



August 21, 2018

To: The Department of Finance FIN.Pensions-Pensions.FIN@canada.ca

RE: Notice for Comments - Modernization of the Unclaimed Balances Regime and Proposals for an Unclaimed Pension Balances Framework

RBC Investor Services Trust Canada (RBC I&TS), a subsidiary of the Royal Bank of Canada, appreciates the opportunity to comment on the proposals for an unclaimed pension balances framework to be set out in the *Pension Benefits Standards Act, 1985* (PBSA) and its regulations.

General Comments

We support the proposals relating to sections 2.1. Designated Entity, 2.2. Application to Terminated versus Ongoing Plans, 2.3. Transfers to the Designated Entity, and 2.7. Tax Obligations.

Specific Comments - 2.3. Transfers to the Designated Entity

As a pension plan trustee and/or custodian, RBC I&TS, from time to time, is placed in a position where residual pension plan assets from defunct pension plans are held in its custody. RBC I&TS faces challenges with respect to allocating balances from such pension plans if (1) it did not receive instructions from the plan administrator or sponsor during the wind-up process and the plan administrator or the plan sponsor no longer exist as a legal entity; and (2) the trustee or custodian cannot locate the owner of the pension plan assets. Based on current requirements, trustees and custodians of pension funds are unable to address pension plan assets belonging to unlocated beneficiaries as unclaimed property and remit them to the Bank of Canada.

RBC I&TS respectfully submits that the proposed Unclaimed Pension Balances Framework be expanded to apply to trustees and custodians to provide the option to remit unclaimed pension plan assets to the designated entity. Specifically, in cases related to unclaimed pension plan assets belonging to defunct plans where the plan administrator or sponsor cannot apply to the Superintendent for permission to transfer unclaimed assets to the designated entity, as they no longer exist as a legal entity. In such cases, RBC I&TS proposes that the trustee and/or custodian have the ability and option to submit an application for permission to transfer to the designated entity the unclaimed pension plan assets in its possession related to defunct plans. RBC I&TS believes this change would be beneficial for pensioners who can more easily locate and reclaim the funds to which they are entitled if they are held centrally with the Bank of Canada.



Specific Comments - 2.4. Information Provision

In cases where unclaimed pension plan assets from a defunct pension plan are held by a trustee or a custodian, personal information concerning the unlocated beneficiaries may not be on record or be available to the trustee or custodian. This is particularly relevant in cases where the unlocated beneficiary was not retired at the time the pension plan was in existence. The trustee or custodian would not have the payment information on record for such beneficiaries as benefit payments were not being made to the beneficiary at the time the trustee/custody services were being provided to the pension plan.

In this regard, RBC IT&S further submits that the proposed approach for information provisions to the designated entity be amended for trustees and custodians to allow the provision of any prescribed information related to the owner of the unclaimed pension plan assets and if the required information (as per the proposal in section 2.4. Information Provision) is not available, to still allow the transfer of pension plan assets to take place if the trustee or custodian has provided all information available in its records related to the unlocated beneficiary.

Thank you for considering our comments on the proposed regime change to address unclaimed pension balances. Please feel free to contact Julie Badurina at julie.badurina@rbc.com should you have any inquiries.

Sincerely,

RBC Investor Services Trust Canada