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**By E-mail only**

**Re: CAPSA Consultation on Guideline No. 9 –  
Searching for Un-locatable Members of a Pension Plan**

The Canada-Wide Industrial Pension Plan (CWIPP) is a multi employer pension plan registered in Ontario with nation-wide membership. In response to “CAPSA Consultation on Guideline No. 9 – Searching for Un-locatable Members of a Pension Plan” (Guideline No. 9), we have prepared this submission to express concerns with adequacy of the assistance provided to locate un-locatable members of a pension plan, particularly in respect of legacy missing members.

Guideline No. 9 contains information that is similar to the guidance presented in FSCO’s Policy A300-900, “Searching for Plan Beneficiaries.” While both documents provide guidance on best practices and helpful suggestions for locating missing members, neither provides adequate assistance to plans who have members who remain un-locatable despite adherence to best practices and reasonable location efforts. To address these situations, we suggest that a government-run central search database be made available to pension plans trying to locate missing members, utilizing data available through Canada Revenue Agency (CRA) and/or the Canadian Pension Plan.

Historically, CWIPP used CRA’s National Search Unit (NSU) to look for missing members, which was a cost-effective, productive resource. Since the closure of the NSU, CWIPP has used Equifax address search, which is also cost efficient, but less likely to result in new contact information for missing members being provided to the plan. While CRA does still offer a letter-forwarding service, it is neither as effective nor as efficient as the NSU.

The plan has about 10,000 inactive lives and of this number, nearly 4,500 are currently un-locatable. For a plan of this size and geographic and industry diversity, it is neither efficient nor effective to use methods such as internet searches and advertisements in the local newspaper in an attempt to locate missing plan members. Also, contracting private search firms to look for individuals is expensive.

In CWIPP’s case, the following factors make it particularly difficult to locate missing members:

- Missing members were often only enrolled in the plan for a short period of time;
  - They do not maintain any ongoing connection with their previous employer or other employers in CWIPP, and
  - Some member benefits are small (monthly accrued pensions of less than \$25), often outweighed by the cost of the search to locate the member;
- Some members have been un-locatable for decades;
- Membership is national in scope;



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- Members belonging to terminated employer groups do not have ongoing employer and/or union contacts; and
- The volume of legacy missing members makes per person search costs exorbitant.

While the above issues are not unique to CWIPP, the plan's size and the geographic distribution of its membership exacerbate the problems posed by missing members. They also highlight the need for a streamlined and cost-effective process for locating such members, which will be to the benefit of all plans and plan members. We believe that such a process should:

- Be national in scope,
- Use available government resources and databases,
- Operate on a cost-recovery or revenue neutral basis
- Provide plan members and beneficiaries with the ability to, once located, renounce their entitlement (if it is their wish), thereby allowing the plan to take the necessary action,
- Provide a discharge or other process in respect of missing members whose benefits fall below a specific minimum threshold), to address situations where the cost of locating the missing member might otherwise exceed the cost of the member's benefit.

As recommended in the Report of the Expert Commission on Pensions "A Fine Balance – Safe Pensions Affordable Plans Fair Rules", plan members seeking to trace their stranded or deferred pensions should have access to a centralized list of beneficiaries filed as un-locatable by plan sponsors. Further, consideration should be given to allowing transfer of unclaimed balances to a regulatory entity, similar to Quebec's unclaimed property regime.

We hope that CAPSA will expand the scope of Guideline No. 9 and help pension plans identify a national, cost-effective and efficient way of locating the plan's missing members.

Sincerely,

Shawn Rahbek, ASA  
CWIPP Relationship Manager

Copy: Board of Trustees, Canada-Wide Industrial Pension Plan