SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500 or 5500-SF.**	**2022** **This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
EMPLOYEES' RETIREMENT PLAN OF BANK OF MONTREAL/HARRIS

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
BMO FINANCIAL CORP

D Employer Identification Number (EIN)
51-0275712

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B

F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2022

2 Assets:

a Market value	2a	1,160,306,972
b Actuarial value	2b	1,126,778,231

3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1,575	205,857,491	205,857,491
b For terminated vested participants	4,221	218,424,087	218,424,087
c For active participants	6,297	383,140,254	387,615,060
d Total	12,093	807,421,832	811,896,638

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐

a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	5.44%
6 Target normal cost		
a Present value of current plan year accruals	6a	3,651,354
b Expected plan-related expenses	6b	1,830,000
c Total (line 6a + line 6b)	6c	5,481,354

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE Samantha Klingler SK — 09/18/2023

Signature of actuary — Date

SAMANTHA KLINGLER, FSA, EA, FCA — 2308655

Type or print name of actuary — Most recent enrollment number

MERCER — 412-860-1482

Firm name — Telephone number (including area code)

325 JOHN H. MCCONNELL BLVD.,
SUITE 350
COLUMBUS OH 43215

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	160,681,988
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		0
9 Amount remaining (line 7 minus line 8)	0	160,681,988
10 Interest on line 9 using prior year's actual return of 2.16 %	0	3,470,731
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		23,436,892
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.62 %		1,317,153
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		24,754,045
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	164,152,719

Part III Funding Percentages

14 Funding target attainment percentage	14	118.56 %
15 Adjusted funding target attainment percentage	15	138.78 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	115.19 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/17/2023	10,000,000	0			
			Totals ▶ 18(b)	10,000,000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	9,381,396

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

	1st segment:	2nd segment:	3rd segment:	
a Segment rates:	4.75 %	5.18 %	5.92 %	☐ N/A, full yield curve used

b Applicable month (enter code)	21b	3
22 Weighted average retirement age	22	61

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment ☐ Yes ☒ No

26 Demographic and benefit information

a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6c)	31a	5,481,354
b Excess assets, if applicable, but not greater than line 31a	31b	5,481,354

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _______ Day _______ Year _______) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	9,381,396
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	9,381,396
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. ☐ 2019 ☐ 2020 ☐ 2021

Schedule SB, line 19 — Discounted Employer Contributions

Date	Amount contributed	Plan year	Applicable effective interest rate	Discounted value on January 1, 2022
3/17/2023	$ 10,000,000	2022	5.44%	$ 9,381,396
Total	**$ 10,000,000**			**$ 9,381,396**

Schedule SB, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 61.

(A) Retirement age	(B) Retirement percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	10.0%	10,000	1,000.00	55,000
56	10.0%	9,000	900.00	50,400
57	10.0%	8,100	810.00	46,170
58	10.0%	7,290	729.00	42,282
59	12.5%	6,561	820.13	48,387
60	12.5%	5,741	717.61	43,057
61	15.0%	5,023	753.49	45,963
62	22.5%	4,270	960.70	59,563
63	20.0%	3,309	661.82	41,694
64	27.5%	2,647	728.00	46,592
65	35.0%	1,919	671.74	43,663
66	35.0%	1,248	436.63	28,818
67	35.0%	811	283.81	19,015
68	35.0%	527	184.48	12,544
69	35.0%	343	119.91	8,274
70	35.0%	223	77.94	5,456
71	35.0%	145	50.66	3,597
72	100.0%	94	94.09	6,774
Total			10,000.00	607,250
Average				60.73

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial assumptions for January 1, 2022 funding valuation

Sponsor elections		
• Segment rates or full yield curve	Segment	
• Look-back months	3	
	Stabilized	**Nonstabilized**
• First 5 years	4.75%	1.01%
• Next 15 years	5.18%	2.65%
• Over 20 years	5.92%	3.34%
Mortality sponsor elections		
• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2006 mortality tables with IRS-developed adjustments and projected with mortality improvement scale MP-2020.	
• Disabled participants	Same as healthy participants.	

