

ADDENDUM FOR RESTRICTED LOCKED-IN SAVINGS PLAN (RLSP)

Pursuant to the *Pension Benefits Standards Act, 1985 (Canada)*

**BMO RETIREMENT SAVINGS PLAN (RSP 0527-006)
BMO MUTUAL FUNDS RETIREMENT SAVINGS PLAN (RSP 0527-002)
BMO MUTUAL FUNDS GROUP RETIREMENT SAVINGS PLAN (RSP 0527-003)
BMO RETIREMENT SAVINGS PLAN (ADVISOR) (RSP 0527-016)**

Plan issuer – BMO Trust Company
100 King St. W., 41st Floor Toronto, Ontario M5X 1H3

Acting through its Agent, Bank of Montreal

Customer name: _____

Branch Transit: _____

Account #: _____

Upon receipt of locked-in pension assets pursuant to the *Pension Benefits Standards Act, 1985 (Canada)*, and in accordance with the instructions of the Planholder to transfer the assets to a restricted locked-in savings plan, the Plan issuer and Planholder agree that the provisions of this Addendum are appended to and form additional terms of the Declaration of Trust or Trust Agreement for the above-named retirement savings plan.

1. **Pension Legislation.** For the purposes of this Addendum the word "Act" means the *Pension Benefits Standards Act, 1985 (Canada)* and the word "Regulation" means the regulation 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 savings plan governed by the Declaration of Trust or Trust Agreement and the additional terms of this Addendum. "Planholder" means the planholder, accountholder or annuitant under the Declaration of Trust or Trust Agreement 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 a person who,
 - (a) at the relevant time,
 - (i) is married to the Planholder, or
 - (ii) is party to a void marriage with the Planholder; or
 - (b) if there is no person in subparagraph (a),
 - (i) is cohabiting with the Planholder in a conjugal relationship,
 - (ii) having cohabited with the Planholder for at least one (1) 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 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.** No transfer of Locked-In Assets from the Plan is permitted except:
 - (a) to transfer the Locked-In Assets to another restricted locked-in savings plan or to a restricted life income fund;
 - (b) to purchase an immediate or deferred life annuity in accordance with the definition of "retirement income" pursuant to subsection 146(1) of the *Income Tax Act*; or
 - (c) to transfer the Locked-In Assets to a registered pension plan, if the registered pension plan permits such a transfer and if the registered pension plan administers the benefit attributed to the transferred Locked-In Assets as if the benefit were that of a plan member with two years' membership in the registered pension plan.

Any transfer out of the Plan must be made on a tax deferred basis under the *Income Tax Act (Canada)*.

5. **Withdrawals.** Subject to paragraphs 6, 7, 8 and 9 of this Addendum, no withdrawal, commutation or surrender of Locked-In Assets is permitted except where an amount is required

to be paid to the taxpayer to reduce the amount of tax otherwise payable under Part X.1 of the *Income Tax Act* (Canada).

6. **Payment Due to Disability.** Locked-In Assets may be paid to the Planholder as a lump sum where a physician certifies, in a form satisfactory to the Plan Issuer, that due to mental or physical disability, the life expectancy of the Planholder is likely to be shortened considerably.
7. **Payment to Nonresident.** Locked-In Assets may be paid to the Planholder if, according to information provided in a form and content satisfactory to the Plan Issuer, the following conditions are met:
 - (a) the Planholder is a nonresident of Canada;
 - (b) the Planholder has been a nonresident of Canada for at least two calendar years; and
 - (c) the Planholder has ceased employment with the employer who was contributing to the pension plan which gave rise to the locked-in pension benefit credits.
8. **Payment of Small Amount at Age 55 or Older.** The Locked-In Assets may be paid to the Planholder, in the calendar year in which the Planholder reaches 55 years of age or in any subsequent calendar year, if
 - (a) the Planholder certifies that the total value of all the locked-in assets in all locked-in registered retirement savings plans, life income funds, restricted locked-in savings plans and restricted life income funds that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by the Regulation is less than or equal to 50% of the Year's Maximum Pensionable Earnings; and
 - (b) the Planholder gives a copy of Form 2 and Form 3 of Schedule V of the Regulation to the Plan Issuer, acting through its Agent.
9. **Withdrawal Where Financial Hardship.** The Planholder may withdraw Locked-in Assets in an amount up to the lesser of the amount determined by the formula $M + N$ and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year for financial hardship (under any of paragraphs 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, from any locked-in registered retirement savings plan, life income fund, restricted locked-in savings plan or restricted life income fund of the Planholder), where

