

Manitoba Locked-in Plans (LIRA/LIF) Unlocking Checklist

Opening Customer Disclosures:

- 1) When money is withdrawn from a locked-in account, the amount withdrawn is considered as income that could affect eligibility for benefits under another government program. Customers should be advised to contact the government agency or department that administers the program or provides the benefits for more information on eligibility. BMO employees should not offer to call any government agency or department on behalf of customers.
- 2) Money in locked-in accounts is exempt from execution, seizure or attachment. Once money is withdrawn from a locked-in account and is in the hands of the owner, it loses its protection from creditors. This applies to money that is withdrawn under any reason(s) listed below.

SECTION 1: Manitoba Unlocking Process

- 1) Confirm on the Investment Details screen in Customer Connect that the Customer's account is "Account Hold: Yes", and "Locked In: Manitoba".
- 2) Complete this checklist for all Manitoba Locked-in Unlocking requests.
- 3) Complete the applicable Manitoba Unlocking form(s). Use only up-to-date forms that are available on the Manitoba Office of the Superintendent – Pension Commission [website](#).
- 4) Complete the BMO E-Form for withdrawal and/or transfer, as applicable.
 - Pricing Desk authorization is NOT required for unlocking requests UNLESS Progressive GICs that have not yet matured are included in the requested amount for unlocking.
- 5) Advise customer of the withholding tax amount.
- 6) Fax the completed checklist, Manitoba government form(s), BMO form(s), and all additional supporting documents to Investment Services (IS) at 1-866-597-7928 for approval and processing.
- 7) If the application is complete and all relevant documentation is received, IS will deposit funds to the Customer's account within 2 business days. If the application is incomplete, IS will fax the submitting branch with the reason for the rejection and the branch will need to take corrective action and resubmit to IS.

For further guidance and support please call the DCO at 1-877-678-7777, refer to the Manitoba Office of the Superintendent - Pension Commission website or P&P topic 420-84. Employees should not contact or make requests of regulators (provincial or federal), except where specifically instructed to do so in this checklist, unless explicitly requested to do so by a member of BMO Legal Group or BMO Compliance Group. Employees should not contact regulators or direct customers to contact regulators for guidance around BMO's unlocking process. If you are contacted by a regulator directly, please escalate to your manager immediately. Managers are reminded to contact Compliance. Please note that this reminder is not intended to prevent you from using BMO's internal and other external channels to raise concerns, including disclosing to a government agency matters protected by whistleblower laws without notice to or consent from BMO.

SECTION 2: Manitoba Special Permitted Withdrawals Unlocking Reasons & Requirements

Applications to unlock must satisfy specific conditions to be eligible for unlocking. The Customer must select a reason(s) from the list below, complete the appropriate forms and satisfy all requirements associated with the reason(s) selected.

Small Amounts

- The customer is less than 65 years of age.
- The interest on the balances of all the customer's locked-in accounts is less than 40% of the [Year's Maximum Pensionable Earnings \(YMPE\)](#) for the year in which the owner applied for the withdrawal. Interest is calculated and compounded annually at the rate of 6% per annum from December 31 in the year which the application is filed to the end of the year in which the owner turns 65 years of age. Please see an example of this calculation on page 5 [here](#).
- There are no prescribed forms required other than standard forms noted in this checklist.
- Ensure the spousal status is indicated on the fax coversheet.

Full Balance Unlocking

- Customer is 65 years of age or older.
- The customer must provide a letter of direction that specifies their request for the Bank to unlock their account based on this provision
- If the customer wants to transfer the full balance to a new or existing RRSP/RRIF, complete the applicable transfer E-Forms.
- If the customer has a spouse/common-law partner, than [Form 8 – “Consent to withdrawal or transfer at or after age 65 of Manitoba locked-in money”](#) must be signed by the spouse/common-law partner.
- Ensure the spousal status is indicated on the fax coversheet.

Shortened Life Expectancy

- The customer must provide a letter of direction that specifies their request for the Bank to unlock their account based on this provision.
- The Customer must provide written confirmation from a physician that the disability or illness is likely to considerably shorten the customer’s life (life expectancy cannot exceed two years). The confirmation must be on a physician’s letterhead or include the physician’s stamp.
- If the customer has a pension partner then [Form 7 - "Consent to Withdrawal from LIRA or LIF Due to Terminal Illness or Disability"](#) must be signed by the pension partner.
- Ensure that the spousal status is indicated on the fax coversheet.

