



# **Legacy Employees of United California Bank**

Appendix to BMO U.S. Pension Plan  
Summary Plan Description (SPD)

# **BMO U.S. Pension Plan – Legacy Employees of United California Bank Summary Plan Description Appendix**

**For Participants Who Are Legacy Employees of United  
California Bank and Who Participated in the United California  
Bank Retirement Plan**

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While this Appendix and the summary plan description summarize the major provisions of this plan as it applies to benefits merged into the plan from the United California Bank Retirement Plan with respect to affected participants who are legacy employees of United California Bank, it does not provide you with every plan detail. The plan document, which governs this plan, provides full details. If there are any discrepancies between this Appendix and the summary plan description and the legal plan document, the plan document will govern.

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## **Introduction**

This Appendix to the summary plan description for BMO U.S. Pension Plan (the “plan”) applies to participants who earned a benefit under the United California Bank Retirement Plan (the “BOTW Plan,” and formerly known as the Sanwa Bank Retirement Plan) and who are legacy employees of United California Bank.

Your benefit in the BOTW Plan was merged into the plan as of end of the day on December 31, 2023. This means that if, immediately prior to the merger, you still had a benefit in the BOTW Plan as a legacy employee of United California Bank and you were not already a plan participant, you became a participant on December 31, 2023 and the plan now has the obligation to pay your BOTW Plan benefit.

This Appendix provides information regarding your BOTW Plan benefit, such as how your BOTW Plan benefit is calculated, how it may be paid to you and preretirement death benefits. This Appendix does not describe benefits under the BOTW Plan for participants who terminated employment or became disabled prior to January 1, 2000. Please call the call the Human Resources Centre (HRC) at 1-888-927-7700 for more information regarding benefits for these participants.

**IMPORTANT:**

Your BOTW Plan benefit was frozen July 1, 2003. You will not earn any additional accruals with respect to your BOTW Plan benefit under the plan.

## **BOTW Plan Eligibility**

Employees of United California Bank (or locations of Bank of the West that were formerly locations of United California Bank) hired or rehired on or after January 1, 2003 are not eligible to participate in the BOTW Plan. Prior to January 1, 2003, employees of United California Bank (or locations of Bank of the West that were formerly locations of United California Bank) who met certain eligibility requirements were eligible to participate in the BOTW Plan on the first day of the month following satisfaction of one year of service and attainment of age 21. In general, the following employees were not eligible to participate in the BOTW Plan: members of a collective bargaining agreement (unless the agreement provided for BOTW Plan participation); non-resident aliens; leased employees; non-U.S. citizens participating in or accruing benefits under a pension plan maintained by Sanwa Bank, Ltd. outside of the United States; individuals not receiving Form W-2 compensation; and individuals classified as “on-call” employees or independent contractors.

## **Service and Compensation**

Your BOTW Plan benefit is based on your credited service, average final compensation, and monthly covered compensation.

**Credited Service** generally includes your period of employment as an active participant in the BOTW Plan from your employment commencement date to the earliest of your retirement, death, or termination of employment, or the first anniversary of the date you were absent for any other reason. Credited service does not include periods during which you participated in another employer-sponsored qualified defined benefit pension plan, or following your transfer to a non-participating company or a job category under which you did not qualify as an eligible employee. Credited service generally ceased on July 1, 2003, except for limited purposes to determine whether you completed 5 or 10 years of service to retire at an early retirement date or a normal retirement date. Special rules may apply to participants in covered employment before January 1, 1987.

Your credited service may be determined differently for different periods of time because of past changes to the BOTW Plan.

**Average final compensation** means the average of your monthly wages for the five highest consecutive calendar years during your employment prior to July 1, 2003. Average final compensation includes your base salary or hourly wages, bonuses (in the year they are paid), overtime, commissions. It also includes any pre-tax contributions to a Section 401(k) plan, to a Section 125 cafeteria plan as well as Qualified Transportation Fringe benefits as defined under Section 132(f) of the Internal Revenue Code. Average final compensation also includes amounts excluded from your income by reason of deferrals made under an unfunded plan of deferred compensation.