Economic assumptions	
417(e) lump sums	Liabilities are determined based on the underlying annuity used by the plan to determine the lump sum amount, rather than valuing the lump sum payment. This annuity is valued based on funding interest rates rather than 417(e) rates and current year 417(e) unisex mortality.
Cash balance plans	
• Interest accumulation rate	5.00%
• Whipsaw calculations	No
• Annuity conversion	
– Mortality table	2022 IRC Section 417(e) unisex mortality
– Interest rate basis	October 2021 417(e) segment rates (0.87%, 2.74%, 3.16%)
• Current FAP vested deferred late retirement increase	
– Mortality table	2022 IRC Section 417(e) unisex mortality
– Interest rate basis	October 2021 417(e) first segment rate of 0.87%
Other economic assumptions	
• Salary increases	See table of sample rates
• Social Security taxable wage base increases	4.0% per year
• Inflation	2.5% per year
• Expected investment return	3.30% for 2020; 3.10% for 2021, 3.10% for 2022
• Expenses	$1,830,000 added to current year normal cost

Rationale for economic assumptions

- Discount rate – Given the segment rate and look-back elections made by BMO Harris Bank, the stabilized and nonstabilized rates are those prescribed by IRS Section 430 and relevant regulations.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

- 417(e) lump sums – This assumption is prescribed by IRS Section 430 and relevant regulations.
- Cash balance interest accumulation rate – This assumption is based on the current crediting rate being used by the plan since the minimum interest crediting rate of 5% is much greater than the rate before applying the minimum.
- Cash balance annuity conversion – This assumption is based on interest rates and the mortality basis applicable to the plan for retirements occurring as of the valuation date.
- Salary increases – This assumption is based on an experience study covering the period January 1, 2016 to January 1, 2020. The assumption is consistent with BMO Harris' future expectation of salary increases.
- Expected investment return – The expected rate of return on plan assets is based on the median (50th percentile) simulated investment return using forward looking capital market assumptions published in Mercer Investment Consulting's Capital Markets Outlook for the plan's asset allocation and rounded to the nearest 10 basis points. The expected investment return assumes a passive portfolio with no alpha and a 0.09% investment load representative of passive investments.
- Expenses – This assumption is based on prior year experience, rounded to the nearest $5,000, and adjusted, as necessary, for any expected changes.

Demographic assumptions		
• Withdrawal	See table of sample rates.	
• Disability incidence	Not applicable	
• Retirement age	**Attained age**	**Percentage**
	Under 55	0.00%
	55 – 58	10.00%
	59 – 60	12.50%
	61	15.00%
	62	22.50%
	63	20.00%
	64	27.50%
	65 – 71	35.00%
	72 and above	100.00%
• Benefit commencement age for		
– Future vested deferred	65 for annuities, 60 for lump sum (see form of payment assumption). If age as of the valuation date exceeds age 60, lump sum payment is assumed deferred until age 65 or current age if greater.	
– Current vested deferred	65 for annuities, 60 for lump sum (see form of payment assumption). If age as of the valuation date exceeds age 60, lump sum payment is assumed deferred until age 65 or current age if greater.	
• Spouse assumptions	**Male participants**	**Female participants**
– Percentage married	80%	65%
– Spouse age difference	1 year younger	1 year older

