

ADDENDUM FOR LOCKED-IN PENSION TRANSFERS TO A LIFE INCOME FUND (LIF)
For transfers pursuant to the *Pension Benefits Act* (New Brunswick)

BMO Trust Company
77 King Street West
Suite 4200
Toronto, Ontario M5K 1J5

Account Number _____

Plan Issuer for:

BMO Retirement Income Fund acting through its Agent Bank of Montreal
BMO Retirement Income Fund (Advisor) acting through its Agent BMO Investments Inc.

Upon receipt of locked-in pension assets pursuant to the *Pension Benefits Act* (New Brunswick) and in accordance with the instructions of the Planholder to transfer the assets to a New Brunswick life income fund, the Plan Carrier and Planholder agree that the provisions of this Addendum are appended to and form additional terms of the Trust Agreement or Declaration of Trust for the above-named retirement income fund, as follows:

1. **Pension Legislation.** For the purposes of this Addendum, the word "Act" means the *Pension Benefits Act* (New Brunswick) and the word "Regulation" means the *General Regulation-Pension Benefits Act*, 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 Regulation. In this Addendum, "Plan" means the above-named retirement income fund, governed by the Trust Agreement or Declaration of Trust and the additional terms of this Addendum. "Planholder" means the planholder, accountholder or annuitant under the Trust Agreement or Declaration of Trust and application form and includes the "owner" as that term is used in the Regulation. "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 a man or a woman who:
 - (a) are married to each other,
 - (b) are married to each other by a marriage that is voidable and has not been avoided by a declaration of nullity,
 - (c) have gone through a form of marriage with each other in good faith that is void and have cohabited within the preceding year, or
 - (d) not being married to each other, have cohabited
 - (i) continuously for a period of not less than three years in a conjugal relationship in which one person has been substantially dependent upon the other for support, or
 - (ii) in a relationship of some permanence where there is a child born of who they are the natural parents, and have cohabited within the preceding year.

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" 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 money that may be transferred into the Plan are sums originating, directly or indirectly, from:
 - (a) the fund of a registered pension plan;
 - (b) a locked-in retirement account or another life income fund; or
 - (c) a life or deferred life annuity under a contract;

that conforms with the *Income Tax Act* (Canada), the Act and the Regulation (or, in the case of the fund of a registered pension plan, with legislation in another jurisdiction similar to the Act and the Regulation). Any transfer into the Plan must be on a tax deferred basis under the *Income Tax Act* (Canada). Before assets are transferred into the Plan, Form 3.2 must be completed.

5. **Differentiation on the Basis of Sex.** If the information provided on Form 3.2 indicates that the commuted value transferred was determined on transfer in a manner that differentiated, while the Planholder was a member of the registered pension plan, on the basis of the sex of the Planholder, the only money that may be subsequently transferred into the Plan is money that is also differentiated on the same basis.

No Locked-In Assets, including investment earnings, transferred into the Plan shall subsequently be used to purchase a life or deferred life annuity that differentiates on the basis of the annuitant's sex, unless the commuted value transferred from the registered pension plan was determined in a manner that differentiated, while the Planholder was a member of the registered pension plan, on the basis of the sex of the Planholder.

6. **Conversion to Annuity Prior to Maturity.** Except as otherwise provided in this Addendum, the balance of the Locked-In Assets in the Plan, in whole or in part, may be converted only into a life annuity that conforms with section 23 of the Regulation.

7. **Transfers Out of the Plan.** Unless the Plan provides for an early cashing-in value before the expiration of the term agreed to for the investment, the Planholder is entitled at any time after the term has expired to transfer all or part of the Locked-In Assets of the Plan (excluding funds retained to ensure the Planholder is paid the minimum amount for the year of transfer, in accordance with Section 146.3 of the *Income Tax Act* (Canada)):

- (a) to transfer before a conversion referred to in subparagraph (c), the balance of the Locked-In Assets in the Plan, in whole or in part, to the pension fund of a registered pension plan that conforms with the Act and the Regulation (or with similar legislation in another jurisdiction provided that if the pension plan is not registered in New Brunswick, it is registered for persons employed in a designated jurisdiction and the Planholder is employed in that jurisdiction by an employer who is making contributions on behalf of the Planholder to the pension fund that is to receive the amount transferred);
- (b) to transfer before a conversion referred to in subparagraph (c), the balance of the Locked-In Assets in the Plan, in whole or in part, to a locked-in retirement account (so long as the time is on or before December 31st in the year in which the Planholder reaches age 71, or such greater age for maturity as is permitted under the *Income Tax Act* (Canada)) or to a life income fund that conforms with the Act and the Regulation; or
- (c) to convert the balance of the Locked-In Assets in the Plan, in whole or in part, into a life annuity that conforms with section 23 of the Regulation.

