

## WITHDRAWAL OR TRANSFER FROM A FEDERALLY REGULATED LOCKED-IN PLAN BASED UPON FINANCIAL HARDSHIP

### PLANHOLDER INSTRUCTIONS

The attached forms must be completed if a planholder of a Federal Locked-in Registered Retirement Savings Plan (**LRSP**), Life Income Fund (**LIF**), Restricted Locked-In Retirement Savings Plan (**RLSP**) or Restricted Life Income Fund (**RLIF**) wishes to withdraw or transfer an amount up to 50 percent of the Year's Maximum Pensionable Earnings (**YMPE**), because the planholder meets one or both of the conditions for financial hardship outlined below. The withdrawal or transfer can be requested from any combination of federally regulated LRSPs, LIFs, RLIFs or RLSPs, within a calendar year, provided that all withdrawals or transfers are done within 30 days of the first request.

The Federal LRSP, LIF, RLSP and RLIF are regulated by the *Pension Benefits Standards Act* (Canada) and the accompanying *Pension Benefits Standards Act Regulations*. In order for the withdrawal or transfer to be made on the basis of financial hardship, the requirements of the *Pension Benefits Standards Act Regulations* must be met and the attached *Federal Form 1, Attestation Regarding Withdrawal Based on Financial Hardship* and *Federal Form 2, Attestation Regarding Spouse/Common-Law Partner* must be completed.

**Withdrawals based upon financial hardship will be permitted for those who meet either one or both of the conditions below. A single completed Attestation, on Federal Form 1 and Form 2, may be used if a planholder is withdrawing based on both reasons at the same time. However, total permitted withdrawals for any calendar year (from all of the planholder's federal locked-in plans), for either or both conditions together cannot exceed 50% of the YMPE.**

YMPE means Year's Maximum Pensionable Earnings under the Canada Pension Plan. YMPE changes each year.

#### **Condition 1 - Requirements for Financial Hardship Withdrawal Due to Expected Expenditures on Medical or Disability-Related Treatment or Adaptive Technology**

This option is available to individuals who expect to make expenditures of more than 20 percent of their income in any given calendar year on medical or disability-related treatment or on adaptive technology. These individuals will be allowed to withdraw or transfer the total amount of their expected expenditures in any given calendar year, provided the expected expenditures are more than 20 percent of their expected income for the year. (For this purpose "income" means income as calculated for income tax purposes, before taking into account any withdrawals for financial hardship.) The amount withdrawn or transferred cannot be more than the maximum 50% of the YMPE.

The expected expenditures may be for anyone who the planholder wishes to unlock his/her funds for, and are not limited to expenditures for the planholder. The expenditures may be made, for example, for the planholder's spouse or common-law partner, children or other relatives.

Planholders making a withdrawal or transfer based upon medical or disability-related treatment or adaptive technology must provide the following:

- A Certification signed by a licensed Canadian physician that the treatment or adaptive technology is required. The attached *Physician's Certification* may be completed and submitted with the request.
- An Attestation on *Federal Form 1* by the LIF, LRSP, RLIF or RLSP planholder that he or she expects to make such expenditures greater than 20 percent of his or her income for the calendar year. The planholder must disclose the amount of these expected expenditures, as well as his or her expected income for the year.

- An Attestation on Federal *Form 2* that the planholder either has a spouse or common-law partner who consents to the withdrawal or transfer, or that the planholder does not have a spouse or common-law partner.

### **Condition 2 - Requirements for Financial Hardship Withdrawal Due to Low Income**

A planholder who expects to earn less than 75% of the YMPE (for a calendar year) will be allowed to withdraw or transfer an amount due to low income, based upon his or her expected income for the year. The maximum permitted amount is calculated as the excess of 50% of YMPE over 2/3 of the planholder's expected income for the year. For this purpose "income" means income as calculated for income tax purposes, before taking into account any withdrawals for financial hardship.

Planholders making withdrawals based upon low income must provide the following:

- An Attestation on Federal *Form 1* by the LIF, LRSP, RLIF or RLSP planholder that he or she expects to have income less than 75% of the YMPE for the calendar year. The planholder must disclose his or her expected income for the year.
- An Attestation on Federal *Form 2* that the planholder client either has a spouse or common-law partner who consents to the withdrawal or transfer or that the planholder does not have a spouse or common-law partner.

### **Attestation**

All planholders who elect to unlock funds based upon financial hardship from a federally regulated locked-in plan are required, when signing the Attestation, to acknowledge that:

- (1) the funds that are un-locked in this manner may lose their protection from creditors,
- (2) funds that are withdrawn may be taxable, and
- (3) they should seek professional advice about the financial and legal implications of the withdrawal or transfer.

By signing *Form 2*, the spouse/common-law partner acknowledges that he/she is giving up his/her entitlement, under the *Pension Benefits Standards Act Regulations*, to receive the balance of what would have remained in the LRSP, LIF, RLSP or RLIF account at the time of the planholder's death.

The Attestations must be:

- Completed in full and signed by the planholder and (if applicable) by the planholder's spouse or common-law partner,
- Witnessed by a notary public, commissioner or other person authorized to take affidavits (who is not an employee of BMO Financial Group) and include notary public, commissioner or other person authorized to take affidavits' seal or registration number.