For a benefit determined in any plan year, only salary earned up to the IRS limitation on compensation for that year (for example, \$200,000 for 2003) can be considered in determining your BOTW Plan benefit.

**NOTE: compensation earned on or after July 1, 2003 will not be taken into account for benefit computation purposes. In addition, your service on or after July 1, 2003 will not be counted as credited service for purposes of determining your BOTW Plan benefit.**

**Monthly Covered Compensation** means the average Social Security wage base over the 35 years ending in the year in which you reach your Social Security retirement age.

## Vesting

“Vested” means that you have a nonforfeitable right to a retirement benefit which you will not lose if you terminate employment. You become 100% vested in your BOTW Plan benefit upon completing five full years of service (generally, each year in which you completed 1,000 hours of service), upon reaching age 65 while employed, or becoming disabled (generally, becoming eligible for benefits under United California Bank’s long-term disability plan).

## Retirement Benefits

### Normal Retirement

If you have at least 5 years of service, upon termination of employment at or after age 65, you will be entitled to your BOTW Plan normal retirement benefit calculated under the following formula:

(1)	1.25%	X	Average Final Compensation	X	Years of Credited Service
<b>Plus</b>					
(2)	.5%	X	Average Final Compensation over \$1,000	X	Years of Credited Service prior to January 1, 1999 (max of 35 years)
<b>Plus</b>					
(3)	.25%	X	Average Final Compensation over Monthly Covered Compensation	X	Years of Credited Service after December 31, 1998 (max of 35 years less maximum years in (2) above)

**Example:** John retires at age 65 with 25 years of credited service prior to January 1, 1999 and 5 Years of Credited Service after December 31, 1998. His average final compensation is \$7,000 per month and the monthly covered compensation is \$6,824 per month. His benefit would be calculated as follows:

$$\begin{aligned}
 1.25\% \times \$7,000 \times 30 \text{ years} &= \$2,625.00 \\
 .5\% \times (\$7,000 - \$1,000) \times 25 \text{ years} &= \$750.00 \\
 .25\% \times (\$7,000 - \$6,824) \times 5 \text{ years} &= \$2.20 \\
 &= \$3,377.20
 \end{aligned}$$

According to this formula, John would be eligible to receive a BOTW Plan benefit payable as a single life annuity of \$3,377.20 per month.

Certain transition benefits are payable to participants who: (i) were employed by United California Bank on March 15, 2002; and (ii) were at least age 50 and had completed at least 15 years of credited service as of March 15, 2002; and (iii) were not employed by Tokai Bank of California or UFJ Bank Limited or its affiliates (other than United California Bank). The transition benefit is based on benefits accrued and years of credited service under the BOTW Plan as of March 15, 2002. Please call the call the Human Resources Centre (HRC) at 1-888-927-7700 for more information regarding this benefit.

In addition, participants who participated in the Golden State Sanwa Bank Retirement Plan on December 31, 1986 are entitled to certain minimum benefits. Please call the call the Human Resources Centre (HRC) at 1-888-927-7700 for more information regarding this benefit.

You may defer commencement of your BOTW Plan benefit until the April 1st of the calendar year following the later of (i) the calendar year in which you reach age 73 (72 if you were born on or after July

1, 1949, but before January 1, 1951; 70½ if you were born before July 1, 1949) or (ii) the calendar year in which you retire (“Required Beginning Date”).

**NOTE: Credited service and compensation on or after July 1, 2003 do not count for purposes of determining your BOTW Plan benefit.**

### **Late Retirement**

Except as described below, under “Retroactive Annuity,” benefits that commence to be paid to a participant after age 65 will be equal to the actuarial equivalent of the amount of the participant’s benefits, determined as of July 1, 2003, that would have commenced to be paid at age 65 under the terms of the BOTW Plan.