Any transfer out of the Plan must be made on a tax deferred basis under the *Income Tax Act* (Canada). Before assets are transferred out of the Plan, Form 3.2 (with any necessary modifications) must be completed.

8. **No Surrender or Commutation.** The Locked-In Assets of the Plan, including all investment earnings, shall not be commuted or surrendered during the lifetime of the Planholder, except under paragraphs 17 or 18 of this Addendum, subsection 57(6) of the Act (support or maintenance order) or section 44 of the Act (marriage breakdown). Any transaction in contravention of this paragraph is void.
9. **Requirement to Pay Annual Income.** The Planholder will be paid an income from the Plan, the amount of which may vary annually, until the day on which the entire balance of the Locked-In Assets is converted into a life annuity or the Locked-In Assets are exhausted.
10. **Commencement of Annual Income.** The payment of income to the Planholder shall commence not later than the last day of the second fiscal year of the Plan.
11. **Fiscal Year of Plan.** The fiscal year of the Plan ends at midnight on December 31 of each year and shall not exceed 12 months in length.
12. **Amount of Annual Income.** The amount of income paid during a fiscal year of the Plan shall not be more than the Maximum Amount ("M") or less than the Minimum Amount ("m"), where "M" and "m" are calculated using the following formulas:

$M = C/F$; and

$m = C/H$

where

C = the balance of the Locked-In Assets in the Plan on the first day of the fiscal year;

F = the value, on the first day of the fiscal year, of a guaranteed pension, the annual payment of which is \$1 payable on the first day of each fiscal year between the first day of the fiscal year and December 31st, inclusive, of the year in which the Planholder attains the age of 90 years; and

H = the number of years between January 1st of the year in which the calculation is made and December 31st of the year in which the Planholder attains the age of 90 years.

Notwithstanding the above formula for the Minimum Amount, the Minimum Amount for a fiscal year may not be less than the minimum amount required to be paid by the Plan for the year under section 146.3 of the *Income Tax Act* (Canada). If the Maximum Amount is less than the Minimum Amount, the Minimum Amount shall be paid.

13. **Income Calculation.** The value of F in paragraph 12 of this Addendum will be calculated at the beginning of each fiscal year of the Plan, using:
- (a) an interest rate of not more than 6% per year, or
 - (b) for the first 15 years after the valuation of the Plan, an interest rate exceeding 6% per year if that rate does not exceed the interest rate obtained on long-term bonds issued by the Government of Canada for the month of November preceding the calendar year in which the calculation is made, as published in the *Bank of Canada Review* as CANSIM Series B14013, and using an interest rate not exceeding 6% per year in subsequent years.
14. **Annual Income in Initial Fiscal Year.** For the first fiscal year of the Plan, the Minimum Amount will be equal to zero. Where all or part of the Locked-In Assets in the Plan are derived from assets transferred directly or indirectly during the first fiscal year of the Plan from another LIF, the Maximum Amount shall be zero.
15. **Establishing Amount and Frequency of Payments.** The amount and frequency of the payments during each fiscal year shall be as established in writing by the Planholder, on such form as the Plan Carrier may provide for this purpose, once every year at the beginning of that fiscal year; or at intervals of greater than one year if the Plan Carrier guarantees the rate of return of the Plan during each such interval and such intervals end at the end of a fiscal year of the Plan. With the consent of the Plan Carrier, the Planholder may change the amount and frequency of the payments or request additional payments by instructing the Plan Carrier in writing, on such form as the Plan Carrier may provide for this purpose. Where the Planholder does not specify the amount or the frequency of the payments or specifies an amount less than the Minimum Amount, the Planholder will be deemed to have chosen to receive the Minimum Amount, in a payment at the end of the fiscal year.
- To ensure that there is sufficient cash in the Plan from time to time to make the specified payments, the Planholder must give the Plan Carrier instructions as to which of the Locked-In Assets the Plan Carrier is to sell. If the Plan Carrier does not receive the required instructions within a reasonable time before a payment is required, the Plan Carrier will sell any of the Locked-In Assets that the Plan Carrier, in its discretion, considers appropriate to provide the required cash. The Plan Carrier will not be liable for any loss that may result from this action.
16. **Income Payable at Intervals of Greater than One Year.** If the amount of income payable to the Planholder under this Addendum is established at intervals that are greater than one year, paragraphs 12 to 14 of this Addendum apply with necessary modifications to the calculation of the amount of income payable in each fiscal year in the interval, and the amount of income payable shall be established at the beginning of the first fiscal year in the interval.
17. **Withdrawal Where Shortened Life Expectancy.** The Planholder may withdraw the balance of the Locked-In Assets in the Plan, in whole or in part, and receive a payment or a series of payments if a physician certifies in writing to the Plan Carrier, in a form satisfactory to the Plan Carrier, that the Planholder suffers from a significant physical or mental disability that considerably reduces life expectancy. If the Planholder has a Spouse, the Planholder must deliver a completed spousal waiver in Form 3.01 to the Plan Carrier.