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Form of payment — FAP	**Immediate Lump sum**	**Deferred lump sum / at Age**	**Single life**	**100% J&S**
• Active retirements	40.00%	30.00% / 62	15.00%	15.00%
• Future vested deferred	0.00%	75.00% / 60[1]	15.00%	10.00%
• Future deaths	100% assumed to elect annuity survivor benefit			
• Current vested deferred	0.00%	75.00% / 60[2]	15.00%	10.00%
Form of payment — Cash Balance	**Immediate Lump sum**	**Deferred lump sum / at Age**	**Single life**	**100% J&S**
• Active retirements	40.00%	55.00% / 65	2.50%	2.50%
• Future vested deferred	55.00%	40.00% / 60[3]	2.50%	2.50%
• Future deaths	100% immediate lump sum			
• Current vested deferred	0.00%[4]	90.00% / 60	7.50%	2.50%
Form of payment — Pentegra	**Immediate Lump sum**	**Deferred lump sum / at Age**	**Single life with 10 years certain**	**100% J&S with 10 years certain**
• Active retirements	40.00%	30.00% / 62	15.00%	15.00%
• Future vested deferred	0.00%	75.00% / 60[5]	15.00%	10.00%
• Future deaths	100% assumed to elect annuity survivor benefit			
• Current vested deferred	0.00%	75.00% / 60[6]	15.00%	10.00%
Unpredictable contingent event assumptions	Not applicable			

Table of sample rates

Attained age	Percentage of salary increase at attained age
30	4.25%
35	4.00%
40	4.00%
45	3.00%

1 If age as of the valuation date exceeds age 60, lump sum payment is assumed deferred until age 65 or current age if greater.

2 If age as of the valuation date exceeds age 60, lump sum payment is assumed deferred until age 65 or current age if greater.

3 If age as of the valuation date exceeds age 60, lump sum payment is assumed deferred until age 65 or current age if greater.

4 55% of participants who terminated during the prior plan year are assumed to elect a lump sum immediately.

5 If age as of the valuation date exceeds age 60, lump sum payment is assumed deferred until age 65 or current age if greater.

6 If age as of the valuation date exceeds age 60, lump sum payment is assumed deferred until age 65 or current age if greater.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

50	2.25%
55	1.75%
60	1.25%
65	1.00%

Attained age	Withdrawal
20	25.00%
25	17.50%
30	15.50%
35	12.50%
40	11.75%
45	10.75%
50	10.0%
55	9.0%

Rationale for demographic assumptions

- Withdrawal – Long term assumption based on a historical experience study for the period January 1, 2016 through January 1, 2020. Assumption is consistent with BMO Harris' future expectation of withdrawal.
- Retirement age – Long term assumption based on a historical experience study for the period January 1, 2016 through January 1, 2020. Assumption is consistent with BMO Harris' future expectation of retirement.
- Form of payment – Long term assumption based on a historical experience study for the period January 1, 2016 through January 1, 2020. Assumption is consistent with BMO Harris' future expectation of form of payment elections.

Actuarial methods for funding

Asset methods

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods – effective January 1, 2008

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan administrator provides us with data on all participants as of the valuation date who are included in the valuation of liabilities.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts**: The plan does not have any insurance contracts.

Minimum funding methods – effective January 1, 2008

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

The plan's valuation date is the beginning of the plan year.

- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual are the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Schedule SB, line 24 — Change in Actuarial Assumptions

The following changes were made since the January 1, 2021 funding valuation:

- Interest discounts and mortality rates were updated from 2021 to 2022 in accordance with PPA.
- The expense component of normal cost decreased from $2,035,000 to $1,830,000 to reflect our expectations for the current plan year.
- Annuity and lump sum conversion was updated to use the 2022 IRC Section 417(e) unisex mortality and the October 2021 417(e) segment rates (0.87%, 2.74%, 3.16%)

