



# Your guide to understanding the **BMO 401(k) Savings Plan**

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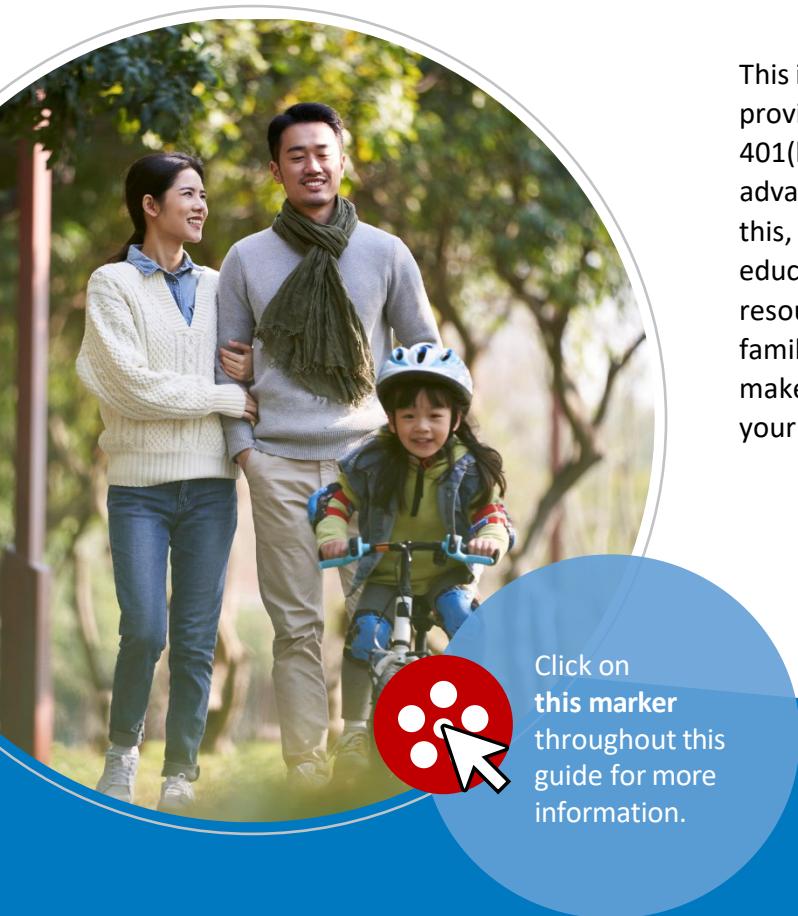
# Your Total Rewards

**SAVINGS + RETIREMENT**  
Compensation  
Benefits + Wellness  
Recognition



# BMO and you – a partnership for the future

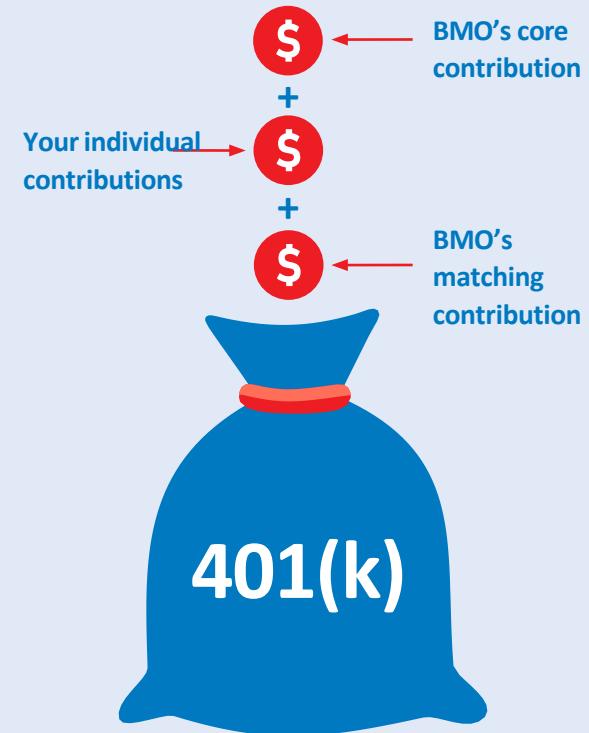
BMO is committed to helping you build financial security for your retirement years. That's why we offer a competitive retirement program through our 401(k) Savings Plan.



This interactive magazine provides an overview of the 401(k) Savings Plan and its advantages. We've created this, along with other educational tools and resources, for you and your family so you can continue to make the best decisions for your financial future.

