
  - ii. a supplemental pension plan established by an Act emanating of the Parliament of Québec or from another legislative authority;
- c. another locked-in retirement account which is a registered retirement savings plan under the Income Tax Act (Canada) and meets the requirements of the Regulation;
- d. a locked-in account of a voluntary retirement savings plan or an equivalent savings plan governed by the Voluntary Retirement Savings Plans Act or emanating from a legislative authority other than the Parliament of Quebec, provided the member joins that plan as part of his employment;
- e. a life income fund which is a registered retirement income fund under the Income Tax Act (Canada) and meets the requirements of the Regulation; or
- f. an annuity contract referred to in section 30 of the Regulation.

Any transfer into the Plan must be on a tax deferred basis under the Income Tax Act (Canada).

### 5. Requirement to Provide Life Pension

Except as otherwise provided in this Addendum, the balance of the account of the Plan may only be converted into a life pension guaranteed by an insurer and established for the duration of the life of the Planholder alone or for the duration of the life of the Planholder and the life of his or her spouse. The Planholder may require the conversion at any time, unless the term agreed to for the investments has not expired. The periodic amounts paid under the life pension must be equal, unless each amount to be paid is uniformly increased by reason of an index or a rate provided for in the contract or uniformly adjusted by reason of a seizure effected on the benefits of the Planholder, a redetermination of the Planholder’s pension, partition of the Planholder’s benefits with his or her spouse, the payment of a temporary pension under the conditions provided for in section 91.1 of the Act or the election provided for under section 93(3) of the Act. Such life pension must be a qualified investment as an annuity, as provided under section 146 of the Income Tax Act (Canada).

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### 6. Spouse's Life Pension

The balance of the Plan may not be converted into a life pension guaranteed by an insurer unless, at the death of the Planholder who is a member or former member, a life pension equal to at least 60% of the amount of the Planholder's pension (including, during the replacement period, the amount of any temporary pension) is granted to the Planholder's spouse, who has not waived it.

### 7. No Withdrawals

Except as provided in the Act, the Regulations or this Addendum, any withdrawal, commutation, surrender or transfer of all or part of the balance of the Plan is prohibited (except where an amount is required to be paid to the Planholder to reduce the amount of overcontribution penalty tax payable under Part X.1 of the Income Tax Act (Canada), to the extent permitted by the Act and the Regulation).

### 8. Transfers Out of the Plan

The Planholder is entitled, at any time before the conversion of the total balance of the Plan into a life pension as provided under paragraph 5 of the Addendum, to transfer all or part of the balance of the Plan into:

- a. the fund of a registered pension plan governed by the Act;
- b. a supplemental pension plan not governed by the Act namely:
  - i. a supplemental pension plan governed by an Act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension; or
  - ii. a supplemental pension plan established by an Act emanating of the Parliament of Québec or from another legislative authority;
- c. another locked-in retirement account which is a registered retirement savings plan under the Income Tax Act (Canada) and meets the requirements of the Regulation;
- d. a locked-in account of a voluntary retirement savings plan or an equivalent savings plan governed by the Voluntary Retirement Savings Plans Act or emanating from a legislative authority other than the Parliament of Quebec, provided the member joins that plan as part of his employment;
- e. a life income fund which is a registered retirement income fund under the Income Tax Act (Canada) and meets the requirements of the Regulation; or
- f. an annuity contract referred to in section 30 of the Regulation, where the transfer is made in accordance with subsection 146(1) of the Income Tax Act (Canada)

provided the term agreed to for the investments under the Plan has not expired. Any transfer out of the Plan must be on a tax deferred basis under the Income Tax Act (Canada).

### 9. Pension Must Commence Prior to Maturity

The Plan matures by the end of the calendar year in which the Planholder attains the age of 71 or such greater age permitted by the Income Tax Act (Canada). The Planholder must commence receipt of a life pension under paragraph 5 or transfer the balance of the Plan pursuant to paragraph 8 of this Addendum by the maturity date. If the Plan Carrier does not receive instructions from the Planholder by the end of the calendar year in which the Planholder become age 71, the Plan Carrier may in its discretion transfer the balance of the Plan pursuant to subparagraph 8(d) of this Addendum, and the Planholder will be responsible for any related administration expenses.

### 10. Disability and Shortened Life Expectancy

The Planholder may withdraw all or a part of the balance of the Plan and receive a payment or a series of payments where a physician certifies, in a form satisfactory to the Plan Carrier, that the Planholder's physical or mental disability reduces the Planholder's life expectancy. Such certificate must be provided to the Plan Carrier.

### 11. Payment Due to Non-Residency

The Planholder may, provided he agreed to term of the investments has not expired, require a lump sum withdrawal of the full balance of the Plan if the Planholder provides the Plan Carrier with written evidence satisfactory to the Plan Carrier that he has not resided in Canada for at least 2 years.

### 12. Lump Sum Withdrawal of Small Amounts

The entire balance of the Plan can be paid in a lump sum to the Planholder, where the Planholder is at least age 65 at the end of the year preceding the application, if the total of the sums credited to him or her in the following retirement savings instruments:

- a. defined contribution pension plans;
- b. defined benefit or defined contribution-defined benefit pension plans, in application of provisions similar to those of a defined contribution plan;
- c. life income funds;
- d. locked-in retirement accounts;
- e. retirement savings plans of which the balance must be converted into a life annuity (locked-in RRSPs)

does not exceed 40% of the Maximum Pensionable Earnings, determined in accordance with the Act respecting the Québec Pension Plan, for the year in which the Planholder applies for payment. The Planholder's application to the Plan Carrier must be accompanied with a declaration in conformity with the one prescribed in schedule 0.2 of the Regulation.

