

## LOCKED-IN RETIREMENT ACCOUNT (LIRA) ENDORSEMENT

Pursuant to the *Pension Benefits Act* (Nova Scotia)

Plan Issuer – BMO Life Assurance Company

Administrative and Services Office: 250 Yonge Street, 8<sup>th</sup> Floor  
Toronto, ON M5B 2M8

POLICYOWNER NAME: \_\_\_\_\_

POLICY #: \_\_\_\_\_

Upon receipt of locked-in pension assets pursuant to the *Pension Benefits Act* (Nova Scotia), and in accordance with your instructions to transfer the assets to a Nova Scotia locked-in retirement account (LIRA), you and we agree that this Endorsement and Schedule 3 to the *Pension Benefits Regulations* (Nova Scotia) is incorporated in and made a part of the Contract. The Contract consists of the Policy Provisions, the application, the RSP Endorsement in the Policy Provisions, this Endorsement, Schedule 3 to the *Pension Benefits Regulations* (Nova Scotia) and any written amendments thereto. If there is a conflict between this Endorsement or Schedule 3 of the *Pension Benefits Regulations* (Nova Scotia) and the Policy Provisions for the Contract, this Endorsement and Schedule 3 of the *Pension Benefits Regulations* (Nova Scotia) overrides any Policy Provisions that are inconsistent with it.

1. **Pension Legislation.** For the purposes of this Endorsement, the word “Act” means the *Pension Benefits Act* (Nova Scotia) and the word “Regulation” means the *Pension Benefits Regulations* (Nova Scotia) made under the Act.
2. **Definitions.** In this Endorsement, unless otherwise defined herein, capitalized words shall have the same meaning as in the Policy Provisions for the Contract. Please remember that in this Endorsement, “you” and “your” refer to the Policyowner of the Contract and “we”, “us”, “our” and “BMO Insurance” refer to BMO Life Assurance Company. The terms “deferred pension”, “financial institution”, “former member”, “life annuity contract”, “LIF”, “LIRA”, “pension”, “pension plan”, “Superintendent” and “year’s maximum pensionable earnings” have the same meaning as under the Act or Regulation. “Locked-In Assets” means any property, including the income thereon, the proceeds thereof, and cash, held under the Contract from time to time.
3. **Spouse and Common-Law Partner.** The word “spouse” means either of a man or woman who
  - (a) are married to each other,
  - (b) are married to each other by a marriage that is voidable and had not been annulled by a declaration of nullity, or
  - (c) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the twelve-month period immediately preceding the date of entitlement.

The “common-law partner” of an individual means another individual who has cohabited with the individual in a conjugal relationship for a period of at least two years, neither of them being a spouse.

Notwithstanding anything to the contrary contained in the Contract, for the purposes of any provision of the *Income Tax Act* (Canada) respecting registered retirement savings plans, “spouse” and “common-law partner” do not include any person who is not recognized as a spouse or common-law partner under the *Income Tax Act* (Canada).

4. **Transfers Out of the Contract.** The Locked-in Assets will not be withdrawn from the Contract in whole or in part except:
  - (a) for transfer to the pension fund of a registered pension plan or a pension plan established by a provincial statute or a federal statute;
  - (b) for transfer to another LIRA;
  - (c) to purchase only an immediate or deferred life annuity described in subsection 22(6) of the Regulation that is provided by a person authorized under the laws of Canada or a province to sell annuities as defined in section 248 of the *Income Tax Act* (Canada) under an insurance contract that meets the requirements of section 24 of the Regulation;
  - (d) to transfer to a LIF; or

(e) for payment in accordance with section 27 or 28 of the Regulation (small amounts at age 65 or considerably shortened life expectancy), or in accordance with subsection 72(5) of the Act (financial hardship).

5. **Subsequent Transfers.** We will not permit any subsequent transfer unless:

- (a) the transfer would be permitted under the Act and the Regulation; and
- (b) the subsequent transferee agrees to administer the amount transferred as a pension or deferred pension in accordance with the Act and the Regulation.

We will advise any subsequent transferee in writing that the amount transferred must be administered as a pension or deferred pension under the Act and the Regulation.

6. **Annuity Purchased.** The income payable from an annuity that is purchased with Locked-In Assets from the Contract must not begin before the earlier of:

- (a) the earliest date on which you, if you are a former member, are entitled to receive pension benefits under the Act as a result of termination of employment or termination of membership in any pension plan from which money was transferred into the Contract; and
- (b) the earliest date on which you, if you are a former member, are entitled to receive pension benefits under any pension plan described in subsection (a) as a result of termination of employment or termination of membership in the plan.

If the commuted value of the pension benefit that was transferred into the Contract was not determined in a manner that differentiated on the basis of sex, the immediate or deferred life annuity purchased with the Locked-In Assets must not differentiate on the basis of sex.

