

**ADDENDUM FOR LIFE INCOME FUND (LIF)**  
Pursuant to the *Pension Benefits Act (Ontario)*  
Ontario Pension Benefits Regulation – Schedule 1.1

- BMO Retirement Income Fund (RIF 0076) acting through its Agent Bank of Montreal**       **BMO Retirement Income Fund (Advisor) (RIF 0062) acting through its Agent Bank of Montreal**

**Plan Issuer - BMO Trust Company**  
181 Bay Street, Suite 2820  
Toronto, ON  
M5J 2T3

Account Number \_\_\_\_\_

Upon receipt of locked-in pension assets pursuant to the Pension Benefits Act (Ontario), and in accordance with the instructions of the Planholder to transfer the assets to an Ontario life income fund under Schedule 1.1 of the Ontario Pension Benefits Regulation, the Plan Carrier and Planholder agree that the provisions of this Addendum are appended to and form additional terms of the declaration of trust for the above-named retirement income fund.

1. **Pension Legislation.** For the purposes of this Addendum, the word "Act" means the Pension Benefits Act (Ontario) and the word "Regulation" means the Regulation made under the Pension Benefits 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 Regulation. In this Addendum, "Plan" means the above-named retirement income fund, governed by the declaration of trust and the additional terms of this Addendum. "Planholder" means the planholder, accountholder or annuitant under the declaration of trust and application form for the Plan. "Locked-In Assets" means all the assets in the Plan at any time and includes any interest or other earnings realized or accrued to that time.
3. **Spouse.** The word "Spouse" means either of two persons who:
  - (a) are married to each other, or
  - (b) are not married to each other and are living together in a conjugal relationship,
    - i. continuously for a period of not less than three years, or
    - ii. in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Family Law Act.

Notwithstanding anything to the contrary contained in the Plan, 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).

4. **Transfers Into the Plan.** The only assets that may be transferred into the Plan are assets originating, directly or indirectly, from:
  - (a) the pension fund of a registered pension plan,
  - (b) another life income fund that conforms with Schedule 1 or Schedule 1.1 of the Regulations, or
  - (c) a locked-in retirement account or a locked-in retirement income fund

that conforms with the Income Tax Act (Canada), the Act and the Regulation. Any transfer into the Plan must be on a tax deferred basis under the Income Tax Act (Canada).

5. **Who May be a Planholder – Consent of Spouse.** The following persons may be a Planholder under the Plan:
  - (a) a former member who is entitled to make a transfer under clause 42(1)(b) of the Act;
  - (b) a Spouse or former Spouse of a person who was a member who is entitled to make a transfer under clause 42(1)(b) of the Act; or
  - (c) a person who had previously transferred an amount under clause 42(1)(b) of the Act to a locked-in retirement account or a locked-in retirement income fund.

The Planholder must have the written consent of his or her Spouse to enter into the Plan. However, consent is not required from:

- i. a Spouse who is living separate and apart from the Planholder on the date the Plan is entered into; and
- ii. a Spouse, if none of the assets to be transferred into the Plan is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Planholder.

6. **Transfers Out of the Plan.** The Locked-In Assets may not be transferred from the Plan in whole or in part except:
  - (a) to another life income fund that conforms with the Act and Schedule 1.1 of the Regulation;
  - (b) to purchase an immediate life annuity that meets the requirements of section 22 of the Regulation and paragraph 60(l) of the Income Tax Act (Canada).

An annuity purchased under paragraph 6(b) shall not differentiate on the basis of the sex of the beneficiary if the commuted value of the pension benefit that was transferred into the Plan was determined in a manner that did not differentiate on the basis of sex.

Subject to paragraph 27 of this Addendum regarding terms of investments, the Plan Carrier or the Agent will make such transfer within 30 days after the Planholder requests it. In accordance with paragraphs 146.3(2)(e) and (e.2) of the Income Tax Act (Canada), the Plan Carrier or the Agent will retain sufficient Locked-In Assets to satisfy the requirement to pay the minimum amount to the Planholder for the year.

7. **One-Time Withdrawal Options.** The Planholder may, upon application in accordance with this section, either withdraw from the Plan or transfer from it to a registered retirement savings plan or a registered retirement income fund an amount representing up to 50% of the total market value of the assets transferred into the Plan on or after January 1, 2010. The application must be given to the Plan Carrier or the Agent within 60 days after the assets are transferred into the Plan.