## How the plan works

Your 401(k) Savings Plan is funded by:

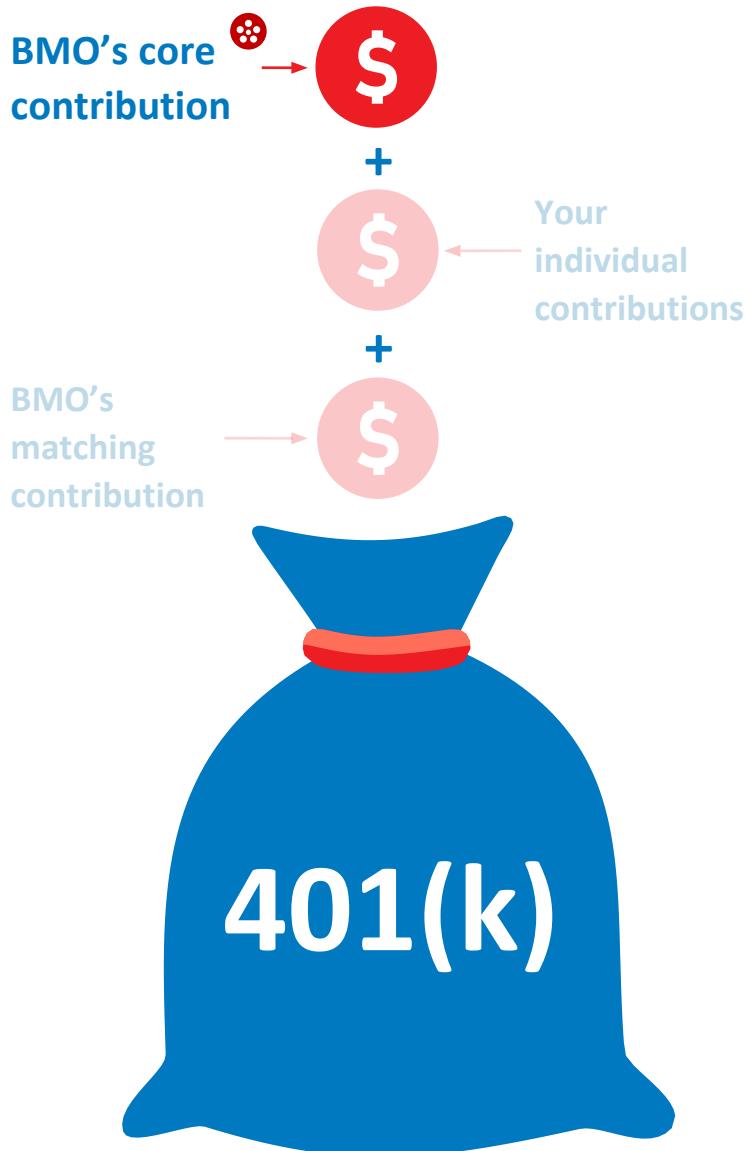


Learn more about each of these contributions on the following pages.

If you have questions about the plan that aren't answered in this guide, please see [page 10](#) for additional resources.

# How the plan works

Your 401(k) Savings Plan is funded by:



## BMO's core contribution

- You receive a core contribution from BMO to your 401(k) account each pay period. **This contribution is equal to 2% of your eligible pay**, which generally includes base plus incentive pay, up to IRS compensation limits. The IRS compensation limit for 2025 is \$350,000.
- You're **vested** on these core contributions after you have completed three years of BMO service
- **You'll receive this contribution even if you don't currently make your own contributions** (in this case, an account will be set up for you).
- These contributions do not count towards your IRS annual savings limit. The IRS annual savings limit for 2025 is \$23,500.

# How the plan works

Your 401(k) Savings Plan is funded by:

BMO's core contribution



+



Your individual contributions



+



BMO's matching contribution



## Your individual contributions

- You always have the option to contribute to the 401(k) Savings Plan. Any money you contribute is deducted from your pay each pay period.
- **You can contribute between 1% to 75% of your eligible pay**, up to the IRS annual savings limit. The IRS annual savings limit for 2025 is \$23,500. If you are or will reach age 50 during the year, you are eligible to make 401(k) Catch-up contributions, up to a maximum of \$7,500 in 2025. Employees age 60, 61, 62, or 63 can make an increased catch-up contribution up to \$11,250.
- You can contribute on a **before-tax basis** and/or **Roth after-tax basis**.

## BMO's matching contribution

- **BMO matches your 401(k) Savings Plan contributions dollar-for-dollar on the first 1% to 5% of eligible pay** each period, up to the IRS compensation limit. The IRS compensation limit for 2025 is \$350,000.