18. **Withdrawal Where Non-Resident.** The Planholder may withdraw the balance of the Locked-In Assets if:
- (a) the Planholder and his or her Spouse, if any, are not Canadian citizens;
 - (b) the Planholder and his or her Spouse, if any, are not resident in Canada for the purposes of the *Income Tax Act* (Canada); and
 - (c) the Planholder's Spouse, if any, waives, on Form 3.5, any rights that he or she may have in the Plan under the Act, the Regulation or this Addendum.
19. **Commuted Value on Marriage Breakdown.** The commuted value of the Planholder's benefits provided for under the Plan shall be determined in accordance with the Act and the Regulation if it is divided on an application to divide marital property under section 44 of the Act.
20. **Marriage Breakdown Provisions.** Sections 27 to 33 of the Regulation, with necessary modifications, shall apply to the division on marriage breakdown of the Locked-In Assets in the Plan.
21. **No Assignment etc. and Exemption from Execution, Seizure and Attachment.** The Locked-In Assets may not be assigned, charged, anticipated, given as security, or subjected to execution, seizure, attachment or other process of law, except in accordance with section 44 or subsection 57(6) of the Act. Any transaction in contravention of this provision is void.

Except as otherwise provided by the Act, any transaction that purports to assign, charge, anticipate or give as security any interest in or under the Plan or any money payable under the Plan is void. Except as otherwise provided by the Act, any transaction that purports to commute or surrender the Plan is void.

Except as otherwise provided in the Act, any interest in or under the Plan and any money payable under the Plan are exempt from execution, seizure or attachment or other process of law. Money payable under the Plan is subject to execution, seizure or attachment or other process of law in satisfaction of an order for support or maintenance enforceable in New Brunswick, but, other than in the case of a refund of contributions with interest, to a maximum of 50% of the payment unless otherwise ordered by a court of competent jurisdiction.

22. **Death of the Planholder.** If the Planholder dies before signing a contract under which an annuity is purchased under paragraph 6 of this Addendum, the balance of the Locked-In Assets in the Plan shall be paid:
- (a) to the Planholder's Spouse, unless the Spouse waives on Form 3.02 all rights that he or she may have in the Plan under the Act, the Regulation or this Addendum;
 - (b) if the Planholder has a Spouse who has waived all rights under subparagraph (a) or if the Planholder does not have a Spouse, to a beneficiary on death designated by the Planholder; or
 - (c) if the Planholder has a Spouse who has waived all rights under subparagraph (a) or if the Planholder does not have a Spouse and the Planholder has not designated a beneficiary on death, to the estate of the Planholder.
23. **Transfers and Payments.** All transfers and other payments under this Addendum are subject to the terms of the investments under the Plan and will be subject to the withholding of any applicable tax and deduction of all proper charges.
24. **Transfer of Securities.** A transfer under subparagraphs 7(a) or (b) or 28(a) of this Addendum may, on the instruction of the Planholder, at the option of the Plan Carrier or its agent and if not otherwise stipulated in the Plan, be effected by the remittance of the investment securities in the Plan.
25. **Timing of Transfers.** Unless the Plan provides for an early cashing-in value before the end of the term agreed to for the investments, if there is money invested in the Plan that may be transferred under subparagraphs 7(a) or (b) or 28(a) of the Addendum, such funds shall be transferred no more than 30 days after the Planholder's application for the transfer.
25. **Transfer to RRIF.** Notwithstanding paragraph 12 of this Addendum, the Planholder may request that the New Brunswick Superintendent of Pensions (the "Superintendent") approve the transfer of an amount from the Plan to a registered retirement income fund as defined in the *Income Tax Act* (Canada) that is not a life income fund by filing with the Superintendent completed New Brunswick Forms 3.3 and 3.4, and the Superintendent may approve the transfer provided:

- (a) an amount has never previously been transferred under this paragraph on behalf of the Planholder; and
- (b) the amount to be transferred is not greater than the maximum unlocking amount.

26. **Account Statements.** The Plan Carrier will provide the Planholder an annual account statement at the beginning of each fiscal year of the Plan until the date on which all the Locked-In Assets are converted to a life annuity under paragraph 6 or are transferred under paragraph 7 of this Addendum, containing the information in subparagraphs (a) to (d) as follows:.

- (a) the amount of money or securities deposited, its source, the accumulated earnings of the Plan and the withdrawals from the Plan during the immediately preceding year;
- (b) any fees deducted since the preparation of the previous such statement and the balance of the money or securities in the Plan at the beginning of the fiscal year of the Plan;
- (c) the maximum amount that may be paid to the Planholder as income during the fiscal year; and
- (d) the minimum amount that must be paid to the Planholder as income during the fiscal year.

Where the balance of the Locked-In Assets is converted to a life annuity under paragraph 6 or is transferred under paragraph 7 of this Addendum, the Plan Carrier will provide the Planholder with the information listed in subparagraphs (a) and (b). Where the Planholder dies before the conversion of all the Locked-In Assets to a life annuity under paragraph 6 of this Addendum, the Plan Carrier will provide the information listed in subparagraphs (a) and (b) determined as of the date of the Planholder's death to the Planholder's Spouse, beneficiary, administrator or executor, as the case may be.

27. **Indemnity.** Should the Plan Carrier or its agent provide or be required to make payments or pay 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 its agent to the extent that Locked-In Assets were received by or accrued to the benefit of the Planholder or the Planholder's estate. This indemnity will be binding upon the Planholder's legal representatives, successors, heirs and assigns.

28. **Amendments Entailing Reduction in Benefits.** An amendment to the Plan or this Addendum shall not be made:

- (a) that would result in a reduction of the benefits arising from the Plan unless the Planholder is entitled, before the effective date of the amendment, to transfer the balance of the Locked-In Assets in the Plan in accordance with paragraph 7 of this Addendum and unless a notice is delivered to the Planholder at least 90 days before the effective date describing the amendment and the date on which the Planholder may exercise the entitlement to transfer;
- (b) unless the Plan and this Addendum as amended remain in conformity with the Act and the Regulation; or
- (c) except to bring the Plan and/or this Addendum into conformity with requirements under an Act of the New Brunswick Legislature or other legislation in another jurisdiction.

Plan Issuer, by its Agent

Print Full Name of Authorized Person

Print Full Name of Planholder

Signature of Authorized Person

Signature of Planholder

Date (DD/MM/YYYY)

Date (DD/MM/YYYY)

FORM 3.2
NEW BRUNSWICK
RECORD OF TRANSFER OF LOCKED-IN RETIREMENT FUNDS
General Regulation - Pension Benefits Act, ss.21(8.1) and 8.2)

PART I

Transferee Information: *(To be completed by the Transferee)*

Financial Institution <i>(Trustee for LIRA, LIF or Annuity)</i> OR Pension Plan Administrator:		
Address:		City:
Province:	Postal Code:	Telephone # () -
Broker named in LIRA or LIF <i>(if any)</i> Telephone		
Address:		City:
Province:	Postal Code:	Telephone # () -

