

**ADDENDUM FOR TRANSFERS TO A  
RETIREMENT INCOME FUND**

**For transfers pursuant to The Pension Benefits Act, 1992 (Saskatchewan) from  
a Saskatchewan Pension Plan, Locked-In Retirement Account (LIRA), Life Income Fund  
(LIF) or Locked-In Retirement Income Fund (LRIF)**

**BMO RETIREMENT INCOME FUND (RIF 0076)  
BMO RETIREMENT INCOME FUND (ADVISOR) (RIF 0062)**

**Plan Carrier – 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 #:** \_\_\_\_\_

WHEREAS the undersigned Planholder has applied for a BMO Trust Company Retirement Income Fund (the "RIF"), to receive and hold funds governed by *The Pension Benefits Act, 1992* (the "Act") and *The Pension Benefits Regulations, 1993* (the "Regulations").

AND WHEREAS the Plan Carrier has agreed to accept the transferred funds.

NOW IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Planholder and the Plan Carrier, that the full amount of the transferred funds, inclusive of all future investment earnings and gains or losses accruing thereto (the "RIF Assets"), shall be governed by the terms and provisions of this Addendum and by the Declaration of Trust for the RIF. Both this Addendum and the declaration of trust for the RIF (and any amendments to them) must be approved by Canada Revenue Agency ("CRA"). Subject to the requirements of the *Income Tax Act* (Canada), to the extent that there is any inconsistency between this Addendum and the Declaration of Trust for the RIF, this Addendum shall govern the manner in which the RIF Assets are dealt with.

Upon receipt of the transferred funds, the Plan Carrier further declares as follows:

- Definitions.** For the purposes of this Addendum, the words "contract", "life annuity contract", "locked-in retirement account contract" (LIRA), "life income fund contract" (LIF), "locked-in retirement income fund contract" (LRIF), "pension" and "pension plan" have the same meanings as are respectively given to these words in the Act and the Regulations. In this Addendum, "Plan" has the same meaning given in the Declaration of Trust for the RIF and "Planholder" means the planholder, accountholder or annuitant under the Declaration of Trust and application form.
- Spouse.** The word "spouse" means a person:
  - who is married to the Planholder; or
  - if the Planholder is not married, with whom the Planholder is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the Planholder as his or her spouse for at least one year prior to the relevant time.

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).

- Transfers Into the Plan.** The Plan Carrier shall not enter into this Addendum except with respect to transferred funds from:
  - a LIRA as defined in section 29 of the Regulations;
  - a LIF entered into before section 30 was repealed;
  - a LRIF entered into before section 31 was repealed;
  - another contract that is prescribed as a retirement plan for the purposes of clause 32(2)(d) of the Act;
  - a pension plan, as a transfer pursuant to section 32 of the Act;
  - a policy, as defined by section 42 of the former regulations; or
  - the Saskatchewan Pension Plan as established by *The Saskatchewan Pension Plan Act*.

Notwithstanding the above, at any time after the Plan is issued, the Plan Carrier may accept a transfer of moneys into the Plan from any of the sources mentioned in (a) to (g) above, from a contract that is not prescribed as a retirement plan for the purposes of clause 32(2)(d) of the Act or from an RRSP if:

- the *Income Tax Act* (Canada) permits the transfer; and
- the requirements in paragraph 4 of this Addendum have been met.

No funds will be transferred to the RIF except in accordance with section 29.1 of the Regulations (as provided in this paragraph 3) and no assets will be held in the RIF except RIF Assets subject to this Addendum.

4. **Eligibility.** No funds will be transferred to or held under the RIF and this Addendum unless:
  - (a) either (i) the Planholder is at least 55 years of age or (ii) the Planholder provides evidence to the satisfaction of the Plan Carrier that the pension plan or any of the pension plans from which funds are to be transferred provides for retirement at an earlier age and the Planholder has attained that age; and
  - (b) a consent to transfer in Form 1 has been signed by the Planholder's spouse and filed with the issuer, carrier, administrator or the Saskatchewan Pension Plan Board of Trustees, whoever is transferring the funds (as required by subparagraph 29.1(4)(b)(ii) of the Regulations).
5. **All Payments.** The Planholder will be paid an income, the amount of which may vary annually and that will commence not later than the last day of the second fiscal year of the RIF. The amount of income paid during a fiscal year of the RIF will not be less than the minimum amount required to be paid under section 146.3 of the *Income Tax Act*.
6. **Liquidity.** The Planholder is required, when directing the Plan Carrier to make investments, to select only investments having the liquidity necessary for the purposes required under this Addendum and the Plan Carrier will not be required to accept such investments where, in the opinion of the Plan Carrier, the necessary liquidity is not readily apparent.
7. **Transfers Out of the Plan.** The Planholder may transfer, to the extent a transfer is permitted on a tax-free basis under the *Income Tax Act* (Canada), all or part of the balance of the RIF Assets:
  - a) to another registered retirement income fund, with an addendum in accordance with section 29.1 of the Regulations;
  - b) for the purchase of a life annuity contract, as provided in paragraph 60(l) of the *Income Tax Act*, that meets the requirements of section 34 of the Act;
  - c) to a LIRA as defined in section 29 of the Regulations; or
  - d) to a plan that provides for the payment of variable benefits in accordance with section 29.2 of the Regulations and that permits the transfer