# Are you making the most of your 401(k) Savings Plan?

- **Are you taking full advantage of the BMO matching contributions?** If you're not contributing at least 5% of your eligible pay, you are missing out on matching dollars from BMO.
- **Would you like to increase your contribution?** You can use the Auto-Increase feature in your 401(k) account to specify how much and when to increase your 401(k) contributions.
- **Have you considered all investment options?** There are plenty of ways for your money to grow, so make sure you understand all of the various investment options available in the 401(k) Savings Plan.

When you log in to [your 401\(k\) account](#) you can review or change your personal contributions and your investment choices.

## Auto-Enrollment makes the road to retirement readiness as easy as possible

- If you don't make your own election, you are automatically enrolled in the 401(k) Savings Plan so that you can take full advantage of the program. Auto-Enrollment will deduct a 5% before-tax contribution from your pay, which you can change or opt out of at any time.
- If you continue participating in Auto-Enrollment, your contribution is automatically increased by 1% each calendar year (effective on January 1 of each year) until it reaches 10% of your eligible pay. You'll receive advance notice of each increase and can always decline to participate, or you can choose to increase your contributions up to 75% of your eligible pay.



When you participate in the 401(k) Savings Plan and contribute 5% of your eligible pay, you save the equivalent of 12% of your pay.

Let's see how. 

# Maximizing your 401(k) Savings Plan

You know how important it is to save for retirement. But do you understand how participating in the 401(k) Savings Plan can help you get there?

- 1. Your account is immediately vested, except for the 2% BMO contribution which vests after three years of service.**

Your 401(k) is yours to keep and portable — even if you leave BMO. You can even “roll over” your account to an Individual Retirement Account (IRA) or to another eligible 401(k) with a different employer.

- 2. You have the opportunity for long-term savings.**

Between your contributions, BMO’s contributions and your investment earnings, what you save now can go a long way in your retirement years thanks to compound growth.

- 3. You have flexibility.** You can invest the money in the investment fund options offered in the 401(k) as you choose — and your account balance will increase with any earnings from those investments.

## The value of compound growth

Each day that your 401(k) Savings Plan investments earn positive returns, that translates to more money in your account. That new money becomes part of the amount that earns returns the next day, so you’re getting returns on your returns — and this helps your account to grow.

The more you save now, the more time your money has to grow, which means you’ll have more savings for the future.



### Every penny counts

Sometimes, life’s expenses keep us from saving as much as we’d like for retirement. However, you may be surprised at the difference contributing even a little more to your 401(k) account can make.

Take a look at an example.



It pays to save early. See for yourself...



# Personalized Experience planning tool

Empower's **Personalized Experience** planning tool provides you with a complete view of your finances. After you link financial accounts you will have insights into your cash flow and budgeting, be able to set short- and long-term goals such as saving for college or your dream vacation and be able to model scenarios at any age for your retirement readiness.

The Personalized Experience is accessible through your 401(k) account.

If you have questions, contact the Human Resources Centre at 1-888-927-7700 and say 401(k).

**With the Personalized Experience planning tool you can link financial accounts to:**

- Project your future retirement income and expenses,
- Understand where each dollar goes to manage your expenses most effectively,
- Set short- and long-term goals with savings planner, and
- See how long your savings are expected to last and model different scenarios.



# Building your investment profile



You work hard to save for the future. It's time you let your money work for you. **By investing your money in your 401(k) Savings Plan, your account balance can grow significantly over time.** How you invest your money is as important as how much you save — it's an essential part of the equation that helps you get to your retirement savings goal.

**But everyone has different savings goals.** That's why BMO offers a tiered structure for the investment funds available through the 401(k) Savings Plan. We provide a wide range of options to meet your personal needs — whatever your level of investment knowledge or length of time until you retire.

## Learn more about the funds

You can find a complete list of investment options offered in the 401(k) Savings Plan [here](#). Speak to your financial or tax advisor for further information and for guidance on choosing the investment options that best meet your retirement savings needs.

