

## LOCKED-IN RETIREMENT ACCOUNT (LIRA) ENDORSEMENT

Pursuant to the *Pension Benefits Act* (Ontario)

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* (Ontario), and in accordance with your instructions to transfer the assets to an Ontario locked-in retirement account under Schedule 3 of Regulation 909 under the *Pension Benefits Act* (Ontario), you and we agree that this Endorsement 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 and any written amendments thereto. If there is a conflict between this Endorsement and the Policy Provisions for the Contract, this Endorsement 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* (Ontario) and the word “Regulation” means the Regulation 909 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 of 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 “life income fund”, “locked-in retirement account”, “locked-in retirement income fund”, “pension benefit”, “pension plan”, “registered retirement savings plan (RRSP)”, “registered retirement income fund (RRIF)”, “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.** The word “spouse” means either of two persons who:
  - (a) are married to each other, or
  - (b) are not married to each other and are living together in a conjugal relationship,
    - (i) continuously for a period of not less than three years, or
    - (ii) in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the *Family Law Act* (Ontario).

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” 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 Contract.** The only assets that may be transferred into the Contract under this Endorsement are amounts:
  - (a) transferred pursuant to clause 42(1)(b) of the Act or under paragraph 2 of subsection 67.3(2) of the Act; or
  - (b) transferred from another locked-in retirement account.Any transfer into the Contract under this Endorsement must be made by a Policyowner who is:
  - (a) a former member who is entitled to make a transfer under clause 42(1)(b) of the Act;
  - (b) a spouse or former spouse of a person who was a member who is entitled to make a transfer under clause 42(1)(b) of the Act;
  - (c) a person who has previously transferred an amount under clause 42(1)(b) of the Act into a locked-in retirement account;

- (d) a person who has previously transferred an amount under paragraph 2 of subsection 67.3(2) of the Act into a locked-in retirement account; or
- (e) an eligible spouse who is entitled to transfer a lump sum under paragraph 2 of subsection 67.3(2) of the Act.

5. **Transfers Out of the Contract.** The Locked-in Assets will not be transferred or withdrawn from the Contract in whole or in part except:

- (a) to be transferred to the pension fund of a pension plan registered under the pension benefits legislation in any Canadian jurisdiction or to a pension plan provided by a government in Canada;
- (b) to be transferred to another locked-in retirement account that conforms with Schedule 3 of the Regulation;
- (c) to be transferred to a life income fund that conforms with Schedule 1.1 of the Regulation; or
- (d) to purchase an immediate or deferred life annuity described in section 7 of this Endorsement, that meets the requirements of section 22 of the Regulation.

Subject to section 17 of this Endorsement regarding the terms of the investments, we are required to transfer the Locked-In Assets pursuant to this section 5 in accordance with the instructions given by you within 30 days after the instructions are given.

The Locked-In Assets are subject to division in accordance with the terms of an order under the *Family Law Act* (Ontario), a family arbitration award or a domestic contract. An order under Part I (Family Property) of the *Family Law Act* (Ontario), a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse to the transfer of a lump sum that exceeds 50 per cent of the Locked-In Assets, determined as of the family law valuation date.

6. **Transfer Requirement.** We will not permit any transfer of Locked-In Assets pursuant to section 5 of this Endorsement except where:

- (a) the transfer is permitted under the Act and the Regulation; and
- (b) the transferee agrees to administer the amount transferred in accordance with the Act and the Regulation.

We will advise any transferee in writing that the amount transferred must be administered in accordance with the Act and the Regulation.

7. **Annuity Purchased.** An annuity purchased under subsection 5(d) of this Endorsement must not begin before the earlier of:

- (a) the earliest date on which you 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 directly or indirectly into the Contract; or
- (b) the earliest date on which you 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.

Despite subsection 7(a) and 7(b) of this Endorsement, payments under the life annuity must begin no earlier than the date on which you reach 55 years of age, if none of the Locked-In Assets used to purchase the annuity is derived, directly or indirectly, from a pension benefit provided in respect of any employment.

An immediate or deferred life annuity purchased under subsection 5(d) of this Endorsement shall not differentiate on the basis of the sex of the beneficiary if the commuted value of the pension benefit that was transferred into the Contract was determined in a manner that did not differentiate on the basis of sex.

For the purposes of determining whether you have a spouse for the purposes of the purchase of an immediate life annuity under subsection 5(d) of this Endorsement, the date of determination is the date the annuity is purchased.

Payments under a life annuity referred to under subsection 5(d) of the Endorsement are subject to division in accordance with the terms of an order under the *Family Law Act* (Ontario), a family arbitration award or a domestic contract. An order under Part I (Family Property) of the *Family Law Act* (Ontario), a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse to a share that exceeds 50 per cent of the payments under the life annuity, determined as of the family law valuation date.

