

September 18, 2020

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

*Submitted Electronically*

**Re: Draft Guidance for Consultation on the Issue of Missing Pension Members**

The OPSEU Pension Trust (OPTrust) welcomes the opportunity to provide comments regarding the draft Guidance documents entitled *Principles and Practices Regarding Missing Members* and the *Waiver of Biennial Statements for Former and Retired Members* that were prepared to aid pension plan administrators with the issue of missing members.

With net assets of almost \$22 billion, OPTrust invests and manages one of Ontario's largest pension funds and administers the OPSEU Pension Plan, a jointly sponsored defined benefit plan with over 96,000 members and retirees.

***Principles and Practices Regarding Missing Members***

We commend FSRA on the flexibility provided in the *Principles and Practices Regarding Missing Members* (the "principles") and for recognizing that plan administrators across the pension sector can face very different challenges. We appreciate that these principles promote the establishment of tailored strategies that will best meet a plan's own unique and evolving needs and agree that the efforts undertaken to search for missing members must be practical and appropriate.

We also welcome the acknowledgement that other stakeholders, in addition to the plan administrator, have a responsibility to maintain accurate member data. For instance, we agree that the member logically plays a primary role in ensuring administrators have accurate personal information.

While the principles suggest that the number of missing members should drop as a plan's size and the number of transaction touchpoints increase, we also see these as factors that could contribute to an increase in the number of missing members in the future. Growth in plan membership can lead to administrative and technological sophistication, but it can also place a greater demand on resources as the workforce becomes more mobile and as an increasing cohort of members participate in pension plans for shorter periods of time.

With this in mind, while the principles offer comprehensive best practices for plan administrators to follow currently, OPTrust already employs many of the suggested search tactics and we continue to look for new tools and methods to aid us in locating missing members.

### ***Waiver of Biennial Statements for Former and Retired Members***

It is reassuring that the *Waiver of Biennial Statements for Former and Retired Members* Guidance document maintains that applying for a waiver will continue to be optional.

Although the intent of the waiver is to provide plan administrators with statutory discharge, we are uncertain what this waiver is meant to accomplish or why an administrator would apply for one. With or without a waiver FSRA recognizes that it would not be prudent for plan administrators to send communications that contain confidential and personal information to an address they believe to be incorrect, so we question why the waiver is necessary.

As a plan administrator, our goal is to maintain contact and locate members who have become missing, for the purpose of paying benefit entitlements. We believe it is possible the waiver could be detrimental to this goal, as the granting of waivers could eliminate the impetus for administrators to continue searching for missing members (regularly or periodically, as appropriate). As the principles point out, the longer members are missing the less likely it becomes that administrators will be successful in locating them.

### **Proposed Solutions**

We feel that there is a greater need for assistance, support or tools to aid plan administrators in locating members who have become missing and to ultimately pay benefit entitlements. To achieve this goal, we support many of the solutions recommended by the Technical Advisory Committee, such as an information sharing arrangement with the federal government, and discharge for paying benefits to members who are missing at a certain age (such as age 71).

Additionally, we believe that it would be worth FSRA exploring the use of a centralized, recognizable institution for plan administrators to pay unclaimed benefit entitlements into, such as the Bank of Canada's role for unclaimed bank balances. We would encourage FSRA's pursuit of this at a provincial or federal level and would be happy to help in any way possible.

It is our hope that any future tools will be available for use voluntarily, so plan administrators have the freedom to determine how to best fulfil their fiduciary obligations.

### **Collection of Missing Member Data**

In addition to the Guidance documents referenced above, FSRA stated they have begun collecting missing member data from plan administrators on a voluntary basis at first, to allow the sector to become familiar with the process, with data remittance becoming mandatory in 2021. Details about this data collection process have yet to be publicly announced and are not included in the Guidance documents.

While we can certainly understand the need to gather more information about missing members, we would encourage FSRA to release further details about any new data collection process so plan administrators have sufficient time to prepare and implement the necessary processes, if applicable.



In closing, we applaud the efforts of the Technical Advisory Committee and FSRA on the thoughtful and practical approach taken on the issue of missing members. We appreciate the opportunity to provide our feedback for consideration during this consultation process.

Sincerely,

A handwritten signature in black ink that reads "Julie Belair".

Julie Belair  
Vice President, Actuarial Services and Plan Policy