7. **Withdrawal Where Small Amount at Age 65.** You may, upon application in accordance with this section 7 of the Endorsement, withdraw all of the Locked-In Assets if, when you sign the application:

- (a) you are at least 65 years of age; and
- (b) the value of all assets in all LIRAs, LIFs and pension plans providing defined contribution benefits owned by you is less than 40% of the year's maximum pensionable earnings for the calendar year in which the application is made.

The application to withdraw the Locked-In Assets from the Contract must be in Form 10 ("Application to a Financial Institution to Withdraw Money From a LIRA or LIF at age 65"), signed by you and given to us. Any document that is required to be given to us under this section 7 of the Endorsement and that must be signed by you is void if it is signed more than 60 days before we receive it. We shall give you a receipt for any document received pursuant to this section 7 of the Endorsement stating the date on which it was received.

We are entitled to rely upon the information provided by you in an application made under this section 7 of the Endorsement. An application that meets the requirements of this section 7 of the Endorsement and section 27 of the Regulation constitutes authorization to us to pay the Locked-In Assets from the Contract to you in accordance with this section 7 of the Endorsement and section 27 of the Regulation.

The value of all assets in all LIRAs, LIFs and pension plans providing defined contribution benefits owned by you when you sign the application under this section 7 of the Endorsement will be determined in accordance with the most recent statement about each LIRA or LIF given to you, and each statement must be dated within one year before you sign the application.

We must make the payment to which you are entitled under this section 7 of the Endorsement and section 27 of the Regulation within 30 days after we receive the completed application and the statements referred to above.

8. **Withdrawal When Shortened Life Expectancy.** You may, upon application in accordance with this section 8 of the Endorsement, withdraw all or part of the Locked-In Assets if, when you sign the application, you have a mental or physical disability that is likely to shorten considerably your life expectancy.

An application to withdraw the Locked-In Assets from the Contract must be:

- (a) in Form 11 ("Application to a Financial Institution to Withdraw Money from a LIRA or LIF Because of Considerably Shortened Life Expectancy");
- (b) signed by you and accompanied by a statement by a physician who is licensed to practice medicine in a jurisdiction in Canada that, in the opinion of the physician, you have a mental or physical disability that is likely to shorten considerably your life expectancy; and

(c) given to us.

We are entitled to rely upon the information provided by you in an application made pursuant to this section 8 of the Endorsement. An application that meets the requirements of this section 8 of the Endorsement and section 28 of the Regulation constitutes authorization to us to make the payment from the Contract in accordance with this section 8 of the Endorsement and section 28 of the Regulation. We are required to make the payment to which you are entitled under this section 8 of the Endorsement and section 28 of the Regulation within 30 days after we receive the completed application form and accompanying documents.

Any document that is required to be given to us under this section 8 of the Endorsement and that must be signed by you is void if it is signed more than 60 days before we receive it. We shall give you a receipt for any document received pursuant to this section 8 of the Endorsement stating the date on which it was received.

9. **Withdrawal Where Financial Hardship.** Pursuant to subsection 72(5) of the Act, you may, upon written application, apply to the Superintendent for the Superintendent's consent to the commutation or surrender in whole or in part of the Locked-In Assets if the Superintendent is satisfied as to the existence of such circumstances of financial hardship as may be prescribed in the Regulation.

The application must be completed in a form approved by the Superintendent, in accordance with the Regulation, accompanied with the statements and any other documents required under the Regulation, and sent by you to the Superintendent.

A written consent by the Superintendent to the withdrawal of Locked-In Assets from the Contract authorizes us to pay to you the net amount, as calculated in accordance with the Regulation, and to pay to the Minister of Finance the application fee.

A net amount, as calculated in accordance with the Regulation, may, in accordance with the request made in your application and as consented to by the Superintendent, be paid to you:

- (a) as a lump sum payment; or
- (b) as a transfer to a designated non-locked-in retirement savings arrangement.

We shall pay or transfer the net amount no later than 30 days after the date we receive the Superintendent's written consent. A consent is a nullity if we receive it more than 12 months after the date the Superintendent signs it.

