



# Your Benefits at Retirement



Retirement is a significant milestone in your life and we understand that you may have a lot of questions as you go through this important transition.

This guide has been developed to help you understand what will happen to your benefits when you retire from BMO. Please read through the following information regarding the terms and conditions that apply to each of your benefit plans. For more detailed information, you can also refer to the Summary Plan Descriptions online at [www.bmousbenefits.com](http://www.bmousbenefits.com).

*Medical*

*401(k)*

*Life*

*COBRA*

*Vision*

*HSA*

*Dental*

*Vacation*

*ESPP*

*Pay*

*Commuter*

*Retirement*

*Accident*

This overview provides highlights of BMO Financial Group's benefit plans. It does not provide every plan detail and does not create contractual rights. The plan documents that govern these plans provide full details. If there are any discrepancies between this booklet and the legal plan documents, the plan documents rule. BMO Financial Group reserve right to suspend, amend or terminate any or all benefits, at any time.



## What's inside

About retiring from BMO .....	1
Meeting these minimum age and service requirements for retirement may not guarantee eligibility for all retiree benefit programs offered. It is important to review and understand the policy and criteria used by each compensation, benefit and retirement program to determine the eligibility requirements. ....	1
What happens to your active benefit coverage at retirement.....	1
Continuation of coverage after employment ends.....	2
COBRA continuation.....	2
Retiree Medical continuation .....	3
Flexible Spending Accounts.....	3
Health Savings Account .....	4
Life Insurance .....	4
Accident Insurance .....	4
Commuter Program.....	4
401(k) Savings Plan .....	5
Accessing and managing your account .....	5
Payment of your account.....	5
Taxable amounts .....	6
Roth payments.....	6
How to request a distribution .....	6
Outstanding 401(k) loans .....	6
Plan Statements.....	6
Non-Qualified Savings Plan.....	7
Retirement (Pension) Plan .....	7
How your Benefit is calculated .....	7
Payment Options .....	8
Retirement Benefit Replacement Plan (SERP) .....	9
What happens if you die after leaving BMO but before making a payment election .....	9
Tax Status of your benefit .....	10
Where to get special tax information .....	10
Employee Share Purchase Plan (ESPP) .....	10
If you have shares in your Computershare account.....	10
Default ESPP election .....	11
Additional information regarding Direct Registration (DRS).....	11
Short Term Incentive Pay / Annual Incentive Compensation Awards .....	11
Deferred Compensation Plans .....	11
Vacation .....	11
Regarding your Pay and Tax documents .....	12
Receiving your last pay check (s).....	12
W-2s & Form 1095-C.....	12
Keep BMO informed.....	12
Legal notices .....	12

## About retiring from BMO

Making the decision to retire is an important personal and professional milestone. You may make the decision to voluntarily end employment with BMO at any age or stage of your career; however, there are minimum age and service requirements that must be met to be a retiree.

### Minimum age and service requirements for U.S. retirement eligibility

- **Normal Retirement:** as early as age 65 with at least 3 years of service.
- **Early Retirement:** as early as age 55 with at least 10 years of service.

Meeting these minimum age and service requirements for retirement may not guarantee eligibility for all retiree benefit programs offered. It is important to review and understand the policy and criteria used by each compensation, benefit and retirement program to determine the eligibility requirements.

## What happens to your active benefit coverage at retirement

The chart below provides a brief overview of when your coverage or participation will end for each plan.

Benefit plans	When your active coverage ends
<ul style="list-style-type: none"> <li>• Medical</li> <li>• Dental</li> <li>• Vision</li> <li>• Health Savings Account</li> <li>• Health Care Flexible Spending Account</li> <li>• Limited Purpose Flexible Spending Account</li> </ul>	On the last day of the month in which your employment ends
<ul style="list-style-type: none"> <li>• Dependent Care Flexible Spending Account</li> <li>• Life Insurance plans (including Basic, Supplemental, and Family)</li> <li>• Accident and Business Travel Accident Insurance</li> <li>• Disability plans (including Short term and Long term disability)</li> <li>• Commuter Program</li> <li>• Sick time</li> <li>• Vacation</li> </ul>	On your last day worked
Retirement Savings plans	When your active participation ends
<ul style="list-style-type: none"> <li>• 401(k) Savings plan</li> <li>• Retirement (Pension) plan</li> <li>• Share Purchase plan</li> </ul>	Varies by plan – refer to the plan specific section in this guide for further details.