M is the total amount of the expenditures that the Planholder expects to make on medical or disability-related treatment or adaptive technology for the calendar year, and

N is the greater of zero and the amount determined by the formula

$$P - Q$$

where

P is 50% of the Year's Maximum Pensionable Earnings, and

Q is two thirds of the Planholder's total expected income for the calendar year determined in accordance with the *Income Tax Act* (Canada), excluding withdrawals in the calendar year for financial hardship (under any of paragraphs 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, from any locked-in registered retirement savings plan, life income fund, restricted locked-in savings plan or restricted life income fund of the Planholder)

and if

- (a) the Planholder certifies that he/she has not made a withdrawal in the calendar year for financial hardship (under any of paragraphs 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, from any locked-in registered retirement savings plan, life income fund, restricted locked-in savings plan or restricted life income fund of the Planholder) other than within the last 30 days before this certification;
- (b) in the event that the value of M is greater than zero,
 - (A) the Planholder certifies that he/she expects to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of the Planholder's total expected income for that calendar year determined in accordance with the *Income Tax Act* (Canada), excluding withdrawals in the calendar year for financial hardship (under any of paragraphs 20(1)(d), 20.1(1)(m), 20.2(1)(e) or 20.3(1)(m) of the Regulation, from any locked-in registered retirement savings plan, life income fund, restricted locked-in savings plan or restricted life income fund of the Planholder), and
 - (B) a physician certifies that such medical or disability-related treatment or adaptive technology is required; and

- (c) the Planholder gives a copy of Form 1 and Form 2 of Schedule V of the Regulation to the Plan Issuer, acting through its Agent.

10. **Death of Planholder.** On the death of the Planholder, the Locked-In Assets in the Plan shall:

- (a) if the Planholder is a member or former member of the registered pension plan from which the Locked-In Assets originate and is survived by a spouse, be:
 - (i) applied to purchase an immediate or deferred life annuity for the Planholder's spouse in accordance with paragraph 60(l) of the *Income Tax Act* (Canada),
 - (ii) transferred to a locked-in registered retirement savings plan or to a restricted locked-in savings plan for the spouse,
 - (iii) transferred to a life income fund or to a restricted life income fund for the spouse, or
 - (iv) transferred to a registered pension plan for the spouse, if the registered pension plan permits such a transfer and if the registered pension plan administers the benefit attributed to the transferred Locked-In Assets as if the benefit were that of a plan member with two years' membership in the registered pension plan; or
- (b) if, as of the Planholder's date of death, there is no spouse entitled pursuant to paragraph 10(a), be:
 - (i) paid to the Planholder's designated beneficiary in accordance with the Plan, or,
 - (ii) if no beneficiary has been designated in accordance with the Plan, paid to the Planholder's estate.

The Plan issuer must receive satisfactory evidence of death, 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 Plan issuer may require.

- 11. **Valuation 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 or Trust Agreement. The value of the Locked-In Assets at any time will be determined by the Agent's regular reporting practice.
- 12. **No Assignment etc.** The Locked-In Assets in the Plan will not be assigned, charged, anticipated or given as security except as permitted by section 25(4) of the Act. Any transaction in contravention of this paragraph is void.
- 13. **All Payments.** 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.
- 14. **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 of the *Income Tax Act* (Canada).
- 15. **Restriction on Type of Annuity.** Where a pension benefit credit transferred into the Plan was not varied according to the sex of the plan member, an immediate life annuity or a deferred life annuity purchased by the funds accumulated in the Plan shall not differentiate as to sex.
- 16. **Information to be Provided by Plan Issuer.** At the beginning of each fiscal year, the Plan issuer 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; and
 - (b) the value of the Locked-In Assets as of the beginning of the fiscal year.

If the Locked-In Assets are transferred out of the Plan, 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.

- 17. **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.

18. **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.

Determination of Pension Benefit Credit on the Basis of Sex. Was the pension benefit credit that was transferred into the Plan determined in a manner that varied on the basis of sex of the Planholder as a plan member? **YES** **NO**

Plan issuer, by its agent

Full Name of Planholder

Signature of Authorized Person

Signature of Planholder

Date

Date

BMO Trust: FRL - 1114