

# Addendum for Locked-In pension transfers to a Locked-In Retirement Account (LIRA)

For transfers pursuant to the Pension Benefits Act (New Brunswick)

## BMO InvestorLine Inc. Retirement Income Fund

Plan Carrier — BMO Trust Company

100 King St. W., 41st Floor, Toronto, Ontario M5X 1H3

Acting through its Agent, BMO InvestorLine Inc.

| Client name | Branch code | Account number |
|-------------|-------------|----------------|
|             |             |                |

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 locked-in retirement account, 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 savings plan, 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 savings plan, 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 two persons who:

- are married to each other,
- are married to each other by a marriage that is voidable and has not been avoided by a declaration of nullity,
- have gone through a form of marriage with each other in good faith that is void and have cohabited within the preceding year, or
- not being married to each other, are cohabiting in a conjugal relationship at the relevant time and have cohabited continuously for a period of not less than two years in a conjugal relationship immediately before the relevant time.

If a person falling within (a), (b) or (c) and a person falling within (d) both claim a right or a benefit under this Plan, the person falling within (a), (b) or (c) is entitled to the right or benefit, if he or she is otherwise eligible, unless there is a valid domestic contract between the Planholder and such person, or a decree, order or judgment of a competent tribunal, that bars such person's claim.

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 Into the Plan

The only money that may be transferred into the Plan are sums originating, directly or indirectly, from:

- the fund of a registered pension plan;
- another locked-in retirement account or a life income fund; or
- 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 made before maturity of the Plan and 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 to the Plan 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 into the 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 at any time on or before the 31st day of December in the year in which the Planholder reaches age 71 (or such greater age for maturity as is permitted by the Income Tax Act (Canada)) only into a life or deferred life annuity that conforms with section 23 of the Regulation.

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### 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, but on or before the 31st day of December of the year in which the Planholder reaches age 71 (or such greater age for maturity as is permitted by 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 or 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 or deferred 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. Subsections 21(8) to (11) of the Regulation apply with necessary modifications.

If the Plan Carrier does not receive instructions from the Planholder by the end of the calendar year in which the Planholder reaches age 71 (or such greater age for maturity as is permitted by the Income Tax Act (Canada)), the Plan Carrier may in its discretion transfer the Locked-In Assets to a life income fund pursuant to subparagraph (b). The Planholder will be responsible for any related administration expenses.

### 8. No Surrender or Commutation

The Locked-In Assets in the Plan shall not be commuted or surrendered during the lifetime of the Planholder except under paragraphs 9, 10, 11 or 12 of this Addendum, subsection 57(6) of the Act (enforcement of support or maintenance order) or section 44 of the Act (marriage breakdown). Any transaction in contravention of this paragraph is void.

### 9. Overcontribution Penalty Tax

Subject to the Act and the Regulation, the Planholder may withdraw an amount of Locked-In Assets from the Plan where

- a. the amount is withdrawn to reduce the amount of tax that would otherwise be payable under Part X.1 of the Income Tax Act (Canada) (over contribution provision) by the Planholder; and
- b. the Plan Carrier, notwithstanding section 20 of the Regulation, establishes a sub-account, that is not a registered retirement savings plan, of the Plan, and the Planholder deposits the amount withdrawn, less any amount required to be withheld by the Plan Carrier under the Income Tax Act (Canada), into the sub-account.

### 10. 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.

### 11. Withdrawal Where Small Amount

The Planholder may withdraw the balance of the Locked-In Assets if:

- a. the total assets held by the Planholder in all locked-in retirement accounts, life income funds and life or deferred life annuities would be commutable upon termination of employment if they were held in a pension fund under a pension plan that permitted payment of the commuted value of the pension benefit in accordance with section 34 of the Act (where the adjusted commuted value of the benefit payable is less than 40% of the Year's Maximum Pensionable Earnings for the calendar year of the withdrawal); and
- b. the total of the pension adjustments reported to the Planholder by the Canada Revenue Agency for the two taxation years immediately preceding the request for withdrawal is zero.