Your investment preference	Investment option	Description of investment options
"I want a simplified investment experience."	<b>Asset Allocation Funds</b> Tier One	<ul style="list-style-type: none"><li>Allows you to select funds based on your risk level or a target retirement date.</li><li>Best suited for investors with a "hands off" approach.</li></ul>
"I want help managing my funds, but want to keep operating expenses low."	<b>Indexed Funds</b> Tier Two	<ul style="list-style-type: none"><li>Funds are "passively managed" by a portfolio manager who tries to match a benchmark index (such as the S&amp;P 500 Index).</li><li>Provides broad market exposure while keeping research and operating expenses lower and reducing portfolio turnover.</li></ul>
"I want someone hands on, researching and actively managing my funds."	<b>Actively Managed Funds</b> Tier Three	<ul style="list-style-type: none"><li>Funds are actively managed by a portfolio manager who researches and analyzes investments with a goal to achieve greater returns.</li><li>Success of portfolio managers is not guaranteed, so this strategy may have more risk and expense than other funds.</li></ul>
"I want to invest in funds with a specialized focus."	<b>Specialty Funds</b> Tier Four	<ul style="list-style-type: none"><li>Allows you to choose funds with a specialized focus.</li><li>These options can supplement your other investment choices, but should not be the focus of your 401(k) investment strategy.</li><li>These funds can potentially pay higher yields but also carry a higher risk.</li></ul>

For more detailed information about the investment options and guidance on how to choose the right funds for your situation, review *Your guide to investing in the BMO 401(k) Savings Plan* on [BMO U.S. Benefits](#).



# Before-tax vs. Roth after-tax savings

Both choices offer great ways to save for retirement but with different tax advantages.

## What are Roth after-tax contributions?

- Roth contributions are made after applicable taxes have been withheld from your paycheck**, meaning the contributions won't lower your current taxable income.
- Qualified withdrawals from a Roth 401(k) are not taxed.** This differs from other withdrawals from a 401(k) account, which are seen as taxable income and could potentially place you into a higher income tax bracket in retirement.

## What's different?

	401(k)	Roth 401(k)
<b>Contributions</b>	Deducted from pay before taxes	Deducted from pay after taxes
<b>Withdrawals</b>	Subject to tax	Not subject to tax*

\*In order to be exempt from tax on Roth 401(k) withdrawals, you must make a "qualified" withdrawal. Withdrawals are "qualified" when you are at least 59 ½ years old and you have had the Roth 401(k) account for at least five years. Some state taxes may apply to withdrawals.

## What's the same?

	Both 401(k) and Roth 401(k)
<b>BMO core and matching contributions</b>	Earned with both types of contributions
<b>Investment elections</b>	Can be changed at any time
<b>Catch-up contributions</b>	Can be made beginning January 1 of the year you reach age 50