Some plans offer continuation or conversion options after your active coverage ends. Continue reading the following information for specific details.

## Continuation of coverage after employment ends

### COBRA continuation

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), employees and their families who lose their health benefits have the right to choose to continue group health benefits provided by their employer for limited periods of time under certain circumstances including voluntary or involuntary termination<sup>1</sup> of employment.

COBRA continuation coverage is available for the Medical, Dental, Vision for a period of 18 months<sup>2</sup> following the termination of the employee's active coverage. If you elect COBRA coverage, you are required to pay the full premium (plus a 2% administration cost) for the plans you enroll in COBRA continuation coverage is also available for the Health Care Flexible Spending Account (HCFSA) and Limited Purpose Flexible Spending Account (LPFSA) through the remainder of the calendar year. If you elect COBRA coverage, you may continue contributing to your account on an after-tax basis (plus a 2% administration cost) and submit eligible expenses incurred during your COBRA continuation period.

A COBRA packet, including applicable forms and cost information, will be mailed to your home address from Payflex approximately 2 weeks following your last day of employment.

**IMPORTANT DEADLINE:** To enroll in COBRA continuation coverage, you have the later of 60 days from the date that you receive your COBRA packet or from the last date that your active coverage ends, to return your paperwork. Your COBRA packet will reflect the appropriate election deadline. Regardless of when you return your election paperwork during the 60 day timeframe, your coverage will be effective back to the first day immediately following the date your active coverage ends and you will be required to pay retro-premiums. For example, if your active coverage ends on 9/30, your COBRA coverage effective date will be 10/1 (even if you wait the full 60 days to make your election).

You automatically receive 18 months of COBRA continuation for the Employee Assistance Plan coverage through Lifeworks following your end of employment. This program is free of charge and no enrollment is required.

Ways to contact Lifeworks	
Online	<a href="http://www.lifeworks.com">www.lifeworks.com</a> user ID: bmous; password: lifeworks
Phone	1-800-757-0327

<sup>1</sup> You will not be eligible for COBRA continuation coverage if you are terminated for reason classified as Gross Misconduct.

<sup>2</sup> Special rules may apply for medical coverage if the employee became entitled to Medicare less than 18 months before termination of employment, in which case COBRA coverage for the employee's spouse and dependents can last until 36 months after the date the employee becomes entitled to Medicare.

## Retiree Medical continuation

You (and your eligible dependents) may qualify for continuation of medical coverage through the Retiree Medical Program if:

- You retire at age 55 or later;
- You have 10 or more years of BMO service; and
- You are enrolled in a Company-sponsored medical plan immediately prior to retirement.

Special rules may apply to how your service time is determined if you joined the Bank of Montreal/Harris through an acquisition. Please refer to the “Retiree Medical Program” section of the Medical Summary Plan Description found on [www.bmousbenefits.com](http://www.bmousbenefits.com) under Forms/Docs for specific details.

### *For Legacy M&I Employees Only*

Your Retiree Medical Program eligibility is based off the provisions of the legacy M&I Retiree Medical Program. You (and your eligible dependents) qualify for the Retiree Medical Program if:

- You retire at age 55 or later with 10 or more years of service and at least 10 consecutive years of Company-sponsored medical plan participation immediately before retirement eligibility. For purposes of calculating eligibility, M&I service and medical plan participation prior to the acquisition is considered.
- You were on staff as of 07/05/2011 (M&I acquisition date) and have not had a break in service after 07/05/2011. If you experienced a break in service after 07/05/2011 and were rehired, you will need to satisfy the eligibility requirements of the BMO Harris Retiree Medical Program provisions from your rehire date.

If you are eligible for the Retiree Medical Program, a Retiree Medical packet, including applicable forms and cost information, will be mailed to your home address. For plan details, please refer to the “Retiree Medical” section, online at [www.bmousbenefits.com](http://www.bmousbenefits.com).



If you are eligible for the Retiree Medical program and you enroll in COBRA continuation coverage for your medical plan, you will permanently forfeit your future eligibility for Retiree Medical.