The Trustee shall in prescribed form and manner, transfer all or a part of the then current value of the RIF Assets together with all information necessary for the continuance of the RIF to another carrier of a registered retirement income fund for the Annuitant, provided that the Trustee will retain sufficient RIF Assets to satisfy the requirement to pay the minimum amount to the Annuitant for the year in accordance with paragraphs 146.3(2)(e) and 146.3(2)(e.2) of the *Income Tax Act* (Canada) and that the Trustee will retain an amount equal to the lesser of:

- (a) the fair market value of such portion of the property as would, if the fair market value thereof does not decline after the transfer, be sufficient to ensure that the minimum amount under the Fund for the year in which the transfer is made may be paid to the annuitant in the year, and
- (b) the fair market value of all the property.

It is understood and agreed by the Planholder that unmatured investments held as RIF Assets may not be redeemed before maturity, for the purposes of transfer under this paragraph 7.

8. **Notice to Transferee.** Prior to the transfer of any RIF Assets pursuant to paragraph 7 of this Addendum, the Plan Carrier will advise the transferee institution in writing of the status of the RIF Assets and make acceptance of the transfer subject to the conditions of the Act and Regulations.
9. **Death of Planholder.** On the death of the Planholder, who was a member of the pension plan from which the funds were transferred, either directly or indirectly, the balance of the RIF Assets, to the extent permitted by the *Income Tax Act* (Canada), are to be paid:
  - (a) where the Planholder had a spouse at the date of death who survives the Planholder for 30 days or more, to the surviving spouse unless a spouse's waiver in Form 2 has been signed by the spouse and filed with the Plan Carrier; or
  - (b) where there is no surviving spouse, where the spouse does not survive the Planholder for 30 days or more or where the surviving spouse has signed a spouse's waiver in Form 2 and the waiver has been filed with the Plan Carrier, to a designated beneficiary; or
  - (c) if there is no designated beneficiary, to the personal representative of the Planholder's estate in his/her representative capacity.

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

10. **No Assignment etc.** In accordance with section 63 of the Act, the RIF Assets may not be assigned, charged, alienated or anticipated and are exempt from execution, seizure or attachment and any transaction purporting to assign, alienate or anticipate the RIF Assets is void. This paragraph is subject to paragraphs 11 and 12 of this Addendum.
11. **Attachment.** Subject to section 50 of the Act, the RIF Assets are subject to attachment for the purpose of enforcing a maintenance order as defined in the *Enforcement of Maintenance Orders Act*. When an amount has been so attached, the Plan Carrier shall deduct such amounts as are provided for in the Act or the Regulations. The Planholder will have no further claim or entitlement to any pension respecting the amount attached and the Plan Carrier is not liable to any person by reason of having made payment pursuant to such attachment. Further, the Plan Carrier shall deduct from the money in the Plan an amount, not to exceed \$250, that reasonably represents the cost of complying with the attachment.
12. **Marriage Breakdown Provisions.** The RIF Assets are subject, with any necessary modification, to the division on spousal relationship breakdown provisions in Part VI of the Act.
13. **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.

If the Planholder provided instructions regarding the amount and frequency of payments in a prior 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 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 Issuer 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.

There is no minimum amount that must be paid out as income to the Planholder in the first year, however, in the second and each subsequent year, the total annual payment must not be less than the "Minimum Amount", which is the amount prescribed from time to time under the *Income Tax Act* (Canada) as the minimum amount which must be paid out of the RRIF each year. There is no limit on the maximum annual payments.

14. **Improper Payout Provisions.** If the Plan Carrier pays out RIF Assets contrary to the terms of the Act, section 29.1 of the Regulations or this Addendum, the Plan Carrier will provide or ensure the provision of an amount equal to the amount that would have been provided pursuant to this Addendum had the RIF Assets not been paid out.
15. **Indemnity.** Should the Plan Carrier or its agent provide or be required to provide a pension as a result of RIF Assets being paid out or transferred contrary to the Act, section 29.1 of the Regulations or this Addendum, the Planholder or the Planholder's heirs, administrators, or executors will indemnify and hold harmless the Plan Carrier or its agent and pay back without demand all RIF Assets improperly paid out or transferred, to the extent that such RIF Assets were received by or accrued to the benefit of any recipient.
16. **Amendment.** The Plan Carrier may from time to time in its discretion amend this Addendum by giving 30 days notice to the Planholder. No amendment shall be made unless the Plan and this Addendum as amended remain in conformity with the standard contract approved under the Regulation and in accordance with section 146.3 of the *Income Tax Act* (Canada).
17. **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 RIF 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 RIF 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 RIF Assets must be provided the information determined as of the date of the Planholder's death.

18. **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.

19. **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.

**Plan Carrier, by its agent**

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

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

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

BMO Trust: SF - 1114