Schedule SB, line 26a — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	Total
Under 25		3									3
25–29		93	2								95
		3,557									
30–34		388	112	5							505
		6,157	15,677								
35–39		401	304	141	14						860
		9,155	23,232	29,082							
40–44	1	349	285	236	148	14					1,033
					120,279						
		12,061	25,805	34,128	27,558						
45–49	1	269	222	147	168	85	2				894
					131,725	125,286					
		15,478	34,071	49,521	30,084	35,902					
50–54	3	252	209	144	142	120	66	9			945
					132,856	125,845	94,039				
		17,177	41,654	54,882	38,163	44,507	42,187				
55–59		220	192	169	122	95	101	61	36		996
					126,785	147,559	152,171	136,734			
		22,691	45,546	57,903	45,219	53,254	51,781	67,591			
60–64		142	154	115	104	63	43	55	60	12	748
					109,645	129,877	126,157	121,195	96,839		
		21,411	45,025	60,672	53,785	60,018	56,811	62,763	48,782		
65–69		43	39	26	30	19	9	8	5	5	184
		15,926	55,268	82,480							
70 & up		10	5	8	5	3		1	1	1	34
Total	5	2,170	1,524	991	733	399	221	134	102	18	6,297

In each cell, the top number is the count of active participants for each age/service combination, the middle number is average pay for 2021 used in final average pay benefits limited to $290,000, and the bottom number is the average account balance. Average pay and average account balance are not shown for cells with fewer than 20 participants with final average pay benefit calculations and account balances respectively.

Schedule SB, line 26b — Schedule of Projection of Expected Benefit Payments

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2022	15,176,913	24,941,240	18,622,642	58,740,795
2023	16,958,635	9,638,268	18,240,313	44,837,216
2024	18,489,458	11,419,238	17,856,089	47,764,785
2025	20,666,817	12,155,397	17,468,203	50,290,417
2026	21,974,478	15,678,318	17,071,886	54,724,682
2027	23,866,639	12,320,652	16,668,704	52,855,995
2028	24,777,174	13,029,740	16,253,084	54,059,998
2029	26,758,972	13,148,947	15,824,397	55,732,316
2030	27,637,911	13,281,414	15,378,754	56,298,079
2031	29,269,243	14,588,153	14,912,525	58,769,921
2032	29,064,665	13,867,829	14,423,931	57,356,425
2033	28,802,734	13,878,682	13,910,109	56,591,525
2034	29,045,988	14,386,509	13,369,082	56,801,579
2035	29,275,452	15,024,096	12,799,500	57,099,048
2036	29,715,797	13,823,083	12,200,802	55,739,682
2037	29,044,330	14,386,530	11,573,394	55,004,254
2038	29,606,289	15,758,062	10,918,737	56,283,088
2039	29,493,915	15,652,023	10,239,433	55,385,371
2040	28,394,319	15,593,941	9,539,217	53,527,477
2041	28,538,456	13,913,870	8,822,956	51,275,282
2042	27,261,854	15,085,093	8,096,652	50,443,599
2043	27,841,997	13,878,828	7,367,295	49,088,120
2044	26,214,113	13,180,355	6,642,623	46,037,091
2045	25,171,867	12,706,685	5,930,873	43,809,425
2046	23,793,825	11,184,792	5,240,391	40,219,008
2047	21,821,411	11,262,895	4,579,293	37,663,599
2048	20,953,253	10,002,751	3,955,182	34,911,186
2049	19,120,860	9,301,123	3,374,766	31,796,749
2050	17,964,573	8,556,443	2,843,440	29,364,456
2051	16,473,889	7,504,745	2,364,941	26,343,575
2052	14,899,379	6,576,605	1,941,168	23,417,152
2053	13,651,023	5,980,695	1,572,173	21,203,891
2054	12,312,988	5,371,120	1,256,346	18,940,454
2055	11,224,559	4,872,533	990,661	17,087,753
2056	10,171,266	4,398,053	771,009	15,340,328
2057	9,172,109	3,952,923	592,545	13,717,577
2058	8,231,373	3,530,649	450,030	12,212,052
2059	7,344,915	3,133,325	338,144	10,816,384
2060	6,518,786	2,764,179	251,738	9,534,703