## Flexible Spending Accounts

Benefit plan(s)	Continuation details
Health Care Flexible Spending Account and Limited Purpose Flexible Spending Account	<p>You may submit eligible claims incurred prior to the last day of the month in which your employment ends, up to your available account balance. Unused dollars in your account will be forfeited.</p> <p>If you elect COBRA coverage, you may submit eligible expenses incurred through the duration of your COBRA continuation period.</p>
Dependent Care Flexible Spending Account	<p>You may continue to submit eligible claims incurred through the end of the plan year, up to your available account balance. Unused dollars in your account will be forfeited.</p>



After your employment ends, you will no longer have access to the Your Spending Account (YSA) site through myHR. You will need to submit claims manually using the “**Health Care Flexible Spending Account Reimbursement Form**” or “**Dependent Care Flexible Spending Account Reimbursement Form**” available on [www.bmousbenefits.com](http://www.bmousbenefits.com) under Forms/Docs. YSA must receive your claims by April 30<sup>th</sup> of the following year to be eligible for reimbursement.

## Health Savings Account

Your Health Savings Account (HSA) is yours to keep and you can continue to make contributions on an after-tax basis as long as you are enrolled in a High Deductible Health Plan. The after-tax contributions you make can be deducted when you file your federal tax return. The rules for reimbursement and distribution for qualified medical expenses do not change.

## Life Insurance

You may be eligible to convert your basic, supplemental or family life insurance. Reliastar (Voya) will mail a conversion packet to your home address approximately 2 weeks following your last day worked. If you do not receive your packet within 20 days of your last day of employment, call 1-800-537-5024.

## Accident Insurance

Conversion is not available for Accident Insurance. However, if you are considered retirement eligible<sup>3</sup>, enrolled in Accident Insurance and are under age 70 at the time of retirement, BMO will automatically enroll you in the Retiree Accident Insurance plan with \$10,000 of coverage. The premium for this insurance while you are retired will be entirely paid by BMO (there will be no cost to you). Coverage ends at the end of the year in which you reach age 70.

## Commuter Program

Your participation in the Commuter Program will end automatically on your last day of employment. You may submit eligible “Parking Cash Reimbursement” claims incurred prior to your last day of employment, up to your available account balance. You will need to submit claims manually using the “**Parking Cash Reimbursement Form**” available on [www.bmousbenefits.com](http://www.bmousbenefits.com) under Forms/Docs. You have six months following the end of the benefit month in which your employment ends to submit your request for reimbursement.

You will forfeit unused contributions in your account for which you have not incurred eligible expenses for prior to your termination date. This includes credits and/or balances on your Commuter SmartCard or Debit card. If you have elected the voucher option, all contributions that are used to purchase vouchers cannot be reimbursed.

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<sup>3</sup> To qualify for Retiree Accident insurance, you must be age 55 or older with 10 years of service with BMO or age 65 or older with 3 years of service.

## 401(k) Savings Plan

The 401(k) Savings Plan gives you flexibility on how and when you choose to receive your benefit in retirement. You also continue to have the ability to manage your investments among a full suite of professionally managed investment funds as long as you maintain a balance in the Plan.

### Accessing and managing your account

To access and manage your account after you leave the bank, you can:

- Go to [www.bmousbenefits.com](http://www.bmousbenefits.com) and click on “View my 401(k) Account”
- Enter this URL into your browser: <https://www.lifeatworkportal.com/accessbenefits.html>
- Call ACCESSBenefits at 1-800-738-2323, Monday through Friday, 9 a.m. to 9 p.m. Eastern Time

### Payment of your account

When you retire, you are able to choose from the following account distribution options at any time:

- Lump Sum distribution
- Annual installment payments (if you are age 55 or older)
- Partial withdrawals
- Defer payments until age 70 ½ - at which time you are required to begin receiving a Required Minimum Distribution (RMD) from your account annually.

With any of the distribution (payment) options above, you have 2 choices for the vested<sup>4</sup>, taxable portion of your account balance. You may choose to:

- roll over to an IRA, another employer’s qualified plan, Roth IRA (if eligible), 403(a), 403(b), or 457 plan to continue to defer taxes.
- have the amount paid to you, in which case you would receive 80% of the taxable amount. The company is required to withhold the remaining 20% for your federal taxes.