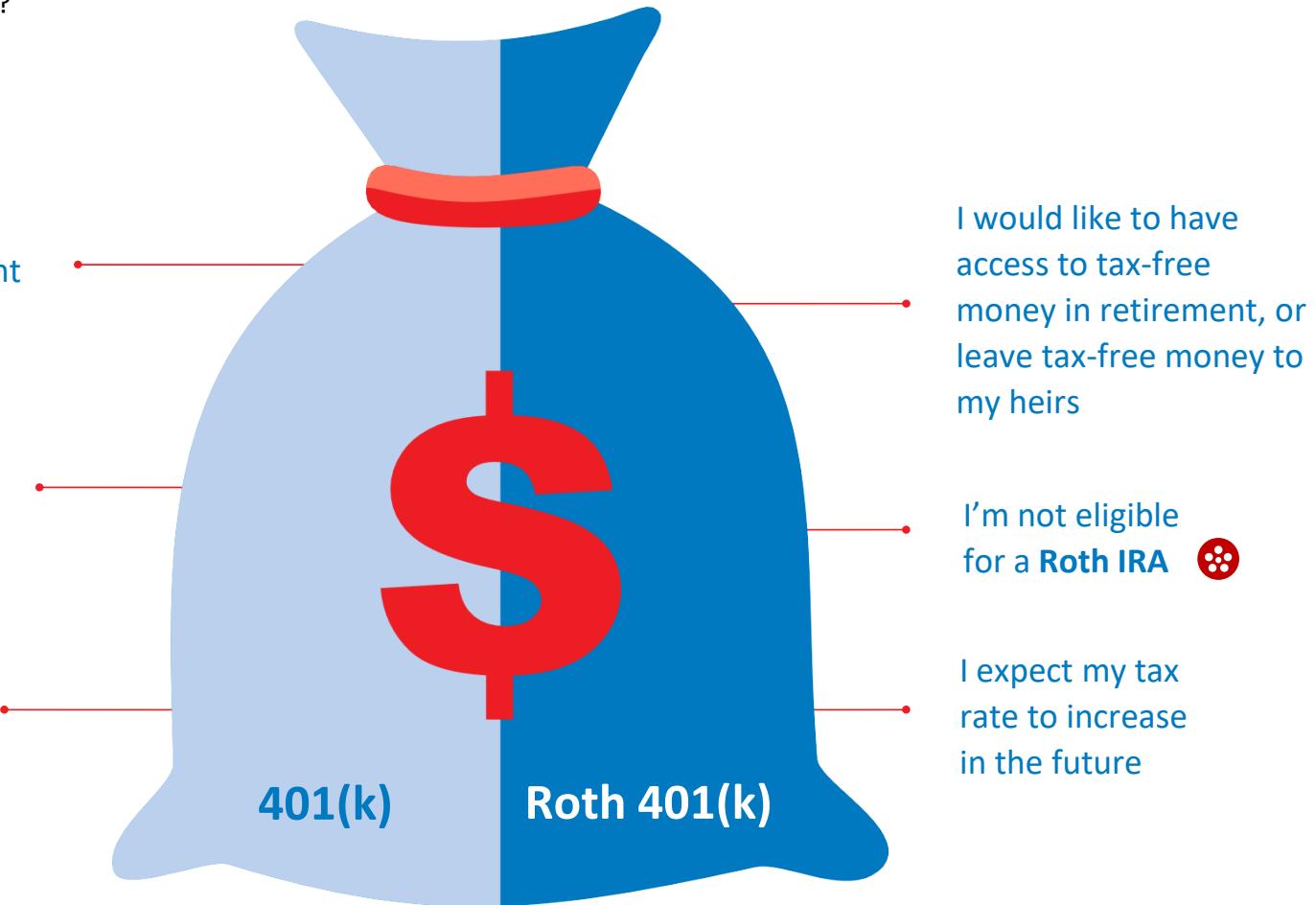
# Before-tax vs. Roth after-tax savings

Which one is right for you?

I'm not saving much for retirement right now

I'm getting close to retirement and expect my tax rate to decrease when I retire

I want to lower my current taxable income



Speak to your financial or tax advisor for further information and guidance on choosing the 401(k) contribution option that best meets your retirement savings needs. Visit the [Empower Learning Center](#) for more information about the Roth 401(k).

# Resources

Retirement resource	When to use	Where to find
Empower website	<ul style="list-style-type: none"><li>• Change your 401(k) contribution rates</li><li>• Review and change your investment options</li><li>• Review detailed account information</li><li>• Project your future retirement income and expenses</li><li>• Understand your cash flow and set a budget</li></ul>	<a href="#">Access your 401(k) account</a>
Empower Learning Center	<ul style="list-style-type: none"><li>• Discover insights, interactive learning tools, calculators and more</li></ul>	<a href="#">Empower Learning Center</a>
Investing in the BMO 401(k) Savings Plan eGuide	<ul style="list-style-type: none"><li>• Learn about the different investment options available</li><li>• Understand the tiered investment approach</li><li>• Know your preferred investment style and level of <b>risk tolerance</b></li></ul>	<a href="#">BMO U.S. Benefits</a> (see the Investing in the BMO 401(k) Savings Plan eGuide) 

## About this eGuide

This guide is provided for information purposes only and contains summary information about the BMO U.S. Retirement Program. If there is a difference between the information in this guide and the legal documents, the legal documents will govern in all cases.

BMO reserves the right to amend, change or discontinue the program at any time.

This guide does not provide financial, investment or tax advice. We encourage you to review the information in this guide and in the plan documents, carefully consider the consequences of any decisions, and obtain independent financial or tax advice to determine the best choice for your personal financial situation.

Updated December 2024

## Have questions about the BMO 401(k) Savings Plan?

Visit [BMO U.S. Benefits](#) or contact the Human Resources Center at **1-888-927-7700** and select from the menu: Retirement & Savings > 401(k).

# Accessing your 401(k) account



## Workday (on BMO network)

Current U.S. employees  
on the BMO network  
– no password required

1. In [Workday](#), select the *Pay* application.
2. Under *External Links*, select *401(k) (On BMO Network)*.



## Workday (off BMO network)

Current U.S. employees  
off the BMO network,  
employees using the Workday  
app on their phone, or for  
those employees who have  
relocated to another country  
after working in the U.S.

1. In [Workday](#), select the *More Tools* application (located in *Dashboards* on the App), then select *HR Intranet*.
2. In the [HR Intranet](#), under the *Benefits* tab, select *Retirement*, then select *U.S. Retirement Savings Program* (make sure you are on the BMO U.S. tab).
3. Select *Login to 401(k)* from the menu on the right side.