### **Early Retirement**

If you terminate employment prior to age 65 and you were hired prior to January 1, 1999, you may retire early if you are at least age 55 and have at least 5 years of credited service. If you were hired after January 1, 1999, you may retire early if you are at least age 55 and have at least 10 years of credited service. Credited service on or after July 1, 2003 does not count for purposes of calculating your BOTW Plan benefit amount, but will continue to be counted for purposes of determining whether you have completed sufficient years of credited service in order to elect early retirement.

Payment may commence following your termination of employment in which case the BOTW Plan benefit otherwise payable at age 65 is reduced by applying an early retirement factor based on your age when payments begin.

If your early retirement benefit begins after age 60, your benefit will be reduced .25% for each month preceding your normal retirement date that your early retirement benefit begins. If your early retirement benefit begins before age 60, your benefit will be reduced by 15% plus an additional .5% for each month preceding age 60 that your early retirement benefit begins. However, if the sum of your age and full years of service equal or exceed 100 at retirement, your benefits on the first portion of the monthly benefit formula described above (i.e., the 1.25% portion of the formula) will not be reduced if you take early retirement.

Payment may also be deferred to any time up to your Required Beginning Date.

### **Retroactive Annuity**

Once you are entitled to receive benefits, you may request that benefits begin to be paid at a specific date. If the plan does not provide information regarding benefits options by your requested commencement date after a proper request has been submitted, but does provide the information during the 120 day period after the requested commencement date, then you may elect to receive your benefits either (i) based on a new future commencement date, or (ii) as a “retroactive annuity,” i.e., in the same amount that would have been paid if your benefits had begun on your requested commencement date, plus a make-up payment to reflect any missed payments.

## **Payment Options**

### **Automatic Forms of Payment**

If your plan benefit value is more than \$7,000 when you terminate employment, you may choose one of the payment options described here or defer payment until your Required Beginning Date. If you have a BOTW Plan benefit and another type of benefit under the plan, the \$7,000 limit applies to your entire benefit under the plan. If your benefit is valued at \$1,000 or less, it will automatically be paid as a lump

sum. If your benefit is greater than \$1,000 but less than \$7,000, it will automatically be paid as a direct rollover to an IRA, unless you elect to receive it in a lump sum.

If your benefit is greater than \$7,000 but less than \$7,500, you may elect to receive your benefit at any time after your termination of employment as a lump-sum payment or (1) if you are not eligible for early retirement, an immediate single life annuity (if you are single) or an immediate 50% joint and survivor annuity (if you are married), or (2) if you are eligible for early retirement, any optional form of payment offered under the BOTW Plan.

**If you are married when your BOTW Plan benefit commences**, you will normally receive your BOTW Plan benefit in the form of either a 50% joint and survivor annuity, with your spouse as your named beneficiary (each as described under *Optional Forms of Payment* below). However, you may select any one of the optional forms of payment described below with your spouse's written consent, witnessed by a notary.

**If you are not married when your BOTW Plan benefit commences**, you will automatically receive a single life annuity, as described under *Optional Forms of Payment* below, unless you elect one of the other optional forms of monthly payment described below.

### **Optional Forms of Payment**

Instead of the automatic payment method described above, you may choose one of the forms of payment described below with respect to your BOTW Plan benefit. The optional forms of payment for a BOTW Plan benefit are (with spousal consent, as necessary – see *Automatic Forms of Payment* above):