Account balance	Default actions for account balances
\$1,000 or less	If you do not request a distribution within 90 days following the end of your employment, your account will be automatically distributed and you will receive a cash payment of 80% of your account balance (the remaining 20% will be withheld for your federal income taxes).
More than \$1,000 but less than \$5,000	If you do not request a distribution within 90 days following the end of your employment, your account will be automatically distributed as a direct rollover to an Individual Retirement Account (IRA). BMO Financial Group has contracted with Millennium Trust Company who will establish and maintain an IRA on your behalf and will contact you directly once your new IRA has been activated.
\$5,000 or more	You may leave your savings in the plan until age 70 ½ and your account will continue to be credited with investment gains or losses based on your investment elections for your account. You can modify your investment elections at any time. Partial withdrawals are allowed. 401(k) loans are not available. If you still have an account balance in the year that you will turn 70 ½, you will receive a reminder notice to elect the minimum required distribution or a final distribution.

<sup>4</sup> You must have three or more years of service to be considered vested in the BMO Core Contribution. Any contributions you have made plus any BMO match on those contributions are 100% vested immediately. Being vested means you have earned the right to receive your benefit in retirement.



## Taxable amounts

Any portion of your payment (distribution) that is considered taxable will be taxed in the year(s) that it is paid to you directly. It is important to understand the tax rules that will apply prior to requesting a distribution from your account. For information on tax impacts, please refer to the "Final Distribution Options and Special Tax Notice" which will be mailed to your home address in the month following the end of your employment. Since tax laws can be complex, it is in your best interest to work with a tax consultant and/or financial advisor before requesting your distribution.

## Roth payments

Your payment will be exempt from tax withholding if it is considered a qualified Roth withdrawal. In order to qualify, your account must generally have been held for at least 5 years and you must be at least age 59 ½ when withdrawal(s) begin. If your withdrawal does not qualify, any distribution of your Roth plan investment earnings will be subject to applicable taxes and penalties.

## How to request a distribution

You can conveniently request a distribution of your account online or you can call ACCESSBenefits.

If you want to postpone paying taxes on the taxable portion of your account balance, you can request a direct rollover of your eligible account balance into an IRA or other qualified plan. You will need the receiving institution's name and information when you request the rollover.

## Outstanding 401(k) loans

If you have a 401(k) loan balance at the time of your retirement, you will have 90 days to repay the full outstanding balance. If you do not repay the loan balance, the loan will go into default status in the third month following your last date worked. For example, if your last date worked is October 15<sup>th</sup>, the loan default date is January 31<sup>st</sup>. The outstanding balance will be reported to the IRS as taxable income in the year of the default distribution.

To repay your loan prior to your distribution election or default date, you should request a "Loan Payoff Form" online from the ACCESSBenefits website (<https://www.lifeworkportal.com/accessbenefits.html>) or you can also call ACCESSBenefits at 1-800-738-2323. The form provides instructions on how to send in your loan repayment.

## Plan Statements

You will continue to receive quarterly statements as long as you have an account balance. You can also view your account balance and your statements online at any time.



## Non-Qualified Savings Plan

The BMO Financial Corp. Non-Qualified Savings Plan provides benefits similar to the 401(k) and is based upon eligible pay in excess of the IRS annual compensation limits for qualified savings plans. That limit is \$285,000 for 2020, but changes from year to year. As a retiree, if you have participated in this plan you will automatically receive a payment of your vested account balance as follows:

Account balance	What happens to my account balance?
Less than \$50,000	You will receive an automatic lump sum distribution within 60 days following the end of your employment.
\$50,000 or more	You will receive a distribution according to the election you made at the time you enrolled in the plan, which may be a lump sum, or annual installments over 5 or 10 years.

If you have questions about your Non-Qualified Savings Plan account you can call ACCESSBenefits at 1-800-738-2323, Monday through Friday, from 9 a.m. to 9 p.m. Eastern Time, except holidays.

## Retirement (Pension) Plan

If you were hired prior to April 1, 2016 and have 3 or more years of vesting service when you retire, you are eligible for a Retirement (Pension) benefit.

You are receiving this guide because you have 10 or more years of service and are age 55 or over, and have initiated your retirement with the Human Resources Centre (HRC). A summary of the two pension plan formulas is shown below, as well as descriptions of your various payment options.