The Planholder may, upon application in accordance with this section, either withdraw from the Plan or transfer from it to a registered retirement savings plan or a registered retirement income fund an amount representing up to 25% of the total market value of the assets transferred into the Plan on or before December 31, 2009. The Planholder may make a maximum of one withdrawal or transfer under this paragraph. The application must be given to the Plan Carrier or the Agent on or before December 31, 2010.

An application for a withdrawal or transfer must be made on a form approved by the Superintendent, signed by the Planholder and accompanied by one of the following documents:

- (a) a declaration described in paragraph 20 of this Addendum about a Spouse;
- (b) a statement signed by the Planholder attesting to the fact that none of the money in the Plan is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Planholder.

The total market value of the assets transferred into the Plan is to be determined as of the date the assets were transferred into the Plan. If the assets are transferred into the Plan from a life income fund or a locked-in retirement income fund, the Planholder cannot make a withdrawal or transfer as described in this section unless the transfer of assets into the Plan was made in accordance with the terms of an order under the Family Law Act or a domestic contract as defined in Part IV of that Act.

The Plan Carrier and the Agent are entitled to rely upon the information provided by the Planholder in the application. An application that meets the requirements of section 8 or 8.1 of Schedule 1.1 of the Regulation constitutes authorization to the Plan Carrier to make the payment or transfer from the Plan in accordance with section 8 or 8.1. The Plan Carrier is required to make the payment or transfer to which the Planholder is entitled under section 8 or 8.1 within 30 days after the Plan Carrier or the Agent receives the completed application form and accompanying documents.

8. **Investment and Value of Locked-In Assets.** The Locked-In Assets shall be invested and re-invested on the direction of the Planholder as provided in the declaration of trust. The value of the Locked-In Assets at any time will be determined by the Agent's regular reporting practice.
9. **Fiscal Year of Plan.** The fiscal year of the Plan ends on December 31 of each year and must not exceed 12 months.
10. **Periodic Payments Out of the Plan.** Payments to the Planholder from the Plan must begin no earlier than the earliest date on which the former member is entitled to receive a pension under any pension plan from which assets were transferred into the Plan directly or indirectly. Payments must begin no later than the end of the second fiscal year of the Plan.
11. **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.

The instructions must be given within a reasonable time prior to the beginning of the fiscal year to which they relate, or at another time if the Plan Carrier or the Agent agrees. The instructions expire at the end of the fiscal year to which they relate. With the consent of the Plan Carrier or the Agent, the Planholder may change the amount and frequency of the payments or request additional payments by giving instructions.

The Planholder must give the Plan Carrier or the Agent instructions as to which of the Locked-In Assets to sell where required in order to ensure there is sufficient cash in the Plan to make the payments. If the instructions are not received within a reasonable time before a payment is required, the Plan Carrier may sell any of the Locked-In 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 Locked-In Assets, or for any related investment or administration expenses.

12. **Amount of Annual Income.** The amount of income paid out during a fiscal year of the Plan must not be less than the minimum amount prescribed for a registered retirement income fund under the Income Tax Act (Canada). If the minimum amount is greater than the maximum amount determined below, the minimum amount must be paid out of the fund during the fiscal year. The amount of income must not exceed the greatest of the following amounts:

- (a) The investment earnings, including any unrealized capital gains or losses, of the Plan in the previous fiscal year.
- (b) If the Locked-In Assets are derived from money transferred directly from another life income fund or a locked-in retirement income fund (the "Transferring Plan"), and if the income is being paid out of the Plan in the fiscal year following the fiscal year in which the Plan is established, the sum of:
  - i. the investment earnings, including any unrealized capital gains or losses, of the Transferring Plan in the previous fiscal year, and
  - ii. the investment earnings, including any unrealized capital gains or losses, of the Plan in the previous fiscal year.

- (c) The amount calculated using the formula,

$$C/F,$$

in which,

"C" is the value of the Locked-In Assets in the Plan at the beginning of the fiscal year, and

"F" is the present value, at the beginning of the fiscal year, of an annuity of \$1 payable annually in advance over the period commencing at the beginning of the fiscal year and ending on December 31 of the year in which the owner reaches 90 years of age.

This paragraph 12 shall not be construed to prevent or limit a payment from the Plan that is permitted under paragraphs 7, 14, 16, 17, 18 or 19 of this Addendum.