8. **Withdrawal of Excess Amount.** In this section, “excess amount” means the portion of the amount transferable under clause 42(1)(b) of the Act into the Contract that is greater than the amount prescribed for such a transfer under the *Income Tax Act* (Canada). If an excess amount has been transferred directly or indirectly into the Contract, you may, upon application in accordance with section 22.2 of the Regulation on a form approved by the Superintendent that is given to us, withdraw Locked-In Assets from the Contract in an amount not greater than the sum of:
- (a) the excess amount; and
  - (b) any subsequent investment earnings, including any unrealized capital gains or losses, attributable to the excess amount as calculated by us.

The amount that may be withdrawn is calculated as of the date on which we pay the amount to you.

The application form must be signed by you and accompanied by one of the following documents:

- (i) a written statement from the administrator of the pension plan from which assets were transferred into the Contract setting out the excess amount that was transferred into the Contract; or
- (ii) a written statement from the Canada Revenue Agency setting out the excess amount that was transferred into the Contract.

We are entitled to rely upon the information provided by you in the application. An application that meets the requirements of this section 8 constitutes authorization for us to pay the amount to you from the Contract in accordance with this section 8. We are required to make the payments to which you are entitled under this section 8 within 30 days after the completed application form and accompanying document are received by us.

9. **Withdrawal Where Small Amount.** You may, upon application in accordance with this section 9 on a form approved by the Superintendent that is given to us, withdraw all of the Locked-In Assets or transfer the Locked-In Assets to a registered retirement savings plan or a registered retirement income fund if, when you sign the application, you are at least 55 years of age and the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by you is less than 40 per cent of the Year’s Maximum Pensionable Earnings for that calendar year.

The application form must be signed by you and be accompanied by:

- (a) a declaration described in section 13 of this Endorsement about a spouse; or
- (b) a statement signed by you attesting to the fact that none of the Locked-In Assets is derived, directly or indirectly, from a pension benefit provided in respect of any employment.

The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by you when you sign the application under this section 9 is to be determined using the most recent statement about each fund or account given to you. Each such statement must be dated within one year before you sign the application.

We are entitled to rely upon the information provided by you in the application. An application that meets the requirements of this section 9 of the Endorsement constitutes authorization for us to make the payment or transfer from the Contract in accordance with this section 9 of the Endorsement. We are required to make the payments to which you are entitled under this section 9 of the Endorsement within 30 days after the completed application form and accompanying documents are received by us.

10. **Withdrawal Where Shortened Life Expectancy.** You may, upon application in accordance with this section 10 of the Endorsement on a form approved by the Superintendent and that is given to us, withdraw all or part of the Locked-In Assets if, when you sign the application, you have an illness or physical disability that is likely to shorten your life expectancy to less than two years.

The application form must be signed by you and be accompanied by the following documents:

- (a) a statement signed by a physician who is licensed to practice medicine in a jurisdiction in Canada that, in the opinion of the physician, you have an illness or physical disability that is likely to shorten your life expectancy to less than two years; and
- (b) a declaration described in section 13 of this Endorsement about a spouse or a statement signed by you attesting to the fact that none of the Locked-In Assets is derived, directly or indirectly, from a pension benefit provided in respect of any employment.

We are entitled to rely upon the information provided by you in the application. An application that meets the requirements of this section 10 of the Endorsement constitutes authorization for us to make the payment from the Contract in accordance with this section 10 of the Endorsement. We are required to make the payment to which you are entitled under this section 10 of the Endorsement within 30 days after the completed application form and accompanying documents are received by us.

11. **Withdrawal Where Non-Resident.** You may, upon application on a form approved by the Superintendent that is given to us, withdraw all the Locked-In Assets if:

- (a) when you sign the application, you are a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the *Income Tax Act* (Canada); and
- (b) the application is made at least 24 months after your date of departure from Canada.

The application form must be signed by you and accompanied by the following documents:

- (a) a written determination from the Canada Revenue Agency that you are a non-resident for the purposes of the *Income Tax Act* (Canada); and
- (b) a declaration described in section 13 of this Endorsement about a spouse or a statement signed by you attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment.

We are entitled to rely upon the information provided by you in the application. An application that meets the requirements of this section 11 of the Endorsement constitutes authorization for us to make the payment from the Contract in accordance with this section 11 of the Endorsement. We are required to make the payment to which you are entitled under this section 11 of the Endorsement within 30 days after the completed application form and accompanying documents are received by us.

12. **Withdrawal Where Financial Hardship.** You may, upon application in accordance with this section 12 on a form approved by the Superintendent that is given to us, withdraw all or part of the Locked-In Assets, if you satisfy the prescribed requirements for financial hardship withdrawal set out in section 8.1 (medical expenses), 8.2 (rent or mortgage arrears), 8.3 (first and last month's rent) or 8.4 (low expected income) of Schedule 3 of the Regulation. Any such withdrawal shall be made in accordance with section 8.1, 8.2, 8.3 or 8.4 of Schedule 3 of the Regulation, as applicable.