## Any internet-enabled device or mobile app

Accessing your account from a  
personal device or after your  
employment with BMO ends

1. Visit Empower Online at [empower.com/BMO401k](http://empower.com/BMO401k)
2. Log in with your Empower  
username and password

Or you can call Empower at  
**844-SAV-401k (844-728-4015)**



## Human Resources Center

Anyone needing  
personal assistance

1. Call **1-888-927-7700**, choose *Retirement & Savings*, then choose *401(k)*.
2. Follow the prompts to speak with a service center representative.



# Glossary

## 401(k) before-tax contributions

401(k) contributions are deducted from your pay before federal and state income taxes are withheld, giving you immediate tax savings.

## Core contribution

The automatic contribution BMO makes to your 401(k) account each pay period. This amount is equal to 2% of your eligible pay up to IRS limits.

## Eligible pay

Your base pay, plus incentive pay, overtime and shift differential, up to the IRS limits.

## Individual contributions

The optional contributions you make to your 401(k) account. You can contribute between 1% to 75% of your eligible pay each pay period, up to the IRS annual savings limits.

## Investment profile

The types of investments (e.g., stocks, bonds, etc.) that make up your investment portfolio.

## Matching contribution

BMO's match on your contributions to your 401(k). BMO matches your contributions dollar-for-dollar on the first 1% to 5% of eligible pay.

## Non-Qualified Savings Plan

Allows employees paid above the IRS compensation limits in the 401(k) Savings Plan to continue to save on a before-tax basis on eligible pay between the current IRS limit and \$500,000.

## Risk tolerance

Your ability and willingness to handle market fluctuations which may affect the value of your investments.

## Roth after-tax contributions

Roth 401(k) contributions are deducted from your pay after applicable taxes have been withheld. This means your take home pay will likely be less than if you contribute on a before-tax basis, but Roth after-tax contributions and any associated earnings are not taxed at withdrawal. See [page 8](#) and [page 9](#) to learn more.

## Roth IRA

A Roth IRA is a personal retirement account that allows individuals to save after-tax money for tax-free withdrawal in the future. However, you can only make contributions to a Roth IRA if your income is under the IRS limits. If you are single, your 2024 income must be less than \$161,000 to contribute to a Roth IRA. If you are married, your 2024 income must be less than \$240,000.

## Vested

Vested means you're eligible to receive your benefit when you leave BMO.



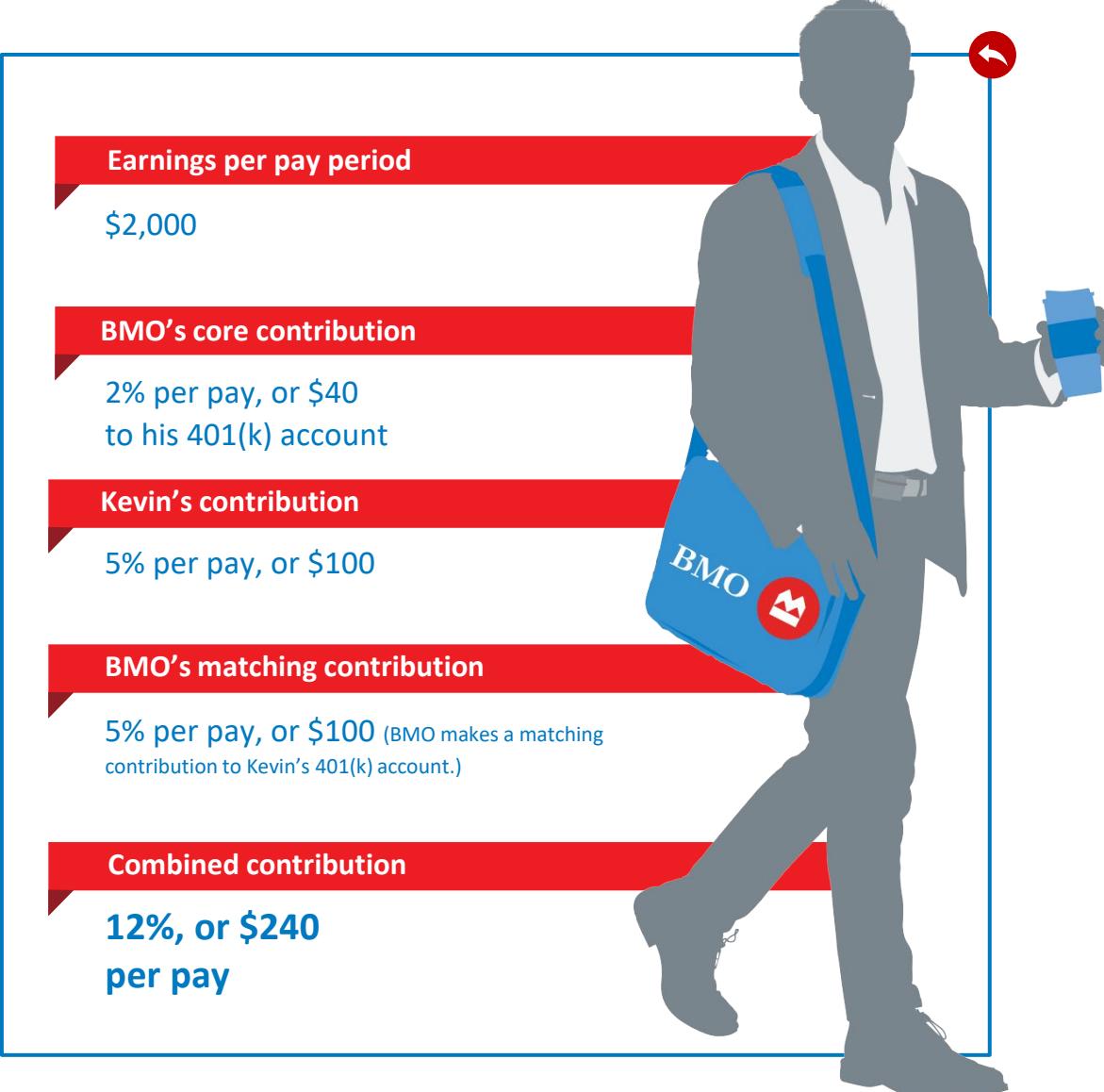
# If your pay exceeds the IRS compensation limit