### 13. Death of Planholder

If the Planholder who is a member or former member dies before the conversion of the balance of the Plan into a life pension, the balance of the Plan shall be paid:

- a. where the Planholder had a spouse at the date of death who survives the Planholder, to the surviving spouse, unless the spouse has waived entitlement to the death benefits in accordance with paragraph 14 of this Addendum and the spouse has not revoked this waiver before the death of the Planholder;
- b. where there is no surviving spouse entitled pursuant to subparagraph (a), to the Planholder's assigns; or
- c. if there is no designated beneficiary, to the personal representative(s) of the Planholder.

The Trustee must receive satisfactory evidence of death, satisfactory 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.

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### 14. Waiver of Death Benefits or Joint Life Pension

The Planholder's spouse may, by giving written notice to the Plan Carrier, waive his or her right to receive the payment provided for in paragraph 13 or the life pension provided for in paragraph 6 of this Addendum, and may revoke such a waiver. The Planholder's spouse must deliver a waiver or revocation of waiver to the Plan Carrier by a written notice in a form satisfactory to Plan Carrier before, in the case referred in paragraph 13, the death of the Planholder or, in the case referred to in paragraph 6, the date of conversion, in whole or in part, of the balance of the Plan into a life pension.

### 15. Marital Breakdown

The Planholder's spouse ceases to be entitled to the benefits provided under paragraphs 6 or 13 of this Addendum upon separation from bed and board, divorce, nullity of marriage, dissolution or nullity of civil union, or in the case of a spouse who is not a married or civil union spouse upon cessation of the conjugal relationship, except where:

- a. in respect of the benefits payable under paragraph 13, the spouse is, on the day of the Planholder's death, an assign of the Planholder;
- b. in respect of the benefits payable under paragraph 6, the Planholder has notified the Plan Carrier in writing in accordance with section 89 of the Act to make payment of the benefits to the spouse.

### 16. Unseizability

Unless otherwise provided by the Act, the Regulation, this Addendum or other law, the following amounts are unassignable and unseizable:

- a. any amounts transferred into the Plan under paragraph 4 of this Addendum, with accrued interest;
- b. any amounts transferred to the Plan of a spouse which were awarded to the spouse following partition or any other transfer of benefits effected pursuant to Chapter VIII of the Act, with accrued interest, and the benefits deriving from such amounts; and
- c. all amounts refunded or pension benefits paid under the Plan or the Act

except as far as they derive from additional voluntary contributions or represent a portion of the surplus assets allocated after termination of a pension plan.

### 17. Seizure for Unpaid Alimony

All or part of the balance of the Plan may be paid in a lump sum in execution of a judgment rendered in favour of the Planholder's spouse that gives entitlement to a seizure for unpaid alimony. An amount payable pursuant to such a judgment is to be paid to the spouse upon receipt of proper documentation by the Plan Carrier, regardless of the term of any investment. The amount paid from the Plan cannot exceed 50% of the balance of the Plan at the time of seizure. The Planholder will have no further claim or entitlement to any pension respecting the amount paid and the Plan Carrier is not liable to any person by reason of having made payment pursuant to such seizure.

### 18. Plan Carrier's Responsibility

Where a sum is paid from the Plan contrary to the provisions of this Addendum or the Regulation, the Planholder may, unless the payment is attributable to a false declaration by him, require that the Plan Carrier pay him, as a penalty, a sum equal to the irregular payment.

### 19. Indemnity

Should the Plan Carrier provide or be required to make a payment to the Planholder pursuant to paragraph 18 of this Addendum, the Planholder or the Planholder's heirs and/or legal representatives will indemnify and hold harmless the Plan Carrier, to the extent that assets of the Plan were received by or accrued to the benefit of any recipient.

### 20. Statements

The Planholder is entitled to receive, at least once a year, a statement indicating the sums deposited, their source, the accumulated earnings, the fees debited since the last statement and the balance of the Plan.

### 21. All Payments

Transfers and other payments under this Addendum (except a payment under paragraph 17) are subject to the terms of the investments under the Plan and are subject to the withholding of any applicable tax and deduction of all proper expenses and charges.

### 22. Transfer of Securities

A transfer under paragraphs 8 or 24 of this Addendum may, on the instruction of the Planholder, at the option of the Plan Carrier and unless otherwise stipulated, be effected by the remittance of the investment securities respecting the Plan.

### 23. General Amendments

Subject to paragraph 24 of this Addendum, the Plan Carrier may from time to time in its discretion amend this Addendum by giving 30 days' notice to the Planholder, provided that such amendment remains in conformity with the standard contract amended and registered with the Régie des rentes du Québec and such amendment does not contravene the Act, the Regulation or the Income Tax Act (Canada). The Plan Carrier may not, except to fulfill requirements under law, make any amendment without having previously notified the Planholder.

### 24. Amendments Entailing Reduction in Benefits

An amendment to the Plan shall not be made that would entail a reduction of the benefits resulting from the Plan unless the Planholder is entitled, before the date of the amendment, to transfer the balance of the Plan in accordance with paragraph 8 of this Addendum and unless a notice has been delivered to the Planholder at least 90 days before the date on which the Planholder may exercise the entitlement to transfer, describing the amendment and the date from which the Planholder may exercise the entitlement to transfer.

### 25. 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.

### 26. 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.

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**The following must be completed**

**► Type of planholder**

The Planholder represents to the Plan Carrier that the Planholder is (check **one** box):

- A member or former member of the pension plan from which the assets originated
- A surviving spouse or former spouse of a member or former member of the registered pension plan from which the assets originated

**► Client/Planholder acknowledgement**

Client/Planholder name (please print)	Client/Planholder signature 	Date (DD-MMM-YYYY)
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**► Plan carrier (by its agent)**

Authorized person signature 	Date (DD-MMM-YYYY)
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