Financial Hardship Unlocking (FHU)

- Customers are permitted to apply under each reason only ONCE per calendar year and they may choose more than one reason per application.
- For all applications, the customer must complete and sign the Financial Hardship Withdrawal Application Form.
- The consent of the customer’s spouse to the withdrawal must be completed and is incorporated within the FHU unlocking forms.
- The customer has completed the [Financial Hardship Withdrawal Application Form](#) and has indicated one or more of the following reasons:

Low Expected Income

- The amount of the withdrawal request must be calculated using the current FHU application form
- The customer **does not** need to provide any supporting documentation

Medical Expenses

- The customer must indicate the name of the person with the medical costs (owner, spouse/common-law partner or dependent)
- The customer must include all applicable items:
- A certification by a physician or dentist that the expense is necessary to treat an illness or disability. The physician or dentist must be an individual that is licensed to practise medicine or dentistry in Canada.
- A copy of the receipt for the expense or, for an expense that will incur during the one-year period after the application is signed, a quote or estimate of the expense
- The maximum withdrawal is the total expense that have, or will be incurred, and the tax payable on the withdrawal

Rental Arrears

- The customer must provide a written eviction notice that includes:
 - The customer’s and/or spouse/common-law partner’s name
 - Address of the home which the eviction is for
 - Reason for unpaid rent
 - Date the tenancy ends
 - Landlord Signature
 - Amount of rent owing
 - Statement that the Customer will be evicted if the amount owing is not paid.
- The maximum withdrawal is the total of the arrears on the date of the application is signed and the amount of tax payable on the withdrawal.

Mortgage Arrears

- The customer must provide the following documents:
 - A written threat of foreclosure of legal action on the property that is the customer’s or spouse’s/common-law partner’s main home AND
 - Documents that show the amount of mortgage arrears
- The maximum withdrawal is the total of the arrears on the date the application is signed and the amount of tax payable on the withdrawal

One-Time Unlocking – 50%

- Customer is 55 years of age or older.
- The customer must provide a letter of direction that specifies their request for the Bank to unlock their account based on this provision.
- The unlocking can only occur upon a transfer from a LIRA/LIF to a Prescribed Registered Retirement Income Fund (RRIF), a prescribed RRIF is the same as a RRIF, except that it is also subject to certain rules set out in Manitoba's act and regulations. Funds in a prescribed RRIF are not locked in.
- Unlocking can only occur once; customers may want to combine locked-in funds into a single Manitoba LIRA/LIF in advance of their request.

- The 50% must be transferred to a Prescribed RRIF by completing BMO Retirement Income Fund Application [E-Form 433](#) and the addendum for a Manitoba Prescribed Registered Retirement Income Fund (PRRIF) [E-Form 3829](#).
- The customer must also complete [Application for a Prescribed Transfer from a LIRA, LIF or Pension Plan to a PRRIF](#).
- If the customer has a spouse/common-law partner, [Form 4 - "Consent to One-Time Transfer of Manitoba Locked-in Money"](#) must be signed by the spouse/common-law partner.
- Ensure that the spousal status is indicated on the fax coversheet.

Becoming a Non-Resident of Canada

- The Customer must provide written confirmation from Canada Revenue Agency (CRA) that they are a non-resident of Canada. (To obtain non-residency status the customer must complete the federal form [NR73 - "Determination of Residency Status \(Leaving Canada\)"](#) and submit to CRA, and have been absent from Canada for 2 or more years).
- If the customer has a spouse/common-law partner [Form 3 - "Consent to Withdrawal for Non-Residency Status"](#) must be signed by the pension partner.
- Ensure that the spousal status is indicated on the fax coversheet.

SECTION 3: Submitting Documents for Processing

<input type="checkbox"/>	Manitoba government forms completed in full and signed by Customer, Spouse/Common-law Partner (if applicable) and witnessed. <ul style="list-style-type: none">• Owner certification and spousal consent cannot be dated more than 30 days before the completed application is received.
<input type="checkbox"/>	Complete the BMO E-Form for withdrawal and/or transfer, as applicable.
<input type="checkbox"/>	All supporting documentation meets the requirements outlined in Section 2.
<input type="checkbox"/>	Fax all forms and required documentation to IS indicating the reason(s) for unlocking on the fax coversheet.

SECTION 4: After Approval or Refusal from Investment Services:

If approved

Verify that the funds have been disbursed in accordance with the instructions on the BMO E-Forms. Contact the Customer to address any additional questions or concerns.

If refused

Review the fax. Contact the Customer to determine whether corrective action can be taken to amend and resubmit the application.

If correction and re-submission **are possible**, arrange for new forms to be completed (if required) and any additional requirements/documentation to be provided. Fax the complete application to Investment Services.

Sender Name:

Branch:

Address:

City, Prov.:

Postal Code:

Transit:

Phone:

Fax:

E-mail:

Fax The information contained in this transmission is confidential

To: Investment Services

Date:

Fax: 1-866-597-7928

Pages:

Re: Manitoba Locked-in Plans Unlocking Request

- Small Amounts
- Full Unlocking
- Shortened Life Expectancy
- Financial Hardship
- Low Expected Income
- Medical Expenses
- Rental Arrears
- Mortgage Arrears
- One-Time Unlocking – 50%
- Non-Resident of Canada

Important:

Does the applicant have a spouse/common-law partner? Yes No