10. **No Commutation, Surrender, etc. Except As Permitted.** Except as provided in section 57 or section 71A of the Act or section 27 or 28 of the Regulation (small amounts at age 65 or considerably shortened life expectancy), or in accordance with subsection 72(5) of the Act (financial hardship), the Locked-In Assets will not be commuted or surrendered during your lifetime, and any transaction purporting to surrender or commute the Locked-In Assets is void.
11. **No Assignment etc.** The Locked-In Assets will not be assigned, charged, anticipated or given as security except as permitted by subsection 70(3) or section 71A of the Act. Any transaction purporting to assign, charge, anticipate or give the Locked-In Assets as security is void.
12. **Exemption from Execution, Seizure or Attachment.** The Locked-In Assets are exempt from execution, seizure or attachment except as permitted by section 71A of the Act.
13. **Death of Policyowner.** On your death, your spouse or common-law partner or, if there is no spouse or common-law partner, your Beneficiary or estate, will be entitled to the Death Benefit under the Contract.
14. **Indemnity.** Should we 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 Endorsement, the Regulation or as may be required by applicable law, you will indemnify us and hold us harmless to the extent that Locked-In Assets were previously received by or accrued to the benefit of any person. This indemnity will be binding upon your legal representatives, successors, heirs and assigns.
15. **Transfers and Payments; Terms of Investments.** All transfers and payments from the Contract are subject to the terms of the Policy Provisions and will be subject to the withholding of any applicable taxes and deduction of all sales charges, withdrawal fees and other fees and charges as set out in the Contract. Transfers and payments may be made in cash or in kind, in accordance with your instructions and subject to the terms of the Contract.

**Determination of Commuted Value on the Basis of Sex.** Was the commuted value of the pension benefit that was transferred into the Contract determined in a manner that differentiated on the basis of sex? YES  NO

**BMO Life Assurance Company**

**Policyowner**

\_\_\_\_\_  
*Name of Authorized Person*

\_\_\_\_\_  
*Print Full Name*

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

\_\_\_\_\_  
*Signature of Policyowner*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Date*

**Schedule 3: Nova Scotia LIRA Addendum**  
**(*Pension Benefits Regulations*)**

**Note:** This document is Schedule 3 to the *Pension Benefits Regulations* (Nova Scotia). It forms part of the regulations and must be read, construed and interpreted in conjunction with the *Pension Benefits Act* and its regulations.

**Definitions for this Schedule**

**1 In this Schedule,**

**“Act” means the *Pension Benefits Act*;**

**“domestic contract”, as defined in Section 2 of the regulations, means a written agreement referred to in, and for the purpose of, Section 74 of the Act that provides for a division between spouses of any pension benefit, deferred pension or pension, and includes a marriage contract as defined in the *Matrimonial Property Act*;**

**“federal *Income Tax Act*”, as defined in Section 2 of the regulations, means the *Income Tax Act*(Canada) and, unless specified otherwise, includes the regulations made under that Act;**

**“owner” means any of the following persons, as set out in subsection 200(2) of the regulations, who has purchased a LIRA:**

- (i) a former member who is entitled to make a transfer under clause 61(1)(b) of the Act,**
- (ii) a spouse of a person who was a member, and who is entitled to make transfer under clause 61(1)(b) of the Act,**
- (iii) a person who has previously transferred an amount under clause 61(1)(b) of the Act into a LIRA or LIF,**
- (iv) a person who has previously transferred an amount into a LIRA as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act,**
- (v) a spouse who is entitled to transfer a lump sum as a result of a division of any pension benefit, deferred pension or pension under Section 74 of the Act;**

**“regulations” means the *Pension Benefits Regulations* made under the Act;**

“spouse”, as defined in the Act, means either of 2 persons who

- (i) are married to each other,
- (ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity,
- (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the 12-month period immediately preceding the date of entitlement,
- (iv) are domestic partners within the meaning of Section 52 of the *Vital Statistics Act*, or
- (v) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least
  - (A) 3 years, if either of them is married, or
  - (B) 1 year, if neither of them is married.

“Superintendent”, means the Superintendent of Pensions, as defined in the Act;

**Note Re Requirements of the *Pension Benefits Act* and *Regulations***

**Prohibitions on transactions from Section 91 of Act**

Under Section 91 of the Act, money held in a LIRA must not be commuted or surrendered in whole or in part except as permitted by this Schedule and the regulations including, without limiting the generality of the foregoing, the following Sections of the regulations:

- Sections 211 through 230, respecting withdrawal in circumstances of financial hardship
- Section 231, respecting withdrawal in circumstances of considerably shortened life expectancy
- Section 232, respecting withdrawal in circumstances of non-residency
- Section 233, respecting withdrawal of small amounts at age 65
- Section 198, respecting the transfer of an excess amount, as defined in that Section.