Despite the above, if any Locked-In Assets are derived from money transferred directly or indirectly from another life income fund or a locked-in retirement income fund, the maximum amount that may be paid out of the fund in the fiscal year in which the money is transferred into the fund is zero.

If the initial fiscal year of the fund is not 12 months long, the maximum amount determined shall be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an incomplete month counting as one month.

13. **Interest Rate Assumptions.** The following interest rate assumptions are to be used to determine the amount F in paragraph 12 of this Addendum:

- (a) The interest rate for each of the first 15 fiscal years of the period referred to in the definition of "F" is the greater of 6 per cent and the nominal rate of interest on long-term bonds issued by the Government of Canada for November of the year before the beginning of the fiscal year, as determined from the Canadian Socio-Economic Information Management System (CANSIM) series V122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada.
- (b) For the sixteenth and each subsequent fiscal year of the period referred to in the definition of "F", the interest rate is 6 per cent.

14. **Payment of the Balance of the Plan/** The Planholder may, at any time, use any Locked-In Assets remaining in the Plan to purchase an immediate life annuity that meets the requirements of section 22 of the Regulation. For the purposes of the life annuity, a determination as to whether the Planholder has a Spouse is to be made on the date the annuity is purchased.

15. **Subject to Family Law Act.** The value of the Locked-In Assets, payments out of the Plan and payments under a life annuity are subject to division in accordance with the terms of an order under the Family Law Act or a domestic contract as defined in Part IV of the Family Law Act.

16. **Withdrawal of Excess Amount.** In this paragraph, "excess amount" means the portion of the assets transferable under clause 42(1)(b) of the Act into the Plan that is greater than the amount prescribed for such a transfer under the Income Tax Act (Canada). If an excess amount has been transferred directly or indirectly into the Plan, the Planholder may, upon application in accordance with section 22.2 of the Regulation on a form approved by the Superintendent that is given to the Plan Carrier or the Agent, withdraw money from the Plan in an amount not greater than the sum of:

- (a) the excess amount; and
- (b) any subsequent investment earnings, including any unrealized capital gains or losses, attributable to the excess amount as calculated by the Plan Carrier or the Agent.

The amount that may be withdrawn is calculated as of the date on which the Plan Carrier pays the amount to the Planholder.

The application form must be signed by the Planholder and accompanied by one of the following documents:

- (i) a written statement from the administrator of the pension plan from which assets were transferred into the Plan setting out the excess amount that was transferred into the Plan; or
- (ii) a written statement from the Canada Revenue Agency setting out the excess amount that was transferred into the Plan.

The Plan Carrier and the Agent are entitled to rely upon the information provided by the Planholder in the application. An application that meets the requirements of section 22.2 of the Regulation constitutes authorization to the Plan Carrier to pay the amount to the Planholder from the Plan. The Plan Carrier is required to make the payments to which the Planholder is entitled under section 22.2 of the Regulation within 30 days after the Plan Carrier or the Agent receives the completed application form and accompanying document.

17. **Withdrawal Where Small Amount.** The Planholder may, upon application in accordance with section 9 of Schedule 1.1 of the Regulation, on a form approved by the Superintendent that is given to the Plan Carrier or the Agent, withdraw all of the Locked-In Assets or transfer the Locked-In Assets to a registered retirement savings plan or a registered retirement income fund if, when the Planholder signs the application, he or she is at least 55 years of age and the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by him or her is less than 40% of the Year's Maximum Pensionable Earnings for that calendar year.

The application form must be signed by the Planholder and be accompanied by:

- (a) a declaration described in paragraph 20 of this Addendum about a Spouse; or
- (b) a statement by the Planholder attesting to the fact that none of the Locked-In Assets is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Planholder. .

The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the Planholder when he or she signs the application is to be determined in accordance with the most recent statement about each fund or account given to the Planholder. Each such statement must be dated within one year before the Planholder signs the application.

The Plan Carrier and the Agent are entitled to rely upon the information provided by the Planholder in the application. An application that meets the requirements of section 9 of Schedule 1.1 of the Regulation constitutes authorization to the Plan Carrier to make the payment or transfer from the Plan. The Plan Carrier is required to make the payment or transfer to which the Planholder is entitled within 30 days after the Plan Carrier or the Agent receives the completed application form and accompanying document.