If you have questions about the Retirement (Pension) Plan information contained in this guide, please refer to your Pension Calculation Statement, or contact the Human Resources Centre (HRC) at 1-888-927-7700, Monday through Friday, from 8 a.m. to 5 p.m. CT.

### How your Benefit is calculated

Type of Formula	Eligibility criteria
“Greater of” Final Average Pay or Account-Based formulas	All full time or part time (working at least 20 hours per week) actively employed on December 31, 2001 <sup>5</sup> are eligible to receive the “greater of” their benefit calculated using: <ul style="list-style-type: none"> <li>the Final Average Pay formula effective as of December 31, 2001, applying your entire length of service; or</li> <li>the Account-based formula, applying pay credits earned starting January 1, 2002.</li> </ul>
Account-Based	All full time or part time (working at least 20 hours per week) hired/rehired on or after January 1, 2002, will have their benefit calculated using the Account-Based Formula.

<sup>5</sup> To remain eligible for the Final Average Pay formula, you must be continuously employed with BMO since December 31, 2001. If you had a break in service after December 31, 2001 and were later rehired prior to April 1, 2016, you are eligible for the Account-based formula. See the Retirement (Pension) Plan Summary Plan Description for specific eligibility and calculation rules.



## Payment Options

Description of payment options	
<p>If your Benefit Amount is <b>\$1,000 or less</b>, you will automatically receive one lump sum payment equal to the entire benefit value. If you decide to have this benefit paid to you, 20% will be automatically withheld for federal taxes.</p>	
<p>If your Benefit Amount is <b>\$1,000 to \$5,000</b>, you will receive one single, lump sum payment equal to the entire benefit value. If you do not make a payment election by the deadline shown in your "Automatic Payment Notice and Rollover Election Statement", your lump sum will be rolled over to an IRA in your name with Millennium Trust Company, LLC for the entire benefit value.</p>	
<p><b>For benefits under the Final Average Pay Formula:</b> This is your earned monthly benefit converted to a lump sum amount intended to represent the present value (in today's dollars) of payments that would have been payable on a monthly basis for your life. The plan uses conversion factors to calculate the lump sum based on a mortality table and interest rates.</p>	
<p><b>For benefits under the Account-Based Formula:</b> This is your account balance.</p>	
<p><b>If your Benefit Amount is more than \$5,000, you will be able to choose the following account payment options:</b></p>	
Lump sum payment	<p>One single, lump sum payment equal to the entire benefit value.</p> <p><b>For benefits under the Final Average Pay Formula:</b> This is your monthly benefit converted to a lump sum amount intended to represent the present value (in today's dollars) of monthly payments that would have been paid for your life. The plan uses conversion factors to calculate the lump sum based on a mortality table and interest rates.</p> <p><b>For benefits under the Account-Based Formula:</b> This is your account balance.</p>
Single life annuity	<p>Provides monthly benefits for your lifetime, with no survivor benefits.</p> <p><b>For benefits calculated under the Final Average Pay Formula (if you were hired on or before 12/31/01):</b> If you retire before age 65, your benefit is reduced to adjust for early retirement and the longer time period you will receive monthly payments. <b>Unreduced benefits are payable starting at age 62 if you have 10 years of service.</b></p> <p><b>For benefits under the Account-Based Formula:</b> Your lump sum account balance is converted to monthly payments.</p>
Joint & Survivor annuity	<p>Provides monthly benefits for your lifetime, with continuing monthly payments to your spouse or any designated beneficiary when you die.</p> <p>Your monthly payments are reduced in order to provide your spouse (or other designated beneficiary) with continuing payments (of 50%, 75% or 100%) after you die. The higher the percentage, the more your benefit is reduced to cover the amount your survivor will receive. If your survivor dies before you, reduced benefits will continue to be paid to you and will end when you die.</p> <p>Married participants who elect a payment option other than the 50%, 75% or 100% Joint &amp; Survivor benefit <i>must</i> provide a signed, notarized spousal consent. Some of the options may not be available to non-spouse beneficiaries, depending on the age difference between you and your beneficiary.</p>
Cash refund annuity	<p>Provides monthly benefits for your lifetime and ensures your full lump sum benefit value is paid even if you die. The monthly benefit you will receive is reduced because of the possibility that a continuing payment will be made to your beneficiary upon your death. The actual reduction differs for each person based on his or her age.</p> <p>If the <i>total value</i> of monthly payments made to you before your death have not <i>equaled or exceeded</i> the original lump sum value (determined at retirement), then the difference will be paid to your beneficiary in a lump sum.</p>
Deferred payment	<p>You may defer payment of your benefit until you reach normal retirement age, 65, (but not beyond age 70½ - refer to the "Where to get special tax information" section). <b>Note:</b> If your benefit is payable under the Final Average Pay formula, you may be eligible for an unreduced benefit as early as age 62 if you have 10 years of service.</p>