Pursuant to subsection 91(2) of the Act, any transaction that contravenes Section 91 of

**the Act is void.**

#### **Value of assets in LIRA subject to division**

**The value of the assets in a LIRA is subject to division in accordance with all of the following:**

- **an order of the Supreme Court of Nova Scotia that provides for a division of a pension benefit, a deferred pension or a pension under Section 74 of the Act**
- **a domestic contract that provides for the division of any pension benefit under Section 74 of the Act**
- **the regulations**

#### **Money held in LIRA**

**The following requirements are set out in the *Pension Benefits Act* and are applicable to LIRAs governed by this Schedule:**

- **Money held in a LIRA must not be assigned, charged, or given as security except as permitted by subsection 88(3) of the Act or Section 90 of the Act, and any transaction purporting to assign, charge, anticipate or give the money in the LIRA as security is void.**
- **Money held in a LIRA is exempt from execution, seizure or attachment except for the purpose of enforcing a maintenance order as permitted by Section 90 of the Act.**

#### **Transferring assets from LIRAs**

**2 (1) An owner of a LIRA may transfer all or part of the assets in the LIRA to any of the following:**

- (a) **the pension fund of a pension plan registered under the pension benefits legislation in any Canadian jurisdiction or to the pension fund of a pension plan provided by a government in Canada;**
- (b) **a LIRA held by another financial institution;**
- (c) **a LIF;**
- (d) **a life annuity.**

**(2) The date of a transfer under subsection (1) must not be later than 30 days after the owner requests it, unless any of the following apply:**

- (a) **the financial institution providing the LIRA does not have all the**

information necessary to complete the transaction, in which case the 30-day period begins to run from the date the financial institution has all the necessary information;

- (b) the transfer is in respect of assets held as securities whose term of investment extends beyond the 30-day period.
- (3) If assets in a LIRA consist of identifiable and transferable securities, the financial institution providing the LIRA may transfer the securities with the consent of the owner of the LIRA.
- (4) A financial institution providing a LIRA must advise the financial institution to which the assets of the LIRA are transferred
  - (a) that the assets were held in a LIRA in the current year; and
  - (b) whether the assets were determined in a manner that differentiated on the basis of sex.

**Information to be provided by financial institution on transfers of assets of LIRAs**

- 3 If the assets in a LIRA are transferred, the financial institution providing the LIRA must give the owner the information required by Section 4 of this Schedule, determined as of the date of the transfer.

**Information to be provided annually by financial institution**

- 4 At the beginning of each fiscal year of a LIRA, a financial institution providing the LIRA must provide all of the following information to the owner about their LIRA as of the end of the previous fiscal year:

- (a) with respect to the previous fiscal year,
  - (i) the sums deposited,
  - (ii) any accumulated investment earnings, including any unrealized capital gains or losses,
  - (iii) the payments made out of the LIRA,
  - (iv) any withdrawals from the LIRA,
  - (v) the fees charged against the LIRA;
- (b) the value of the assets in the LIRA at the beginning of the fiscal year of the LIRA.



## **Death benefits**

- 5 (1) If the owner of a LIRA dies, the following are entitled to receive a benefit equal to the value of the assets in the LIRA, subject to subsections (4) and (5):**
- (a) the owner's spouse;**
  - (b) if there is no spouse or if the spouse is disentitled under subsection (4) or (5), the owner's named beneficiary;**
  - (c) if there is no named beneficiary, the personal representative of the owner's estate.**
- (2) For the purposes of subsection (1), a determination as to whether an owner of a LIRA has a spouse must be made as of the date the owner dies.**
- (3) For the purposes of subsection (1), the value of the assets in a LIRA includes all accumulated investment earnings, including any unrealized capital gains and losses, of the LIRA from the date of death until the date of payment.**
- (4) A spouse is not entitled to receive the value of the assets in a LIRA under clause (1)(a) if the owner of the LIRA was not a member or former member of a pension plan from which the assets were transferred, directly or indirectly, to purchase the LIRA.**
- (5) A spouse who is living separate and apart from the owner of a LIRA without a reasonable prospect of resuming cohabitation on the date the owner dies is not entitled to receive the value of the assets in the LIRA under clause (1)(a) if any of the following conditions apply:**
- (a) the spouse delivered a written waiver to the financial institution in accordance with Section 6 of this Schedule;**
  - (b) the spouse is not entitled to receive any amount in respect of the assets in the LIRA in accordance with the terms of a domestic contract that provides for the division of any pension benefit, deferred pension or pension under Section 74 of the Act;**
  - (c) the spouse is not entitled to receive any amount in respect of the assets in the LIRA in accordance with a court order respecting a division of a pension benefit, deferred pension or pension under Section 74 of the Act.**
- (6) The benefit described in subsection (1) may be transferred to a registered retirement savings arrangement in accordance with the federal *Income Tax***

*Act.*

**Waiver of entitlement to death benefits by spouse**

- 6 (1) A spouse of an owner of a LIRA may waive their entitlement to receive a benefit described in Section 5 of this Schedule from the LIRA, by delivering, any time before the death of the owner, a written waiver in an approved form to the financial institution providing the LIRA.**
- (2) A spouse who delivers a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date the owner of the LIRA dies.**

**Information to be provided by financial institution on death of owner**

- 7 If the owner of LIRA dies, the financial institution providing the LIRA must give the information required by Section 4 of this Schedule, determined as of the date of the owner's death, to any person who is entitled to receive the assets in the LIRA under subsection 5(1) of this Schedule.**