18. **Withdrawal Where Shortened Life Expectancy.** The Planholder may, upon application in accordance with section 11 of Schedule 1.1 of the Regulation, on a form approved by the Superintendent that is given to the Plan Carrier or the Agent, withdraw all or part of the Locked-In Assets if, when the Planholder signs the application, he or she has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

The application form must be signed by the Planholder and be accompanied by the following documents:

- (a) a statement signed by a physician who is licensed to practice medicine in a jurisdiction in Canada that, in the opinion of the physician, the Planholder has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years; and
- (b) a declaration described in paragraph 20 of this Addendum about a Spouse or a statement signed by the Planholder attesting to the fact that none of the Locked-In Assets is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the Planholder.

The Plan Carrier and the Agent are entitled to rely upon the information provided by the Planholder in the application. An application that meets the requirements of section 11 of Schedule 1.1 of the Regulation constitutes authorization to the Plan Carrier to make the payment from the Plan. The Plan Carrier is required to make the payment to which the Planholder is entitled under section 11 of Schedule 1.1 of the Regulation within 30 days after the Plan Carrier or the Agent receives the completed application form and accompanying documents.

19. **Withdrawal Where Non-Resident.** The Planholder may, upon application in accordance with section 10 of Schedule 1.1, on a form approved by the Superintendent that is given to the Plan Carrier or the Agent, withdraw all the locked-in assets if:
- (a) when the Planholder signs the application, the Planholder is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the Income Tax Act (Canada); and
  - (b) the application is made at least 24 months after the Planholder's date of departure from Canada.

The Plan Carrier and the Agent are entitled to rely upon the information provided by the Planholder in the application. An application that meets the requirements of section 10 of Schedule 1.1 of the Regulation constitutes authorization to the Plan Carrier to make the payment from the Plan. The Plan Carrier is required to make the payment to which the Planholder is entitled within 30 days after the Plan Carrier or the Agent receives the completed application form and accompanying documents.

20. **Declaration About a Spouse and Receipt.** Any of the following documents constitutes a declaration about a Spouse for the purposes of a withdrawal or transfer from the Plan under section 8, 9, 10 or 11 of Schedule 1.1 of the Regulation:
- (a) a statement signed by the Planholder's Spouse, if any, that the Spouse consents to the withdrawal or transfer;
  - (b) a statement signed by the Planholder attesting to the fact that the Planholder does not have a Spouse;
  - (c) a statement signed by the Planholder attesting to the fact that the Planholder is living separate and apart from his or her Spouse on the date the Planholder signs the application to make the withdrawal or transfer.

If the Planholder is required to give a document to the Plan Carrier under section 8, 9, 10 or 11 of Schedule 1.1 of the Regulation, and if the document is one that must be signed by the Planholder or by his or her Spouse, the document is a nullity if it is signed by any of them more than 60 days before the Plan Carrier or the Agent receives it.

When the Plan Carrier receives a document required under section 8, 9, 10 or 11, the Plan Carrier or the Agent shall give the Planholder a receipt for the document stating the date on which it was received.

21. **Commutation or Surrender Where Financial Hardship.** The Planholder may apply as set out in the Regulation under the Act, to the Plan Carrier or the Agent for consent to the commutation or surrender in whole or in part of the Locked-In Assets, if the Plan Carrier or the Agent is satisfied as to the existence of such circumstances of financial hardship as may be prescribed in the Regulation. The application must be completed and signed by the Planholder on a form approved by the Superintendent and submitted with the statements and any other documents required under the Regulation, by the Planholder to the Plan Carrier or the Agent.

The Plan Carrier or the Agent is entitled to rely upon the information provided by the Planholder in the application to withdraw money or transfer assets from the fund under sections 9, 9.1, 10, 10.1, 10.2, 10.3, or 10.4 of the Regulation.

An application that meets the requirements of the applicable section of the Regulation constitutes authorization to the Plan Carrier or the Agent to make the payment or transfer from the fund in accordance with that section of the Regulation.

The Plan Carrier or the Agent is required to make the payment or transfer to which the Planholder is entitled under the applicable section of the Regulation within 30 days after receipt of the completed application and the accompanying documents required by the Regulation.