**SCHEDULE 2**  
**(Section 8)**  
**SCHEDULE V**  
**(Sections 20, 20.1, 20.2 and 20.3)**  
**FORM 1**

**ATTESTATION REGARDING WITHDRAWAL BASED ON FINANCIAL HARDSHIP**

1. **To:** BMO InvestorLine

2. **List of applicable federally regulated locked-in plans:** (Please identify any locked-in registered retirement savings plan, life income fund, restricted locked-in savings plan or restricted life income fund that is held by the financial institution identified above and from which you intend to withdraw or transfer funds.)

<b>Account Number</b>	<b>Plan Type (LRSP, LIF, RLSP, RLIF)</b>
(a) _____	_____
(b) _____	_____
(c) _____	_____

3. **Attestation**

I, (applicant/planholder's name) \_\_\_\_\_,  
of (applicant/planholder's address) \_\_\_\_\_,  
in the city of \_\_\_\_\_, in the province of \_\_\_\_\_, attest to the following:

I own the federally regulated locked-in plan(s) identified in item 2. On the day on which I sign this Attestation (choose all that apply):

**(A) Withdrawal for Expenditures on Medical or Disability-related Treatment or Adaptive Technology**

(a) My total expected income for the calendar year, determined in accordance with the *Income Tax Act* (excluding the withdrawal referred to in line G below and any withdrawal made under paragraph 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the *Pension Benefits Standards Regulations, 1985* within the last 30 days before this application) is \$ \_\_\_\_\_;

(b) I submit a letter signed by a physician certifying that medical or disability-related treatment or adaptive technology is required;

(c) I expect to make expenditures on the medical or disability-related treatment or adaptive technology specified in the physician's certificate in the amount of \$ \_\_\_\_\_, which is greater than 20% of my total expected income for the calendar year;

(d) I have not made any other withdrawal, other than within the last 30 days before this application, during the calendar year under paragraph 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the *Pension Benefits Standards Regulations, 1985*; and

**(B) Withdrawal Based on Low Income**

My total expected income for the calendar year, determined in accordance with the *Income Tax Act* (excluding the withdrawal referred to in line G below and any withdrawal made under paragraph 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the *Pension Benefits Standards Regulations, 1985* within the last 30 days before this application), is less than three quarters of the Year's Maximum Pensionable Earnings as defined in the *Pension Benefits Standards Act, 1985*.

#### 4. Amount Sought for Withdrawal

A	Expected income in this calendar year determined in accordance with the Income Tax Act (including any financial hardship amounts already received or expected to be received this year)	\$ _____		
B	Total financial hardship withdrawals made during the calendar year from all federally regulated locked-in plans (not including this request)	\$ _____		
	B(i) total low income component of B	\$ _____		
	B(ii) total medical & disability-related income component of B	\$ _____		
C	50% of Year's Maximum Pensionable Earnings (YMPE) as defined in the <i>Pension Benefits Standards Act, 1985</i> .	\$ _____		
<b><i>CALCULATION OF LOW INCOME COMPONENT OF WITHDRAWAL (to be completed only if seeking withdrawal under this component)</i></b>				
D	<u>Low Income Withdrawal Component.</u> Enter amount from D(iv) if greater than zero, otherwise enter "0"			\$ _____
	D(i)	A-B	\$ _____	
	D(ii)	66.6% of D(i)	\$ _____	
	D(iii)	C-D(ii)	\$ _____	
	D(iv)	D(iii) – B(i)	\$ _____	

<b>CALCULATION OF MEDICAL AND DISABILITY-RELATED COMPONENT OF WITHDRAWAL</b> <i>(to be completed only if seeking withdrawal under this component)</i>				
E	Total Expected Medical & Disability related Expenditures for which unlocking is being sought. Enter amount from E(v)			\$ _____
	E(i) Total Expected Medical and Disability related Expenditures in the calendar year, that a medical doctor certifies are required		\$ _____	
	E(ii)	A-B	\$ _____	
	E(iii)	20% of E(ii)	\$ _____	
	E(iv)	If E(i) is greater than or equal to E(iii) enter E(i), otherwise enter "0"	\$ _____	
	E(v)	Enter the lesser of E(iv) and C	\$ _____	
<b>CALCULATION OF FINANCIAL HARDSHIP WITHDRAWAL</b>				
F	Total Amount Eligible for Financial Hardship Withdrawal Enter Amount from F(iii)			\$ _____
	F(i)	D+E	\$ _____	
	F(ii)	C-B	\$ _____	
	F(iii)	Enter the lesser of F(i) and F(ii)	\$ _____	
G	Total Amount Applicant Wishes to Withdraw Enter F or lesser amount			\$ _____

**5. Please select one of the following options:**

Cash withdrawal

Transfer to a BMO Bank of Montreal BMO InvestorLine  
RRSP (not locked in) account # \_\_\_\_\_ in cash kind.  
(attach asset list and instructions for in kind transfers.)

Transfer to a BMO Bank of Montreal BMO InvestorLine  
RRIF (not locked in) account # \_\_\_\_\_ in cash kind.  
(attach asset list and instructions for in kind transfers.)

**6. Signatures**

Sworn before me, on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ at \_\_\_\_\_, in the province of \_\_\_\_\_.

\_\_\_\_\_  
Signature of applicant (locked-in planholder)

\_\_\_\_\_  
Signature of notary public, commissioner or other person authorized to take affidavits.  
(may not be an employee of BMO Financial Group)  
Include notary public, commissioner or other person authorized to take affidavits' seal or registration number.