Type of fund to which assets are being transferred: *(please tick one)*

LIRA LIF Annuity Pension Plan

CCRA Registration #:	New Brunswick Registration #:
Name of Retirement Savings Arrangement or Pension Plan:	

Owner Information: *(To be completed by the Transferee)*

Name:	SIN #: _____ - _____ - _____	
Address:		
Province:	Postal Code:	Telephone # () -
Date of Birth: _____ / _____ / _____ Mth. / Day / Yr.	Owner's Account # with Transferee:	

Transferee Agreement (To be completed by the Transferee)

As the **financial institution** or **pension plan** to receive the assets as trustee, the assets shall only be accepted if the assets are transferred in compliance with the *Pension Benefits Act* and regulations. The assets shall be transferred into the registered account referred to in Part I. It is understood that if the assets are not transferred in compliance with the Act and regulations, the transfer is void and all assets transferred shall be returned to the transferor. The trustee undertakes to comply with the Act and the regulations while the assets remain under its trust.

I certify that the information given on this form is correct and complete and that I am authorized to act on behalf of the financial institution or pension plan.

_____ Name (Print)	_____ Position or Office
_____ Authorized Signature	_____ Date

Owner/Planholder Transfer Information (To be completed by the Owner/Planholder)

As the **Owner/Planholder** of the assets to be transferred, I agree to the transfer and understand that the assets must be transferred in compliance with the *Pension Benefits Act* and regulations. I shall only request that the assets be transferred in compliance with the Act and regulations and I understand that if the assets are not transferred in compliance with the Act and the regulations, the transfer is void.

_____ dollars and _____ cents

Amount of Transfer (in words)

\$ _____

Amount of Transfer (numerical)

I request that the assets be transferred to the above-mentioned

(Please tick fund type) LIRA LIF Annuity Pension Plan

I certify that the information given on this form is correct and complete and I agree to comply with the terms of the transfer as required by the *Pension Benefits Act* and the regulations.

_____ Owner/Planholder's Signature	_____ Date
--	----------------------

NOTE:

- (a) **This form is to be completed in triplicate.**
- (b) **After Part I is completed, forward this form, in triplicate, to the Transferor for completion of Part II.**

PART II

Transferor Information and Agreement: *(To be completed by the Transferor)*

Pension Plan Administrator or Financial Institution:	
New Brunswick Registration #:	CRA Registration #:

The assets for the transfer originate from:

a pension plan that complies with the Act and regulations and from which assets are being transferred under section 36 of the Act

a pension plan that complies with legislation similar to the Act in a designated jurisdiction and from which the assets are being transferred under a provision similar to section 36 of the Act

another retirement savings arrangement that complies with the Act and regulations (LIF or LIRA)

a life or deferred life annuity under a contract that complies with the Act and regulations

the fund of a pension plan that is sponsored by the Province

_____ dollars and _____ cents
Amount of Transfer *(in words)*

\$ _____
Amount of Transfer *(numerical)*

- OR - Total Remaining Balance

Was the commuted value of the amount for transfer determined on transfer in a manner that differentiated on the basis of the sex of the Owner? Yes No

I certify that I have authenticated the New Brunswick Registration Number given in Part I, that the information in Part II is correct and complete and, with respect to this transfer, I have complied with the provisions of the *Pension Benefits Act* and the regulations. It is understood that if the assets are not transferred in compliance with the Act and the regulations, the transfer is void.

Name (Print)

Authorized Signature

Position or Office

Date

NOTE:

This form shall be forwarded in triplicate to the transferee with the transferred assets for completion of Part III.

PART III

Receipt by Transferee: *(To be completed by the transferee)*

We have received \$ _____ in compliance with the *Pension Benefits Act* and regulations.

We have noted that the commuted value of the transfer was / was not differentiated on the basis of the sex of the Owner/Planholder.

We certify that this form was completed in compliance with the *Pension Benefits Act* and regulations.

Name (Print)

Position or Office

Authorized Signature

Date

NOTE:
The transferee shall retain one copy of the completed form until ninety-three years after the owner/Planholder's date of birth. The second copy of the completed form shall be returned to the transferor, who shall retain the copy until ninety-three years after the owner/Planholder's date of birth. The third copy of the completed form shall be given to the owner/Planholder.