22. **No Commutation, Withdrawal or Surrender Except As Permitted.** The Locked-In Assets will not be commuted, withdrawn or surrendered in whole or in part, except as permitted by section 49 or 67 of the Act or Schedule 1.1 or section 22.2 of the Regulation. Any transaction which contravenes this is void.
23. **No Assignment etc. Except By Family Law Order or Domestic Contract.** The Planholder agrees not to assign, charge, anticipate or give as security money payable under the Plan with this Addendum, except as required by an order under the Family Law Act or by a domestic contract as defined in Part IV of the Family Law Act, subject to the maximum set out in subsection 66(4) of that Act.
24. **Exemption from Execution, Seizure or Attachment.** The Locked-In Assets and any money payable from the Plan with this Addendum are exempt from execution, seizure or attachment, except in satisfaction of an order for support enforceable in Ontario to a maximum of one-half of the money payable.
25. **Death of the Planholder.** Upon the death of the Planholder, the Planholder's Spouse or, if there is none on the date of the Planholder's death or the Spouse is otherwise disentitled, his or her named beneficiary or, if there is none, his or her estate is entitled to receive a benefit equal to the value of the Locked-In Assets. The benefit payable under this section may be transferred to a registered retirement savings plan or a registered retirement income fund in accordance with the Income Tax Act (Canada).

A Spouse of the Planholder is not entitled to receive the value of the Locked-In Assets unless the Planholder was a member or former member of a pension plan from which assets were transferred directly or indirectly to the Plan. A Spouse living separate and apart from the Planholder on the date of the Planholder's death is not entitled to receive the value of the Locked-In Assets.

A Spouse may waive his or her entitlement to receive a benefit under the Plan by delivering to the Plan Carrier or the Agent a written waiver in a form approved by the Superintendent. A Spouse may cancel this waiver by delivering a written and signed notice of cancellation to the Plan Carrier or the Agent before the date of death of the Planholder.

26. **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) the value of the Locked-In Assets 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 Locked-In Assets are transferred out of the Plan as described in paragraph 6 of this Addendum, the information must be determined as of the date of transfer.

Upon the death of the Planholder, the person entitled to receive the Locked-In Assets must be provided the information determined as of the date of the Planholder's death.

27. **Transfers and Payments; Terms of Investments.** All transfers and payments from the Plan are subject to the terms of the investments and will be subject to the withholding of any applicable tax and deduction of all reasonable expenses, costs, fees and charges. Transfers and payments may be made in cash or in kind, in accordance with the instructions of the Planholder and subject to the terms of the investments and the requirements of the Plan Carrier or the Agent.
28. **Indemnity.** Should the Plan Carrier and/or its Agent be required to make payments or to provide an annuity or a pension as a result of any Locked-In Assets being paid out or transferred otherwise than in accordance with the provisions of this Addendum, the Regulation or as may be required by applicable law, the Planholder will indemnify and hold harmless the Plan Carrier and/or the Agent to the extent that Locked-In Assets were previously received by or accrued to the benefit of any of them or the Planholder's estate. This indemnity will be binding upon the Planholder's legal representatives, successors, heirs and assigns.

29. **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).

No amendment shall be made if the amendment would result in a reduction of the Planholder's rights under the Plan, unless  
(a) the Plan Carrier is required by law to make the amendment; and  
(b) the Planholder is entitled to transfer the Locked-In Assets under the terms of the Plan that exist before the amendment is made.

The Plan Carrier will give the Planholder at least 90 days notice of any proposed amendment; except that where the amendment would result in a reduction of the Planholder's rights, the Plan Carrier must notify the Planholder of the nature of the amendment and allow the Planholder at least 90 days after notice is given to transfer all or part of the Locked-In Assets.

Notices of amendment must be in writing and must be sent to the Planholder's address as set out in the records of the Plan Carrier.

Determination of Commuted Value on the Basis of Sex. Was the commuted value of the pension benefit that was transferred into the Plan determined in a manner that differentiated on the basis of sex?    YES <input type="checkbox"/> NO <input type="checkbox"/> If the commuted value of the pension benefit that was transferred into the Plan was not determined in a manner that differentiated on the basis of sex, then an annuity purchased with funds from the Plan shall not differentiate on the basis of sex.
--

Plan Carrier, by its Agent

Planholder:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
Print Full Name of Planholder

\_\_\_\_\_  
Signature of Authorized Person

\_\_\_\_\_  
Signature of Planholder

\_\_\_\_\_  
Date (DD/MM/YYYY)

\_\_\_\_\_  
Date (DD/MM/YYYY)