Schedule SB, line 26b — Schedule of Projection of Expected Benefit Payments

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2061	5,749,239	2,424,088	186,048	8,359,375
2062	5,038,673	2,113,690	136,821	7,289,184
2063	4,386,441	1,832,707	100,394	6,319,542
2064	3,792,324	1,580,369	73,721	5,446,414
2065	3,255,680	1,355,467	54,343	4,665,490
2066	2,774,551	1,156,462	40,325	3,971,338
2067	2,346,724	981,587	30,193	3,358,504
2068	1,969,190	828,911	22,844	2,820,945
2069	1,638,818	696,423	17,476	2,352,717
2070	1,352,230	582,125	13,512	1,947,867
2071	1,105,950	484,082	10,545	1,600,577

Schedule SB, Part V — Summary of Plan Provisions

Summary of major plan provisions

Effective date and plan year	Original plan: January 1, 1944 Restated plan: January 1, 2020 Plan year: Calendar year
Significant events that occurred during 2021	None
Employers included	BMO Harris Bank (the "Bank") and any subsidiary or affiliate which adopts the plan.
Definitions	
• Covered employees	All full-time and part-time employees of the Bank.
• Participation	Employees participate on their first day of work. (Prior to January 1, 2002, all full-time and part-time employees working more than 1,000 hours annually were included). Employees hired after March 31, 2016 are not eligible to participate in the Plan.
• Services considered	For determining eligibility for benefits, 1/12th of a year of vesting service is credited for each full or fractional month of employment with an employer or controlled group member. If a company was acquired by the Bank of Montréal U.S. group of companies, prior periods of employment will count towards vesting service. (See Appendix A of the plan document regarding the information on acquired companies.) For determining final average pay formula benefits, 1/12th of a year of benefit service is credited for each full or fractional month of plan participation. Part-time employees earn prorated benefit service after January 1, 1997 and no benefit service prior thereto. However, service may be counted differently for employees of certain acquired companies and employees who incurred a break in service. In no event will any service credit for employment exceed 35 years. No additional benefit service is credited after February 28, 2017. For determining account-based formula benefits, one "point" is earned for each year of service, and each year of age. Service for this purpose begins with employment, and a full month is credited for each month worked, regardless of the actual number of days worked in that month. Break-in-service rules (for purposes of calculating benefit service, "points" service and vesting service) are based on the ERISA rule of parity. Also, service and/or pay may continue for certain leaves of absence, as defined in the plan.

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- **Eligible pay**

  Eligible pay includes annual base pay, incentive pay (related to work performance) and managerial pay (the sum of both capped, in total, at the greater of $100,000 or one times base pay), shift differential and overtime. (Prior to July 1, 1995, shift differential and incentive pay were not included.) For part-time employees, eligible pay for the account-based formula is based on actual base pay received, instead of annual base pay.

  Eligible pay for benefits earned after 1988 is limited to $200,000 as adjusted by law. For plan years beginning after January 1, 1994, eligible pay is limited to $150,000 as adjusted by law. For plan years beginning after January 1, 2002, eligible pay is limited to $200,000 as adjusted by law.

  Final average pay is the greater of the monthly average pay during the last five consecutive calendar years within the last ten consecutive calendar years preceding termination or the monthly average pay during the 60 consecutive months immediately preceding termination.

- **Employer contributions**

  Contributions are made in such amounts and at such times as determined by the employers.

- **Employee contributions**

  None.

- **Retirement Benefits**

  For employees hired on or after January 1, 2002, benefits are calculated using the account-based formula. For employees who were employed as of December 31, 2001 (and who leave the Bank on or after January 1, 2002), benefits are calculated under both the account-based formula (beginning January 1, 2002) and the final average pay formula, and the greater benefit is paid. Note: the comparison is made by converting the account-based formula to an annuity or by converting the final average pay formula to a lump sum.

  Account-based formula:

  Each month, a notional account is credited with a monthly pay credit and a monthly interest credit. The monthly pay credit equals a percentage of eligible pay for that month. The percentage is as follows (based on one "point" for each year of age and service, including fractional credit for months):

Age + Service Points	Monthly Pay Credit
Under 40	3.0%
40 to 49	3.5%
50 to 59	4.5%
60 to 69	6.0%
70 or more	8.0%

  The monthly interest credit (based on the 10-year Treasury Bond rate, with a 5.00% minimum) applies to the December 31 account balance of the prior year. No additional pay credits are credited after February 28, 2017.