We are entitled to rely on the information provided by you in the application. An application that meets the requirements of the applicable section of Schedule 3 of the Regulation constitutes authorization for us to make the payment from the Contract in accordance with such applicable section of the Regulation and in accordance with this section 12. We are required to make the payment to which you are entitled under this section 12 within 30 days after the completed application form and accompanying documents are received by us.

13. **Declaration About a Spouse and Receipt.** Any of the following documents constitutes a declaration about a spouse for the purposes of a withdrawal or a transfer from the Contract under sections 9, 10, 11 or 12 of this Endorsement:

- (a) a statement signed by your spouse, if any, that the spouse consents to the withdrawal or transfer;
- (b) a statement signed by you attesting to the fact that you do not have a spouse;
- (c) a statement signed by you attesting to the fact that you are living separate and apart from your spouse on the date you sign the application to make the withdrawal or transfer from the Contract.

If you are required to give a document to us under section 9, 10, 11 or 12 of this Endorsement, and if the document is one that must be signed by you or your spouse, the document is a nullity if it is signed by any of them more than 60 days before we receive it. If you are required to give a document to us pursuant to section 12 of this Endorsement in any other case, the document is a nullity if it is signed or dated more than 12 months before we receive it.

When we receive a document required under section 9, 10, 11 or 12 of this Endorsement, we shall give you a receipt for the document stating the date on which it was received by us.

14. **No Commutation, Withdrawal or Surrender Except As Permitted.** The Locked-In Assets cannot be commuted, withdrawn or surrendered in whole or in part, except as permitted in section 49 or 67 of the Act, section 22.2 of the Regulation or Schedule 3 of the Regulation. Any transaction that contravenes this section 14 of the Endorsement is void.

15. **No Assignment etc. Except By Family Law Order, Family Arbitration Award or Domestic Contract.** You agree not to assign, charge, anticipate or give as security money in the account except as required by an order under the *Family Law Act* (Ontario), a family arbitration award or a domestic contract.

16. **Death of the Policyowner.** Upon your death, your spouse or, if there is none on the date of your death or the spouse is otherwise disentitled, your named Beneficiary or Beneficiaries under the Contract or, if there is none, your estate is entitled to receive a benefit equal to the value of the Locked-In Assets in the Contract. The benefit payable under this section 16 may be transferred to a registered retirement savings plan or a registered retirement income fund in accordance with the *Income Tax Act* (Canada). The value of the Locked-In Assets is the Death Benefit as determined under the Policy Provisions of the Contract.

A spouse is not entitled to receive the value of the Locked-In Assets unless you were a member or former member of a pension plan from which assets were transferred directly or indirectly to the Contract. A spouse living separate and apart from you on the date of your death is not entitled to receive the value of the Locked-In Assets. The determination as to whether you have a spouse is to be made on the date of your death.

A spouse may waive his or her entitlement to receive a Death Benefit under the Contract by delivering to us a written waiver in a form approved by the Superintendent. A spouse may cancel this waiver of a benefit by delivering a written and signed notice of cancellation to us before the date of your death.

17. **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.

18. **Information to be Provided by BMO Insurance.** At the beginning of each fiscal year, the following information shall be provided to you regarding the Locked-In Assets:

(a) With respect to the previous fiscal year: the sums deposited, any accumulated investment earnings, including any unrealized capital gains or losses, the payments made out of the Contract, the withdrawals taken out of the Contract and the fees charged against the Contract.

(b) The value of the Locked-In Assets in the Contract as of the beginning of the fiscal year.

If the Locked-In Assets are transferred as described in section 5 of this Endorsement, you shall be given the information described above determined as of the date of the transfer.

Upon your death, the person entitled to receive the Locked-In Assets in the Contract shall be given the information described above determined as of the date of your death.

19. **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.

20. **Amendment.** We must give you at least 90 days notice of a proposed amendment to this Endorsement, and such notice will be in writing and sent to the address specified by you in the application. Notwithstanding the foregoing, written notification of an amendment to this Endorsement that would result in a reduction of your rights is not required where:

(a) we are required by law to make the amendment; and

(b) you are entitled to transfer the assets in the account under the terms of the Contract that exist before the amendment is made.

We cannot amend this Endorsement if the amendment would result in a reduction in your rights under the Endorsement unless the requirements of subsection (a) and (b) above are met. When an amendment results in the reduction of your rights under this Endorsement, we shall notify you of the nature of the amendment and allow you at least 90 days after the notice is given to transfer all or part of the Locked-In Assets in the Contract.

21. **Investment of Locked-In Assets.** The Locked-In Assets shall be invested and re-invested on your direction as provided in the Contract.

22. **Value of Locked-In Assets.** The value of the Locked-In Assets will be the Market Value of the Contract, as defined in the Policy Provisions of the Contract.
23. **Fiscal Year of Contract.** The fiscal year of the Contract ends on December 31 of each year and must not exceed 12 months.

**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*