

ADDENDUM FOR LOCKED-IN RRSP (LRSP)

Pursuant to the *Pension Benefits Standards Act (British Columbia)*

BMO INVESTORLINE RETIREMENT SAVINGS PLAN

Plan Issuer– BMO Trust Company
52nd Floor, 100 King St. W.
Toronto, Ontario M5X 1H3
Acting through its Agent, BMO InvestorLine Inc.

CLIENT NAME: _____

ACCOUNT # : _____

Upon receipt of locked-in pension assets pursuant to the *Pension Benefits Standards Act (British Columbia)*, and in accordance with the instructions of the Planholder to transfer the assets to a British Columbia locked-in RRSP, the Plan Issuer 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 savings plan.

1. **Pension Legislation.** For the purposes of this Addendum, the word "Act" means the *Pensions Benefits Standards Act (British Columbia)* and the word "Regulation" means the *Pension Benefits Standards Regulation* 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. For greater certainty, the words "contract", "life annuity contract", "owner", "transfer" and "underwriter" have the same meaning as given in section 29 of the Regulation; the word "life income fund" has the same meaning as given in section 1 of the Regulation; and the words "former member", "member", "pension", "pension plan", "RRSP", "superintendent" and "Year's Maximum Pensionable Earnings" have the same meaning as given in section 1 of the Act.

In this Addendum, "Plan" means the above-named retirement savings plan, 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 and includes the "owner" of the Plan as that term is used in the Regulation. "Locked-In Assets" means all the assets in the Plan at any time, including any interest or other earnings realized or accrued to that time.

3. **Spouse.** The word "spouse" means, in relation to the Planholder,
 - (a) a person who at the relevant time was married to the Planholder and who, if living separate and apart from the Planholder at the relevant time, did not live separate and apart from the Planholder for longer than the 2 year period immediately preceding the relevant time, or
 - (b) if paragraph (a) does not apply, a person who was living and cohabiting with the Planholder in a marriage-like relationship, including a marriage-like relationship between persons of the same gender, and who had been living and cohabiting in that relationship for a period of at least 2 years immediately preceding 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 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. **Used to Provide or Secure a Pension.** Subject to paragraph 29(7)(b) of the Regulation, all the Locked-In Assets, subject to any transfer, are to be used to provide or secure a pension as required by the Act and the Regulation.
5. **Transfers Into the Plan.** The only assets that may be transferred into the Plan are assets originating, directly or indirectly, from:
 - (a) a registered pension plan;
 - (b) another locked-in RRSP;
 - (c) a life income fund; or
 - (d) a life annuity contract;

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

Assets that are not locked in will not be transferred to or held under a Plan with this Addendum, unless the Locked-In Assets will be held in a separate account that will contains only Locked-In Assets.

6. **Transfers Out of the Plan.** The Planholder may not transfer all or part of the Locked-In Assets except:
- (a) to transfer to another underwriter's locked-in RRSP on the relevant conditions specified in section 29 of the Regulation;
 - (b) to transfer to an approved life income fund on the relevant conditions specified in section 30 of the Regulation;
 - (c) to transfer to a registered pension plan on the conditions referred to in section 33(2)(a) of the Act; or
 - (d) to purchase a life annuity contract, under subsection 146(1) of the *Income Tax Act* (Canada).

A transfer to a life income fund under paragraph 6(b) is subject to the condition that, in the case of a Planholder who has a spouse, the spouse must have waived the entitlement to the joint life pension in the form and manner prescribed in Form 3 of Schedule 2.

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

All of the Locked-In Assets must be transferred or paid on or before the 31st day of December of the year in which the Planholder reaches age 71 (or such other time for maturity as is permitted by the *Income Tax Act* (Canada)). If the Plan Issuer does not receive instructions from the Planholder by this time, the Plan Issuer may in its discretion transfer the Locked-In Assets to an approved life income fund pursuant to subparagraph 7(b); and the Plan Issuer will not be responsible 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 administration expenses.