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	Final average pay formula: The monthly amount of the normal pension is 2% of final average pay (using the eligible pay definition in effect prior to July 1, 1995) multiplied by years of benefit service (as of June 30, 1995) up to 35 years, less one half of primary Social Security benefit prorated if service is less than 35 years. The accrued benefit as of December 31, 1993 plus the foregoing formula for future service only acts as a minimum benefit. For service after June 30, 1995, the 2% is replaced by 1.7% (and applies to the eligible pay definition in effect after June 30, 1995). Participants in a former pension plan who transferred into this plan may receive special benefits calculated under an Appendix. Age at the time of payment is a factor in the final average pay formula (before comparison to the account-based formula), so the following definitions apply:
Normal retirement	
• Eligibility	Normal retirement date is the last day of the month in which an employee attains age 65 and completes the third anniversary of the date he commenced plan participation, or the date he completes three years of vesting service. Optional retirement date is the last day of the month after attainment of age 62 and completion of 10 or more years of vesting service, but before his normal retirement date.
• Benefit	The final average pay benefit is unreduced if payable at either normal or optional retirement date.
Early retirement	
• Eligibility	An employee's early retirement date is the last day of any month after attainment of age 55 and completion of 10 or more years of vesting service, but before his optional retirement date.
• Benefit	The monthly final average pay benefit is computed in the same manner as a normal retirement final average pay benefit, with the Social Security portion prorated by the ratio of service at retirement to the greater of a. 35 years or b. the service the employee would have on optional retirement date. The benefit is reduced by 5/12% for each month that payments commence before age 62. In determining the offset, wages are assumed to continue until age 62.
Late retirement	
• Eligibility	Above age 65.
• Benefit	The late retirement final average pay benefit commences upon actual retirement, and it is computed in the same manner as a normal retirement final average pay benefit, considering service and earnings prior to actual retirement. For employees who retire after age 70-1/2, the age 65 final average pay benefit, actuarially increased to late retirement, acts as a minimum benefit.

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Deferred vested	
• Eligibility	An employee is entitled to a vested benefit if employment is terminated after 3 years of vesting service.
• Benefit	For employees hired after January 1, 2002, benefits are calculated using the account-based formula. For employees who were employed as of December 31, 2001 (and who leave the Bank on or after January 1, 2002), benefits are calculated under both the account-based formula and the final average pay formula, and the greater benefit is paid. Employees rehired on or after January 1, 2002 who have an accrued benefit under the final average pay formula will get the sum of the prior accrued benefit and the account-based benefit. For purposes of this comparison, the monthly final average pay benefit, payable at age 65, is determined as for normal retirement, considering earnings and service to termination. Payment may commence early, but the final average pay benefit is actuarially reduced. If the plan participant has 10 years of vesting service and starts the benefit payments at age 55 or later, the final average pay benefit will be the greater of the actuarially reduced amount or an amount reduced 5% per year from age 65.
Disability	
• Eligibility	An employee is entitled to a disability benefit if disabled with at least three years of vesting service.
• Benefit	The disability benefit is determined by assuming that the participant had continued to receive compensation during his period of disability until normal retirement date. This benefit was frozen as of February 28, 2017. The payment of such benefit commences at normal retirement date.
Pre-retirement death	
• Eligibility	An employee is entitled to a death benefit after three years of vesting service.