The Non-Qualified Savings Plan will provide the following **on eligible pay above the IRS compensation limit up to \$500,000**:

- **A BMO core contribution equal to 2% of your eligible pay above the IRS compensation limit up to \$500,000.** You'll receive this contribution even if you don't make any personal contributions to the Non-Qualified Savings Plan. Once you have three years of BMO service (including your current years of service), you're vested — meaning the amount in this plan will be payable to you after you leave BMO.
- **The ability for eligible employees to defer 1% to 75% of eligible pay on a before-tax basis.**
- **A match from BMO on your contributions, dollar-for-dollar, up to 5%.**

# Meet Kevin, a BMO employee



# Every penny counts



Vince, a 30-year-old BMO employee, knows he isn't saving as much for retirement as he could be.



He cuts back on coffee purchases — which saves him nearly \$10 per week — and decides to contribute that money to his 401(k) Savings Plan instead.

That \$10 per week adds up to \$500 for the year. Since BMO matches dollar-for-dollar on the first 1% to 5% of eligible pay, that doubles to \$1,000.



Assuming an average rate of return of 5%, Vince will earn another \$75,000 thanks to compound growth.

That's over \$110,000 total — all from saving just \$10 a week!

# It pays to save early

Meet Sarah. She's a 30-year-old BMO employee who thinks she will retire in 35 years at age 65. She's thinking about starting to contribute to her 401(k) Savings Plan now...but retirement feels so far away. See how Sarah's money can grow over time, depending on whether she starts saving now or in ten years. Let's assume she earns a 5% rate of return on her investments and her salary increases 2% per year. Starting early will put Sarah ahead in retirement — \$190,000 ahead to be exact. The \$22,000 she contributes between ages 30 and 40 will lead to big savings down the road.

