

RESTRICTED LOCKED-IN SAVINGS PLAN (RLSP) ENDORSEMENT

Pursuant to the *Pension Benefits Standards Act, 1985 (Canada)*

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 *Pension Benefits Standards Act, 1985 (Canada)*, and in accordance with your instructions to transfer the assets to a federal restricted locked-in savings plan under section 20.2 of the *Pension Benefits Standards Regulations, 1985 (Canada)*, 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 Standards Act, 1985 (Canada)* and the word “Regulation” means the *Pension Benefits Standards Regulations, 1985 (Canada)* 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 registered retirement savings plan”, “pension benefit”, “pension plan”, “registered pension plan”, “restricted life income fund”, “restricted locked-in savings plan” 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 a person who,
 - (a) at the relevant time,
 - (i) is married to you, or
 - (ii) is party to a void marriage with you; or
 - (b) if there is no person in subsection (a),
 - (i) is cohabiting with you in a conjugal relationship, having so cohabited with you for at least one (1) year.

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 from the Contract.** The Locked-In Assets held under the Contract may only be:
 - (a) transferred to another restricted locked-in savings plan;
 - (b) transferred to a pension plan if the pension plan permits such a transfer and if the pension plan administers the benefit attributed to the transferred Locked-In Assets as if the benefit were that of a plan member with two years’ membership in the pension plan;
 - (c) used to purchase an immediate life annuity or a deferred life annuity; or
 - (d) transferred to a restricted life income fund.
5. **Withdrawal Due to Shortened Life Expectancy.** Locked-In Assets may be paid to you as a lump sum where a physician certifies, in a form satisfactory to us, that your life expectancy is likely to be shortened considerably due to mental or physical disability.

6. **Withdrawal Where Non-Resident.** Locked-In Assets may be paid to you if, according to information provided in a form satisfactory to us, the following conditions are met:

- (a) you are a non-resident of Canada;
- (b) you have been a non-resident of Canada for at least two calendar years; and
- (c) you have ceased employment with the employer who was contributing to the pension plan which gave rise to the locked-in pension benefit credits.

For the purposes of this section 6, you shall be deemed to have been a resident of Canada throughout a calendar year if you have sojourned in Canada in the year for a period of, or periods the total of which is, 183 days or more.

7. **Withdrawal Where Small Amount.** The Locked-In Assets may be paid to you as a lump sum in the calendar year in which you reach 55 years of age or in any subsequent calendar year, if

- (a) you certify that the total value of all the assets in all locked-in registered retirement savings plans, life income funds, restricted locked-in savings plans and restricted life income funds that were created as a result of the transfer of pension benefit credits under section 26 of the Act or a transfer authorized by the Regulation is less than or equal to 50% of the Year's Maximum Pensionable Earnings; and
- (b) you give a copy of Form 2 and Form 3 of Schedule V of the Regulation to us.

8. **Withdrawal Where Financial Hardship.** You may withdraw Locked-in Assets in an amount up to the lesser of the amount determined by the formula $M + N$ and 50% of the Year's Maximum Pensionable Earnings minus any amount withdrawn in the calendar year for financial hardship under this section 8, from any restricted locked-in savings plan or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m) of the Regulation, if:

- (a) you certify that you have not made a withdrawal in the calendar year under this section 8, from any restricted locked-in savings plan or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m) of the Regulation other than within the last 30 days before this certification;
- (b) in the event that the value of M is greater than zero,

(A) you certify that you expect to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of your total expected income for that calendar year determined in accordance with the *Income Tax Act* (Canada), excluding withdrawals in the calendar year under this section 8, from any restricted locked-in savings plan or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m) of the Regulation, and

(B) a physician certifies that such medical or disability-related treatment or adaptive technology is required; and

- (c) you give a copy of Form 1 and Form 2 of Schedule V of the Regulation to us.

For the purposes of this section 8:

M is the total amount of the expenditures that you expect to make on medical or disability-related treatment or adaptive technology for the calendar year, and

N is the greater of zero and the amount determined by the formula

$$P - Q$$

where

P is 50% of the Year's Maximum Pensionable Earnings, and

Q is two thirds of your total expected income for the calendar year determined in accordance with the *Income Tax Act* (Canada), excluding withdrawals in the calendar year under this section 8, from any restricted locked-in savings plan or under paragraph 20(1)(d), 20.1(1)(m) or 20.3(1)(m) of the Regulation.

9. **Death of the Policyowner.** On your death:

- (a) If you are a member or former member of the pension plan from which the Locked-In Assets originate and are survived by a spouse, the Death Benefit shall be paid to the spouse by:

- (i) transferring the funds to another restricted locked-in savings plan or to a locked-in registered retirement savings plan;
 - (ii) transferring the funds to a pension plan, if the pension plan permits such a transfer and if the pension plan administers the benefit attributed to the transferred funds as if the benefit were that of a plan member with two years' membership in the pension plan;
 - (iii) using the funds to purchase an immediate life annuity or a deferred life annuity; or
 - (iv) transferring the funds to a life income fund or to a restricted life income fund.
- (b) If, as of your date of death, the provisions of subsection (a) above do not apply, the Death Benefit shall be:
- (i) paid to your designated Beneficiary or Beneficiaries in accordance with the Contract; or
 - (ii) if no Beneficiary has been designated in accordance with the Contract, paid to your estate.
10. **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.
11. **Investment and Valuation 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. 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 transfer of the Locked-In Assets as described in section 4 of this Endorsement, the value of the Locked-In Assets shall be determined as of the date of transfer. Upon your death, the value of the Death Benefit shall be determined in accordance with the Policy Provisions of the Contract as of the Death Benefit Date.
12. **No Assignment etc.** The Locked-In Assets in the Contract will not be assigned, charged, anticipated or given as security except as permitted by section 25(4) of the Act. Any transaction in contravention of this section 12 is void.
13. **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 tax 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.
14. **Restriction on Type of Annuity.** Where a pension benefit credit transferred into the Contract was not varied according to the sex of the plan member, an immediate life annuity or a deferred life annuity purchased by the funds accumulated in the Contract shall not differentiate as to sex.

Determination of Commuted Value on the Basis of Sex. Was the commuted value of the pension benefit that was transferred into the Contract under section 26 of the Act determined in a manner that differentiated on the basis of sex? YES NO

BMO Life Assurance Company

Policyowner

Print Full Name

Print Full Name

Signature of Authorized Person

Signature of Policyowner

Date

Date