7. **Conditions on Transfer.** The Plan Issuer, before transferring any Locked-In Assets to another underwriter, will ensure that the other underwriter's name and contract is on the superintendent's list of savings institutions and insurance companies under subsection 29(3) of the Regulation, advise the other underwriter of the requirement to lock in the assets, and make the other underwriter's acceptance of the transfer subject to the conditions provided for in subsection 29(7) of the Regulation.
8. **Joint Life Pension.** The pension payable to a Planholder who is a former member who has a spouse at the date the pension commences is to be a joint pension payable during the joint lives of the former member and the spouse with at least 60% continuance to be payable to the survivor for life after the death of either unless the spouse waives the entitlement in the form and manner set out in Form 2 of Schedule 2.
9. **No Withdrawal, Surrender or Commutation Except Where Required.** Subject to this Addendum, and in conformity with the Act and the Regulation, no withdrawal, commutation or surrender of the Locked-In Assets is permitted, except where an amount is required to be paid to the Planholder to reduce the amount of tax otherwise payable under Part X.1 of the *Income Tax Act* (Canada).
10. **Withdrawal Where Physical Disability.** The Locked-In Assets may be withdrawn as a lump sum or series of payments for the purposes of section 40(2) of the Act if a physician certifies, in a form and manner satisfactory to the Plan Issuer, that due to a physical disability the life expectancy of the Planholder is likely to be shortened considerably, but the payment may only be made if the spouse of the Planholder has waived the joint life pension entitlement in the form and manner set out in Form 2 of Schedule 2.
11. **Withdrawal Where Small Amount.** A Planholder who is a former member is exempt from section 30 of the Act and the requirements of subsections (2), (4), (7)(a), (b) and (e) to (h) and (10 to (13) of Regulation 29, if the balance of the Plan does not exceed 20% of the Year's Maximum Pensionable Earnings.

A Planholder who is age 65 or older may commute the value of the Locked-In Assets if the Planholder has, in the aggregate, in each defined contribution pension plan, locked-in RRSP or life income fund referred to in section 30(11) of the Act, not more than an amount equivalent to 40% of the Year's Maximum Pensionable Earnings and completes a declaration of commutable amount using Form 5 of Schedule 2 and files a copy of the completed form with the Plan Issuer. If the Planholder has a spouse, the Planholder must obtain the spouse's waiver of entitlements using Form 2 of Schedule 2 and file a copy of the completed form with the Plan Issuer.

A locked-in RRSP for which the balance of the Plan exceeds 20% of the Year's Maximum Pensionable Earnings must not be divided into two or more of any combination of locked-in RRSP or life income fund contracts, such that any of them have a resulting balance less than 40% of the Year's

Maximum Pensionable Earnings.

12. **Withdrawal Where Non-Resident.** The Locked-In Assets may be withdrawn by the Planholder if the Planholder has been absent from Canada for 2 or more years, has become a non-resident of Canada for the purposes of the *Income Tax Act* (Canada) and completes and files a certificate of non-residency in Form 6 of Schedule 2 in the manner described in section 23.1(2) of the Regulation.
13. **Relationship Breakdown.** Every transfer to a locked-in RRSP under Part 6 of the *Family Relations Act* (Division of Pension Entitlement) must be made in accordance with section 29 of the Regulation.
14. **Death of Planholder.** On the death of the Planholder who was a former member who has a spouse, the Locked-In Assets will be used to provide a pension for the surviving spouse unless the surviving spouse waives spousal entitlement in the form and manner set out in Form 4 of Schedule 2 and will be transferred:
 - (a) to another locked-in RRSP on the relevant conditions specified in section 29 of the Regulation;
 - (b) to an approved life income fund on the conditions specified in section 30 of the Regulation; or
 - (c) to purchase a life annuity contract, under paragraph 60(l) of the *Income Tax Act* (Canada).

If the Planholder is not survived by a spouse, the Locked-In Assets will be paid to the designated beneficiary or, if no beneficiary has been designated, to the Planholder's estate.
15. **No Assignment etc. and Exempt.** Except as provided for in the Act or the Regulation, the Locked-In Assets may not be assigned, charged, alienated or anticipated and are exempt from execution, seizure or attachment. Any transaction purporting to assign, alienate or anticipate the Locked-In Assets is void.
16. **Manner of Investment.** The Locked-In Assets will be invested and re-invested on the direction of the Planholder as provided in the declaration of trust, and will be invested in a manner that complies with the rules for the investment of RRSP assets contained in the *Income Tax Act* (Canada) and the regulations under the *Income Tax Act* (Canada). The Locked-In Assets will not be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the Planholder or the parent, brother, sister or child of the Planholder or the spouse of any of those persons.
17. **Terms of Investments; Transfers and 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. 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 Issuer or the Agent.
18. **Provision on Improper Pay Out.** If Locked-In Assets are paid out contrary to the Act or section 29 of the Regulation, the Plan Issuer will provide or ensure the provision of a pension equal in value to the pension that would have been provided had the Locked-In Assets not been paid out.
19. **Provision on Improper Transfer.** If the Plan Issuer does not comply with paragraph 7 of this Addendum, and the other underwriter fails to pay the assets transferred in the form of a pension or in the manner required by subsection 29(7) of the Regulation, the Plan Issuer will provide or ensure the provision of the pension referred to in paragraph 18 of this Addendum.
20. **Indemnity.** Should the Plan Issuer 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 Issuer 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.
21. **Amendment.** No amendment will 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).

Plan issuer, by its agent

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| _____ Signature of Authorized Person | _____ Full Name of Planholder |
| _____ Date | _____ Signature of Planholder |
| _____ Date | _____ Date |