Early Saving – Age 30						Late Saving – Age 40			
Age	Salary	Sarah's Contribution (5%)	BMO Core Contribution (2%)	BMO Match (5%)	Value at the end of the year	Sarah's Contribution (5%)	BMO Core Contribution (2%)	BMO Match (5%)	Value at the end of the year
30	\$40,000	\$2,000	\$800	\$2,000	\$4,918	\$0	\$800	\$0	\$820
31	\$40,800	\$2,040	\$816	\$2,040	\$10,181	\$0	\$816	\$0	\$1,697
32	\$41,616	\$2,081	\$832	\$2,081	\$15,806	\$0	\$832	\$0	\$2,634
33	\$42,448	\$2,122	\$849	\$2,122	\$21,816	\$0	\$849	\$0	\$3,636
34	\$43,297	\$2,165	\$866	\$2,165	\$28,231	\$0	\$866	\$0	\$4,705
35	\$44,163	\$2,208	\$883	\$2,208	\$35,073	\$0	\$883	\$0	\$5,845
36	\$45,046	\$2,252	\$901	\$2,252	\$42,365	\$0	\$901	\$0	\$7,061
37	\$45,947	\$2,297	\$919	\$2,297	\$50,132	\$0	\$919	\$0	\$8,355
38	\$46,866	\$2,343	\$937	\$2,343	\$58,400	\$0	\$937	\$0	\$9,733
39	\$47,803	\$2,390	\$956	\$2,390	\$67,198	\$0	\$956	\$0	\$11,200
40	\$48,759	\$2,438	\$975	\$2,438	\$76,553	\$2,438	\$975	\$2,438	\$17,755
41	\$49,734	\$2,487	\$995	\$2,487	\$86,497	\$2,487	\$995	\$2,487	\$24,759
42	\$50,729	\$2,536	\$1,015	\$2,536	\$97,060	\$2,536	\$1,015	\$2,536	\$32,235
43	\$51,744	\$2,587	\$1,035	\$2,587	\$108,275	\$2,587	\$1,035	\$2,587	\$40,209
44	\$52,779	\$2,639	\$1,056	\$2,639	\$120,179	\$2,639	\$1,056	\$2,639	\$48,709
45	\$53,835	\$2,692	\$1,077	\$2,692	\$132,808	\$2,692	\$1,077	\$2,692	\$57,765
46	\$54,912	\$2,746	\$1,098	\$2,746	\$146,202	\$2,746	\$1,098	\$2,746	\$67,407
47	\$56,010	\$2,801	\$1,120	\$2,801	\$160,400	\$2,801	\$1,120	\$2,801	\$77,665
48	\$57,130	\$2,857	\$1,143	\$2,857	\$175,446	\$2,857	\$1,143	\$2,857	\$88,574
49	\$58,273	\$2,914	\$1,165	\$2,914	\$191,384	\$2,914	\$1,165	\$2,914	\$100,169
50	\$59,438	\$2,972	\$1,189	\$2,972	\$208,263	\$2,972	\$1,189	\$2,972	\$112,486
51	\$60,627	\$3,031	\$1,213	\$3,031	\$226,132	\$3,031	\$1,213	\$3,031	\$125,565
52	\$61,840	\$3,092	\$1,237	\$3,092	\$245,042	\$3,092	\$1,237	\$3,092	\$139,448
53	\$63,077	\$3,154	\$1,262	\$3,154	\$265,051	\$3,154	\$1,262	\$3,154	\$154,177
54	\$64,339	\$3,217	\$1,287	\$3,217	\$286,215	\$3,217	\$1,287	\$3,217	\$169,798
55	\$65,626	\$3,281	\$1,313	\$3,281	\$308,596	\$3,281	\$1,313	\$3,281	\$186,357
56	\$66,939	\$3,347	\$1,339	\$3,347	\$332,258	\$3,347	\$1,339	\$3,347	\$203,906
57	\$68,278	\$3,414	\$1,366	\$3,414	\$357,267	\$3,414	\$1,366	\$3,414	\$222,498
58	\$69,644	\$3,482	\$1,393	\$3,482	\$383,694	\$3,482	\$1,393	\$3,482	\$242,186
59	\$71,037	\$3,552	\$1,421	\$3,552	\$411,614	\$3,552	\$1,421	\$3,552	\$263,031
60	\$72,458	\$3,623	\$1,449	\$3,623	\$441,105	\$3,623	\$1,449	\$3,623	\$285,092
61	\$73,907	\$3,695	\$1,478	\$3,695	\$472,248	\$3,695	\$1,478	\$3,695	\$308,434
62	\$75,385	\$3,769	\$1,508	\$3,769	\$505,129	\$3,769	\$1,508	\$3,769	\$333,125
63	\$76,893	\$3,845	\$1,538	\$3,845	\$539,841	\$3,845	\$1,538	\$3,845	\$359,237
64	\$78,431	\$3,922	\$1,569	\$3,922	\$576,478	\$3,922	\$1,569	\$3,922	\$386,845
Sarah's total contribution						Sarah's total contribution	\$78,093		
BMO's total contribution						BMO's total contribution	\$118,093		
Total interest earned						Total interest earned	\$190,659		
Total value of investment at age 65						Total value of investment at age 65	\$386,845		

Note: For simplicity, this example illustrates base pay only and does not account for bonus pay or other forms of compensation an employee could receive over the course of his or her career.

**The bottom line?**

The longer your money is invested in the 401(k) Savings Plan and other savings vehicles, the more it can earn!