The Planholder must request that the balance be withdrawn by delivering a completed Form 3.6 and, where applicable, Form 3.7 (for spousal consent) to the Plan Carrier or its agent. The Plan Carrier or its agent must be satisfied, based upon the information provided in Forms 3.6 and 3.7 and any other information that they have requested, that the reported present distribution of assets transferred from pension funds connected with employment in New Brunswick is consistent with the amounts reported to have been transferred from such pension funds and that the requested withdrawal is permitted under subsection 21(16) of the Regulation.

### 12. 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.

### 13. 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 under section 44 of the Act.

### 14. Marriage Breakdown Provisions

Sections 27 to 33 of the Regulation apply with necessary modifications to the division on marriage breakdown of the Locked-In Assets in the Plan.

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### 15. No Assignment etc. and Exemption from Execution, Seizure or 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 under section 44 or subsection 57(6) of the Act. Any transaction in contravention of this provision 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.

### 16. 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.

The Plan Carrier 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 Carrier may require.

### 17. 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.

### 18. Transfer of Securities

A transfer under subparagraphs 7(a) or (b) or 22(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 to the Planholder of the investment securities in the Plan.

### 19. Timing of Transfers

Unless the Plan provides for an early cashing-in value before the expiration 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 22(a) of this Addendum, such funds shall be transferred no more than 30 days after the Planholder's application for the transfer.

### 20. 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.

### 21. 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 (b) 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; and
- 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.

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.

### 22. Amendment 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 or this Addendum 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 or this Addendum into conformity with requirements under an Act of the New Brunswick Legislature or other legislation in another jurisdiction.


### 23. 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.

### 24. 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.

**Addendum for Locked-In pension transfers to a Locked-In Retirement Account (LIRA)**  
**For transfers pursuant to the Pension Benefits Act (New Brunswick)**

| <b>▶ Client/Planholder acknowledgement</b> |  |                    |
|--|--|--------------------|
| Client/Planholder name (please print)      | Client/Planholder signature<br> | Date (DD-MMM-YYYY) |

| <b>▶ Plan carrier (by its agent)</b>  |                    |
|---|--------------------|
| Authorized person signature<br> | Date (DD-MMM-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)

|   |          |             |              |
|---|----------|-------------|--------------|
| <b>► Financial Institution (Trustee for LIRA, LIF or Annuity) OR Pension Plan Administrator</b> |          |             |              |
| Address   |          |             |              |
| City  | Province | Postal code | Phone number |


|   |          |             |              |
|---|----------|-------------|--------------|
| <b>► Broker named in LIRA or LIF (if any) Telephone</b> |          |             |              |
| Address   |          |             |              |
| City  | Province | Postal code | Phone number |

|   |                                   |
|---|-----------------------------------|
| <b>► Type of fund to which assets are being transferred:</b> (please choose <b>one</b> )  |                                   |
| <input type="checkbox"/> LIRA <input type="checkbox"/> LIF <input type="checkbox"/> Annuity <input type="checkbox"/> Pension Plan |                                   |
| CCRA registration number  | New Brunswick registration number |
| Name of Retirement Savings Arrangement or Pension Plan  |                                   |

### Owner Information (To be completed by the Transferee)

|  |            |                             |              |
|--|------------|-----------------------------|--------------|
| Last name                              | First name | Middle initial              |              |
| Owner's account number with Transferee |            | Date of birth (DD-MMM-YYYY) |              |
| Address                                |            |                             |              |
| City                                   | Province   | Postal code                 | Phone number |

### 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 (please print)  | Authorized signature<br> |
| Position or Office   | Date (DD-MMM-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)**

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

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 choose **one** 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<br> | Date (DD-MMM-YYYY) |
|--|--------------------|

NOTE: (a) This form is to be completed in triplicate. (b) After Part I is completed, forward this form, in triplicate, to the Transfer or for completion of Part II.

**Part II**

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

► **Pension Plan Administrator or Financial Institution**

|                          |                                   |
|--------------------------|-----------------------------------|
| CCRA registration number | New Brunswick registration number |
|--------------------------|-----------------------------------|

► **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 (please print) | Authorized signature<br> |
| Position or Office  | Date (DD-MMM-YYYY)  |

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

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 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 (please print)

Authorized signature

SIGN  
HERE

Position or Office

Date (DD-MMM-YYYY)

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.