- **10-year certain and life annuity** – With this form of payment, you receive monthly benefits for life. If you die before receiving 120 monthly payments, your beneficiary will receive the remaining balance of the 120 payments. If you have no named beneficiary on file, the unpaid payments will be paid to your estate. If you die after receiving at least 120 monthly payments, after your death, no further benefits are payable.
- **5-year certain and life annuity** – With this form of payment, you receive monthly benefits for life. If you die before receiving 60 monthly payments, your beneficiary will receive the remaining balance of the 60 payments. If you have no named beneficiary on file, the unpaid payments will be paid to your estate. If you die after receiving at least 60 monthly payments, after your death, no further benefits are payable.
- **Single life annuity** – With this form of payment, you receive monthly benefits for life. After your death, no further benefits are payable.
- **Joint and survivor annuity** – Under this optional form of payment, you receive reduced monthly payments for life. Your monthly payments are reduced in order to provide your spouse or other named beneficiary with continuing monthly payments after you die. You may choose to continue 50%, 66 2/3%, or 75% of your monthly benefit to your survivor after your death. The higher the percentage, the more your benefit is reduced to cover the amount your survivor will receive. If your survivor dies before you do, your elected benefit will continue to be paid to you and will end when you die.

Note: You do not need spousal consent to elect a joint and 66 2/3% survivor annuity or joint and 75% survivor annuity with your spouse as the joint annuitant. Also, accounts from prior plans that were merged into or transferred to the BOTW Plan may have certain other distribution rights. Please call the call the Human Resources Centre (HRC) at 1-888-927-7700 if you believe that these forms of distribution may apply to your BOTW benefit, or if you have any related questions.



## Survivor Benefits

### Preretirement Death Benefit

If you are vested and die before commencement of your BOTW Plan benefit, your beneficiary will receive a survivor benefit equal to the benefit your beneficiary would have received under a 50% joint and survivor annuity if you had retired on the day before your date of death (or as if you die before age 55, as if you had terminated employment on your date of death, survived until your 55th birthday, retired the next day, and died immediately thereafter).

If the survivor benefit is valued at \$7,000 or less, it will be paid as a lump sum. If the survivor benefit is greater than \$7,000 but less than \$100,000, your beneficiary can elect to receive a lump sum payment or an annuity for your beneficiary's lifetime. If the survivor benefit is greater than \$100,000, your beneficiary can elect to receive an annuity for your beneficiary's lifetime or a \$100,000 lump sum payment and an annuity for your beneficiary's lifetime for the amount over \$100,000.

Special death benefits may apply if you were a participant in the Retirement Plan for Employees of Lloyds Bank California on December 31, 1986. Please call the call the Human Resources Centre (HRC) at 1-888-927-7700 for more information regarding this benefit.

See the summary plan description about how to review or update your beneficiary designation.

### If You Die After Payment Commences

If you die after payment of your BOTW Plan benefit has begun, any survivor benefit payable following your death depends on how you elected to have your benefit paid. For example, if you elected payment of your BOTW Plan benefit as a single life annuity, no survivor benefit with respect to your BOTW Plan benefit is payable following your death. See *Payment Options* above for more information.

## Suspension of Benefits

The plan will send a suspension of benefits notice to any retiree who rehires, regardless of months since retirement or if the participant is working 40+ hours a month.

A suspension of benefits notice (SOBN) is to be furnished for the following scenarios:

- The month an in-pay participant rehires; or
- The month containing the Normal Retirement Date (NRD) if the participant continues as an active employee on or after NRD and meets the Hours/Days Threshold in the table below.

The SOBN indicates that although the participant has commenced a benefit or attained NRD, the participant will not start receiving benefits because they are still working. These suspension rules are in accordance with Section 2530.203-3 of the Department of Labor regulations.

### Suspension When In-Pay Before Normal Retirement Date

Topic	Rules
Population	Participant rehires within 6 months of benefit commencement
Action	Suspend payment each month prior to Normal Retirement during which the participant is employed
Hours/Days Threshold	N/A

### **Suspension At or After Normal Retirement Date**

<b>Topic</b>	<b>Rules</b>
Population	○ After attaining Normal Retirement Date but prior to Required Begin Date
	○ Continues Employment OR
	○ Rehires within 6 months of termination
Action	Suspend payment each month participant works 40 or more hours
Hours/Days Threshold	40 hours or more per month