

September 16, 2020

Financial Services Regulatory Authority of Ontario  
5160 Yonge Street, 16th Floor  
Toronto, ON M2N 6L9

**Subject: Guidance Documents – Principles and Practices Regarding Missing Members and Waiver of Biennial Statements for Missing Former and Retired Members**

Dear Sir/Madam:

On behalf of the LiUNA Pension Fund of Central and Eastern Canada (“LPF”) we thank you for the opportunity to provide comments on the Guidance documents: Principles and Practices Regarding Missing Members and Waiver of Biennial Statements for Missing Former and Retired Members.

LPF’s total membership exceeds 125,000 with nearly 2,400 participating employers. We continuously deal with challenges related to missing members. Based on our experience, we have provided our comments below for your consideration.

[GUIDANCE: WAIVER OF BIENNIAL STATEMENTS FOR MISSING FORMER AND RETIRED MEMBERS](#)

**Section 4.1.1 (3)**

*Commutated values:*

- Commuted value amounts can vary and can significantly vary depending on several factors such as interest rates, mortality assumptions, and age. There will be variations in the commuted value being reported versus that at actual date of payment, therefore causing an inaccurate reflection of the value of the pension. Understanding the overall magnitude of the pension obligations for missing members may be helpful to FSRA, however providing the individual commuted values on the waiver is not useful information and should not be included.

*Searches:*

- Costs related in doing searches can include fees from third party search providers and possibly professional advisors such as lawyers and actuaries in addition to the time and burden on the administrator and its staff. As such it would be helpful if the Guidance could indicate if there is required minimum number of search methods which must be used by all plans to provide consistency with regards to the methods used and costs incurred or anticipated. In addition, the regulations should allow that benefit lump sum entitlements may be reduced by the cost of reasonable search efforts.

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GUIDANCE: PRINCIPLES AND PRACTICES REGARDING MISSING MEMBERS

**Section 3.4.2**

Our understanding is that consent is not required to publish names of missing members in public forums such as a public plan website or newsletters. Please advise why such consent may be needed. In addition, regardless of consent, government offices are reluctant to release information. Clarification on which government offices would permit the sharing of data in this instance would be useful.

**Section 3.6.2**

The LPF is a multi-employer pension plan with nearly 2,400 participating employers. Employers do not always provide accurate, complete and up to date member information. The cost to follow up with numerous employers can be significant. The responsibility for the collection of complete information on members should not fall entirely on the administrator, and as such, an amendment to the Act should be added for an obligation to employers for the collection of data.

**Section 3.8.2**

There are limitations on search methods using Equifax or going back to Local Unions/Employers in order to locate missing members. Groups such as missing former members may also be missing personal information such as date of birth or have small pension amounts. Members like this makes the ability to purchase an annuity or transfer to an ongoing pension plan unavailable and remains to be a challenge, so other options are needed.

In such jurisdictions as Alberta, British Columbia and Quebec, the option to transfer both unlocked and locked-in funds to an Unclaimed Property Society/Entity is available. Something similar to this should be established in Ontario.

**Appendix 2**

*What types of searches are / may be used by the administrator, costs, and when they would be performed and repeated.*

- Equifax is really the only cost effective search available. The Guidance should provide suggestions of all available search methods.

*Special steps to be taken where a missing member may be outside of Canada, if this tends to be an issue for the particular plan.*

- Equifax does not perform searches on members located outside of Canada. The Guidance should provide available search methods that may be utilized by plans to help assist in out-of-country searches.

Should you have any questions or require any clarification regarding our comments, please let us know.

Regards,



David D'Agostini  
Administrator

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