

LOCKED-IN RETIREMENT ACCOUNT (LIRA) ENDORSEMENT

For transfers pursuant to the *Supplemental Pension Plans Act* (Quebec)

Plan Issuer – BMO Life Assurance Company

Administrative and Services Office: 250 Yonge Street 8th Floor

Toronto ON M5B 2M8

POLICYOWNER NAME: _____

POLICY #: _____

Upon receipt of locked-in pension assets pursuant to the *Supplemental Pension Plans Act* (Quebec), and in accordance with your instructions to transfer the assets to a Quebec locked-in retirement account under Division IV of the *Regulation Respecting Supplemental Pension Plans* (Quebec), 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 written amendments thereto. If there is a conflict between this Endorsement and the Policy Provisions of 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 *Supplemental Pension Plans Act* (Quebec) and the word “Regulation” means the *Regulation Respecting Supplemental Pension Plans* (Quebec) 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 “life income fund”, “locked-in retirement account” and “RRSP” 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, in relation to you, another person who,
 - (a) is married to or in a civil union with you;
 - (b) if you are not married or in a civil union, has been living in a conjugal relationship with you, whether the person is of the opposite sex or the same sex, for a period of not less than three years, or for a period of not less than one year if:
 - (i) at least one child is born, or to be born, of your union;
 - (ii) you have adopted, jointly, at least one child while living together in a conjugal relationship; or
 - (iii) one of you has adopted at least one child who is the child of the other, while living together in a conjugal relationship.

Spousal status is established on the day of conversion of all or part of the balance of the Locked-In Assets into a life pension or, in the case of the Death Benefit referred to in section 11 of this Endorsement, on the day preceding the day of your death. For the purposes of subsection (b), the birth or adoption of a child prior to the period of conjugal relationship existing on the day as of which spousal status is established may qualify a person as a spouse.

Notwithstanding anything to the contrary contained in the Contract, this Endorsement 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 Contract.** The only assets that may be transferred into the Contract are sums originating, directly or initially, from:
 - (a) the fund of a registered pension plan governed by the Act;
 - (b) a supplemental pension plan not governed by the Act namely:

- (i) a supplemental pension plan governed by an Act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension; or
 - (ii) a supplemental pension plan established by an Act emanating from the Parliament of Québec or from another legislative authority;
 - (c) another locked-in retirement account;
 - (d) a life income fund referred to in section 18 of the Regulation; or
 - (e) an annuity contract referred to in section 30 of the Regulation.
5. **Requirement to Provide Life Pension.** Except as otherwise provided in this Endorsement, the balance of the Locked-In Assets may only be converted into a life pension guaranteed by an insurer and established for the duration of your life alone or for the duration of your life and the life of your spouse. The periodic amounts paid under the pension must be equal, unless each amount to be paid is uniformly increased by reason of an index or a rate provided for in the Contract or uniformly adjusted by reason of a seizure effected on your benefits, a redetermination of your pension, partition of your benefits with your spouse, the payment of a temporary pension under the conditions provided for in section 91.1 of the Act or the election provided for under paragraph 3 of the first paragraph of section 93 of the Act. You may require the conversion of the balance of the Locked-In Assets into a life pension at any time.
6. **Spouse's Life Pension.** The Locked-In Assets may not be converted into a life pension guaranteed by an insurer under section 5 of this Endorsement unless, at your death, if you are a member or former member of a pension plan, a life pension equal to at least 60% of the amount of your pension (including, during the replacement period, the amount of any temporary pension) is granted to your spouse, if such spouse has not waived it.
7. **Transfers Out of the Contract.** You are entitled, at any time before the conversion of the total balance of the Contract into a life pension as provided under section 5 of this Endorsement, to transfer all or part of the balance of the Contract into:
- (a) a pension plan governed by the Act;
 - (b) a supplemental pension plan not governed by the Act namely:
 - (i) a supplemental pension plan governed by an Act emanating from a legislative authority other than the Parliament of Québec and granting entitlement to a deferred pension; or
 - (ii) a supplemental pension plan established by an Act emanating from the Parliament of Québec or from another legislative authority;
 - (c) another locked-in retirement account;
 - (d) a life income fund referred to in section 18 of the Regulation; or
 - (e) an annuity contract referred to in section 30 of the Regulation.
8. **Withdrawal Due to Shortened Life Expectancy.** You may withdraw all or part of the balance of the Locked-In Assets and receive a payment or a series of payments where a physician certifies, in a form satisfactory to us, that your physical or mental disability reduces your life expectancy. Such certificate must be provided to us.
9. **Withdrawal Due to Non-Residency.** You may require that the total balance of the Contract be paid to you in a lump sum if you provide written evidence satisfactory to us that you have not resided in Canada for at least 2 years.
10. **Withdrawal of Small Amount.** The Locked-In Assets may be paid as a lump sum to you if you are at least 65 years of age at the end of the year preceding the application, if the total of the sums credited to you in the following retirement savings instruments:
- (a) defined contribution pension plans;
 - (b) defined benefit or defined contribution-defined benefit pension plans in application of provisions similar to those of a defined contribution plan;
 - (c) life income funds;
 - (d) locked-in retirement accounts; and