## Retirement Benefit Replacement Plan (SERP)

(Refer to your Pension Calculation Statement to determine if you are eligible)

There are government compensation limits on the amount of pension benefits an individual may receive from the “qualified” pension plan, such as the BMO/Harris Retirement Plan. If the limits prevent you from receiving your full pension benefits from the Retirement Plan, the difference will be paid from the “non-qualified” Harris Retirement Benefit Replacement Plan, referred to as “SERP.”

Note: The SERP uses the same ‘conversion’ factors, mortality table and interest rates for determining lump sum payments in the BMO/Harris qualified Retirement Plan.

Your Pension Calculation Statement shows your benefit payable from the Retirement Plan and the SERP, if applicable.

Unlike the BMO/Harris Retirement Plan, the SERP benefit is paid only as a one-time, lump sum payment to you and depends on your retirement date as follows:

- ▶ If your retirement date is effective **before November 1** of a calendar year, the lump sum payment is paid before the end of that calendar year.
- ▶ If your retirement date is effective **after October 31** of a calendar year, the lump sum payment is paid the next calendar year.

Exception: The SERP payment is subject to federal and state taxes at the time of distribution, and the one-time lump sum payment cannot be rolled over into an IRA. Because the SERP benefit is not funded or held in a trust, it is paid out of the general assets of the Company. In addition, key executives have a six-month SERP payment delay due to IRS regulations.

## What happens if you die after leaving BMO but before making a payment election

Formula you are eligible for	Benefit calculation
“Greater of” Final Average Pay or Account-Based formulas	If your beneficiary is your spouse, he or she will automatically receive the greater of: <ul style="list-style-type: none"> <li>• A monthly benefit (calculated using the Final Average Pay formula, with your benefit reduced by any early retirement) for his or her lifetime (unless waived) equal to 50% of the monthly benefit that would be paid under the 50% Joint &amp; Survivor annuity; or</li> <li>• A monthly benefit (calculated using the Account-Based Formula) equal to your total account balance as of the date of your death, converted to a monthly benefit.</li> </ul>
Account-Based	Your spouse beneficiary is only eligible for the equivalent annuity under the Account-Based formula. The employee benefit amount is reduced to account for the additional payment to the spouse. Your spouse can also choose a lump sum benefit.  If you have a non-spouse beneficiary, the benefit will be paid out as a single lump sum payment.

## Tax Status of your benefit

Retirement plan distributions have tax implications, unless you roll over your benefit to another qualified plan or IRA to preserve their tax-deferred status. It is important to understand the tax rules that will apply prior to requesting a distribution. Since tax laws can be complex, it is in your best interest to work with a tax consultant and/or financial advisor before requesting your distribution.

## Where to get special tax information

The rules that apply to payments from the 401(k) Savings and the Retirement (Pension) Plan are complex and it is in your best interest to work with a tax consultant and/or financial advisor before requesting your distribution from either plan. You can find specific information on the tax treatment of payments from qualified retirement plans in IRS publication 575, *Pension and Annuity Income*; IRS publication 590, *Individual Retirement Arrangements*; and IRS form 5329, *Additional Taxes on Qualified Plans (including IRAs) and other tax-favored Accounts*. These publications are available at your local IRS office, on the IRS website [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

## Employee Share Purchase Plan (ESPP)

Your participation in the Employee Share Purchase Plan (ESPP) ends automatically when you retire. If your employment-end date is *before* the last pay cycle of the last month of the quarter, your accumulated deductions for the quarter will be refunded. If your employment-end date is *after* the last pay cycle of the last month of a quarter, your current quarter contributions will be used to purchase shares for that quarter.

## If you have shares in your Computershare account

For any shares that are held in your account, you have three options:

- Sell your shares,
- Transfer your shares to a broker, or
- Request shares in Direct Registration (DRS).

