

SUPPLEMENTARY TERMS FOR LIFE INCOME FUND (LIF)

Pursuant to the *Employment Pension Plans Act* (Alberta)

BMO RETIREMENT INCOME FUND (Advisor)

Plan Carrier – BMO Trust Company

181 Bay Street, Suite 2800

Toronto, Ontario M5J 2T3

Acting through its Agent, BMO Investments Inc.

Client name: _____ Branch Code: _____ Account #: _____

Upon receipt of locked-in pension assets pursuant to the *Employment Pension Plans Act* (Alberta) (the "Act"), the *Employment Pension Plans Regulation* (Alberta) (the "Regulation") and in accordance with the instructions of the Planholder to transfer the assets to an Alberta life income fund, the Plan Carrier and Planholder agree that these Supplementary Terms and are appended to and form additional terms of the declaration of trust for the above-named retirement income fund.

1. **Definitions.** In these Supplementary Terms, "Plan" means the above-named retirement income fund, governed by the declaration of trust, the prescribed Life Income Fund Addendum under the Regulation (the "Alberta Addendum") and these Supplementary Terms. "Planholder" means the planholder, accountholder or annuitant under the declaration of trust and application form for the Plan and includes the "owner" of the Plan as that term is used in the Regulation.

In the event of any conflict or inconsistency between these Supplementary Terms and those of the Alberta Addendum, the Alberta Addendum prevails. These Supplementary Terms apply to the extent permitted by the Act and the Regulation.

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

2. **Transfers out of the Plan.** Any transfer out of the Plan must be made on a tax deferred basis under the *Income Tax Act* (Canada). In accordance with paragraphs 146.(3)(2)(e) and (e)(2) of the *Income Tax Act* (Canada), the Plan Carrier will retain sufficient assets to satisfy the requirement to pay the minimum amount to the Planholder for the year.
3. **Amount and Frequency of Payments.** The Planholder must notify the Plan Carrier by instructions of the amount and frequency of the payments for each calendar 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 calendar 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 calendar year.

If the Planholder provided instructions regarding the amount and frequency of payments in a prior calendar 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 instructions must be given at the beginning of the calendar year. The Planholder may change the amount and frequency of the payments or request additional payments by giving instructions to the Plan Carrier.

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.

4. **Withdrawal in Case of Financial Hardship.** The Plan Carrier will, on application of the Planholder, provide to the Planholder a lump sum amount in the manner provided in the Regulation if the Planholder meets the requirements of the financial hardship exception under the Regulation. The Plan Carrier and the Agent are entitled to rely upon the information provided by the Planholder in the financial hardship unlocking application. An application that meets the requirements of the Act and Regulation constitutes authorization to the Plan Carrier to make the payment from the Plan.
5. **Amendment.** No amendment shall be made to the Plan unless the Plan as amended remains in conformity with the Act and the Regulation and with section 146.3 of the *Income Tax Act* (Canada).

Plan Issuer, by its Agent:

Signature of Authorized Person

Date

Planholder:

Print Full Name

Signature of Planholder

Date

Version Control Date: November 2014

BMO Trust: AB-1114