- (e) retirement savings plans of which the balance must be converted into a life annuity (locked-in RRSPs)

does not exceed 40% of the Maximum Pensionable Earnings, determined in accordance with the *Act respecting the Québec Pension Plan*, for the year in which you apply for payment. Your application to us must be accompanied by a declaration in conformity with the one prescribed in Schedule 0.2 of the Regulation.

11. **Death of Policyowner.** If you are a former member or a member of a pension plan and you die before the conversion of the Locked-In Assets into a life pension, the Death Benefit shall be paid:
 - (a) where you have a spouse at the date of death who survives you, to the surviving spouse, unless the spouse has waived entitlement to the Death Benefit in accordance with section 12 of this Endorsement and the spouse has not revoked this waiver before your death;
 - (b) where there is no surviving spouse entitled pursuant to subsection (a) above, to your designated Beneficiary; or
 - (c) if there is no designated Beneficiary, your personal representative(s).
12. **Waiver of Death Benefits or Joint Life Pension.** Your spouse may, by giving written notice to us, waive his or her right to receive the Death Benefit payment provided for in section 11 of this Endorsement or the pension provided for in section 6 of this Endorsement, and may revoke such a waiver. Your spouse must deliver a waiver or revocation of waiver to us by a written notice in a form satisfactory to us before, in the case referred to in section 11 of this Endorsement, your death or, in the case referred to in section 6 of this Endorsement, the date of conversion, in whole or in part, of the Locked-In Assets into a life pension.
13. **Marital Breakdown.** Your spouse ceases to be entitled to the benefits provided under sections 6 and 11 of this Endorsement upon separation from bed and board, divorce, nullity of marriage, dissolution or nullity of civil union or, in the case of a spouse who is not a married or civil union spouse, upon cessation of conjugal relationship, except where:
 - (a) in respect of the benefits payable under section 11 of this Endorsement, the spouse is, on the day of your death, your designated Beneficiary;
 - (b) you have notified us in writing in accordance with section 89 of the Act to make payment of the benefits to the spouse.
14. **Seizure for Unpaid Alimony.** The seizable portion of the balance of the Locked-In Assets may be paid in a lump sum in execution of a judgment rendered in favour of your spouse that gives entitlement to a seizure for unpaid alimony.
15. **Plan Issuer's Responsibility.** Where a sum is paid from the Contract contrary to the provisions of this Endorsement or the Regulation, you may, unless the payment is attributable to a false declaration by you, require that we pay you, as a penalty, a sum equal to the irregular payment.
16. **Account Statements.** You are entitled to receive, at least once a year, a statement indicating the sums deposited, their source, the accumulated earnings, the fees debited since the last statement and the balance of the Contract.
17. **Investment of Locked-In Assets.** The Locked-In Assets shall be invested and re-invested on your direction as provided in the Policy Provisions of the Contract.
18. **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.
19. **Indemnity.** Subject to section 15 of this Endorsement, 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. **Valuation.** The value of the Locked-In Assets will be the Market Value of the Contract, as defined in the Policy Provisions of the Contract. Upon the transfer of Locked-In Assets from the Contract in accordance with section 7 of this Endorsement, the value of the Locked-In Assets shall be determined as of the date of the transfer. Upon the conversion of the Locked-In Assets into a life pension, the value of the Locked-In Assets shall be determined as of the date of conversion. Upon your death, the value of the Locked-In Assets shall be determined as of the Death Benefit Date.
21. **General Amendments.** Subject to section 22 of this Endorsement, we may from time to time amend this Endorsement by giving 30 days' notice to you, provided that such amendment remains in conformity with the standard contract amended and registered with the Régie des rentes du Québec and such amendment does not contravene the Act, the Regulation or the *Income Tax Act* (Canada). We may not, except to fulfill requirements under law, make any amendment without having previously notified you.
22. **Amendments Entailing Reduction in Benefits.** An amendment to the Endorsement shall not be made that would entail a reduction of the benefits resulting from the Contract unless you are entitled, before the date of the amendment, to a transfer of the balance of the Locked-In Assets and have received, at least 90 days before the date on which you may exercise that entitlement to transfer, a notice indicating to you the subject of the amendment and the date from which you may exercise that entitlement to transfer.

BMO Life Assurance Company

Policyowner

Name of Authorized Person

Print Full Name

Signature of Authorized Person

Signature of Policyowner

Date

Date