A \$20 fee (payable by check or credit card) applies when shares are transferred to a broker or received in DRS.

To initiate an election request, you can go online to [www-us.computershare.com](http://www-us.computershare.com). You can also call Computershare at 1-800-545-7996.

It is important to understand the tax rules that will apply based on your individual situation. Since tax laws are complex, it is in your best interest to work with a tax consultant or financial advisor before making your decision.

## Default ESPP election

If you do not make an election by the end of the quarter in which you retire, your shares will automatically be moved into a DRS (Direct Registration System) position for you. This will occur on or around the last day of the first month in the next quarter, depending on dividend record dates. For example, if you retire on July 13<sup>th</sup> and you still have a balance as of September 30<sup>th</sup>, shares will be placed in DRS on or around October 31<sup>st</sup>.

An appropriate amount of shares will be sold to cover the default processing fee and your whole shares will be registered in DRS book-entry form as soon as administratively possible. A check for any residual proceeds from the sale will be issued to you at the address in file at Computershare.

## Additional information regarding Direct Registration (DRS)

- When shares are issued in DRS, it means that only a statement, called a DRS Advice, is sent to the shareholder. The statement confirms the transactions and the share position held in the shareholder's account at Computershare, as Transfer Agent.
- A DRS Advice replaces a physical share certificate and should it be lost or misplaced, it can easily be replaced by requesting a duplicate. It does not have a value like a share certificate (whereas a Bond of indemnity is required to replace the lost certificate).
- The DRS Advice is recognized by stock brokers and when a shareholder decides to sell shares, the DRS Advice can be remitted to the broker who will match it up with a stock power of attorney and it will then become a negotiable security.

## Short Term Incentive Pay / Annual Incentive Compensation Awards

In most instances, an employee forfeits eligibility for any incentive award payment that they may receive if their last day of work is prior to the original scheduled payment date of the award. In some instances such as retirement or death, an employee may be eligible for a pro-rated award if all other eligibility criteria are met. Please consult the Short-Term Administrative Provisions for further details.

## Deferred Compensation Plans

If you meet the minimum age and service requirements at the time of your retirement, while you will no longer be eligible for grants under a BMO deferred compensation plan (e.g., SMEP, CM LTIP, SGA, etc.), any units you hold at the time of your retirement will be maintained until they vest and payout according to the schedule(s) outlined in your myShares acknowledgement statements. Please consult the Equity Plan Document(s) governing your award(s) for further details.

## Vacation

You will be paid out any earned, unused vacation time. If you have used more vacation time than you have earned, you may see a claw-back on your final pay. Unused sick time is not eligible for payout.



## Regarding your Pay and Tax documents

### Receiving your last pay check (s)

If you had direct deposit while at BMO and are expecting any additional pay, (time worked, vacation pay, commissions, etc.), please do not close the bank account associated with your pay. BMO will deposit any additional funds via payroll through this account for 60 days after your termination date. Any statement of earnings will be sent to the home address on file.

If you do not have a direct deposit account setup or it's past the 60 days, then a physical check will be sent to the home address on file.

Please note that overtime pay is paid two weeks in arrears/lag. Any overtime pay will be paid in the paycheck following your last regular check.

### W-2s & Form 1095-C

Your W-2 and Form 1095-C will be sent to the home address on file in our HR system. If you happen to move between your last day of work at BMO and January 31<sup>st</sup>, please inform us of your new address promptly to ensure your tax documents will be sent to the appropriate address.

## Keep BMO informed



It is critical to always keep BMO informed of your current address to ensure you receive your Tax Forms W-2 and 1095-C, account statements, as well as other tax and benefit plan communications going forward. Please contact the HRC at 1-888-927-7700 whenever your address should be updated.

## Legal notices

All BMO's legal notices can be found on [www.bmousbenefits.com](http://www.bmousbenefits.com) including: CHIPRA, HIPAA Notice of Privacy Practices, COBRA Continuation Rights, Notice of Creditable Coverage, Notice of Nondiscrimination, Special Enrollment Rights, Marketplace Notice, Summaries of Benefits and Coverage (SBCs), Summary Annual Reports and Summary Plan Descriptions (SPDs).

*BMO Financial Group complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability or gender.*