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• Benefit	If the death benefit is payable to a spouse (automatic if married), the benefit can be paid as an immediate annuity or an immediate lump sum. A non-spouse beneficiary receives an immediate lump sum. For employees hired after January 1, 2002, benefits are calculated using the account-based formula. For employees who were employed as of December 31, 2001 (and who leave the Bank on or after January 1, 2002), benefits are calculated under both the account-based formula and the final average pay formula, and the greater benefit is paid. For purposes of calculating the final average pay formula, the following applies: In the event of the death of a retired employee entitled to receive benefits or an active employee who completed three years of vesting service, his beneficiary is entitled to final average pay benefit equal to 50% of his final average pay benefit computed as for early retirement. The early retirement reduction will not apply for the death of an active employee. In the event of the death of a participant who terminated prior to early retirement eligibility, but with at least three years of vesting service, and whose pension has not yet commenced, the beneficiary's final average pay benefit amount is equal to 50% of the participant's accrued benefit, reduced for the 50% joint and survivor coverage, and for early commencement.
Form of benefits	
• Automatic form for unmarried participants	Life Annuity
• Automatic form for married participants	50% Joint & Survivor Annuity.
• Optional forms	If the value of the benefit payable is less than $5,000, the Bank will require that payment be made in a lump sum at termination of employment. If the value exceeds $5,000, the employee may elect to have it paid in a lump sum at termination of employment. If the value of the benefit exceeds $5,000, payment options include a single life annuity, 50%, 75% or 100% joint and survivor annuity, cash balance refund or a lump sum. These payment options can start immediately or be deferred, but not past age 65. The portion of the benefit based on benefit service before July 1, 1995 is unreduced for the 50% joint and survivor coverage. Payments of survivor annuities to a spouse will be extended to children under age 21 upon the death of the spouse.
• Optional form conversion factors	IRC Section 417(e) unisex mortality and monthly segment rates.

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Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2022, the limit is $305,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2022, the limit is $245,000.

Provisions for Former participants of the Pentegra Defined Benefit Plan for Financial Institutions

Three employers withdrew from the Pentegra Defined Benefit Plan for Financial Institutions and merged into the Employees' Retirement Plan of Bank of Montréal / Harris effective January 1, 2019.

Employer	First Indiana Bank	Rushville	Mooresville
Normal retirement	Age 65	same	same
Early retirement	Age 45	Age 55	Age 55
Early retirement reductions	6%/year to age 60 4%/year from 60 to age 55 3% below age 55	3%/year	6%/year to age 60 4%/year from 60 to age 55
Late retirement	AE increases starting at age 65 for actives only	same	same
Normal form of payment	10 year certain and life for single participants 100% J&S w/10 year certain for married	same	same
Optional forms of payment	Life annuity 100% J&S w/10 year certain 75% J&S 50% J&S Lump sum (after age 59.5) Partial lump sum with annuity	same	same
Benefits frozen	January 1, 2008	same	same

Benefits included or excluded

Unless noted below, all benefits provided by the plan are included in this valuation:

- **Most recent plan amendment included:** Amendment #1, which is effective October 11, 2021 (2021 special lump sum election window).
- **Plan amendments excluded:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **Late retirement increases:**

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- *Active participants:* The plan applies late retirement actuarial increases for Pentegra participants who defer retirement beyond their normal retirement date and this valuation includes those increases. No late retirement increases are included for final average pay or cash balance participants since the Plan provides Suspension of Benefits Notices to active participants. Additionally, there are only a small number of active participants with FAP benefits that are currently over age 70 ½, so the impact of actuarial increases for actives would be immaterial at this point. We will continue to monitor the number of participants in this situation.
- *Deferred vested participants:* For FAP and Pentegra participants, current deferred vested participants over normal retirement age are valued including the late retirement actuarial increases from the later of date of termination and normal retirement age. For cash balance participants, continued interest credits are assumed instead of actuarial increases.

- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Plan provisions specific to funding

Additional benefits included or excluded

- **IRC Section 436 benefit restrictions:**
  - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
  - Plan amendments: See above.
  - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
  - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits**: The plan does not have any unpredictable contingent event benefits.

Plan provision changes since prior valuation

Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2021 to 2022.

The plan was amended to offer a one-time lump sum window to specified terminated vested employees during December 2021.