



April 16, 2021

Pension Division – Financial Hardship Unlocking  
Financial and Consumer Affairs Authority  
601 – 1919 Saskatchewan Drive  
Regina, SK S4P 4H2  
Via email: [pensions@gov.sk.ca](mailto:pensions@gov.sk.ca)

**Re: Response to Financial Hardship Unlocking Consultation**

To Whom It May Concern:

ACPM (The Association of Canadian Pension Management) is a national, non-profit organization acting as the informed voice of plan sponsors, administrators and their service providers in advocating for improvement to the Canadian retirement income system. Our membership represents over 400 companies and retirement income plans that cover millions of Canadian plan members.

We are pleased to provide our response to the consultation paper on Financial Hardship Unlocking.

While unlocking prior to retirement age is contrary to ACPM's general principle of funds remaining locked-in until retirement (*please refer to the attached ACPM policy – Locking-in of RPP funds, June 27, 2018*), we understand there may be a policy rationale for offering this exception and other jurisdictions (e.g., Alberta, BC, Ontario, Nova Scotia and Newfoundland and Labrador) permit unlocking due to financial hardship. As this change would provide harmony with other jurisdictions, it would be supported by ACPM.

The following are ACPM's responses to the specific questions posed:

*Question 1: Do you agree the Government should amend the Regulations to allow for Financial Hardship Unlocking from a LIRA?*

Yes, ACPM supports the change.

*Question 2: Do you agree with the four criteria under which money could be withdrawn? Do you feel there should be any additional criteria?*

Yes, ACPM agrees with the four criteria under which money could be withdrawn.

*Question 3: Do you agree that there should be a limit on how frequently a LIRA holder can withdraw money under Financial Hardship Unlocking? If so, what do you feel the limit should be?*

ACPM does not have a specific view on the frequency of withdrawals but supports harmonization of financial hardship unlocking provisions, including withdrawal frequency, across Canada. However, the frequency of withdrawals that are permitted should be mindful of the administrative burden placed on financial institutions who administer these accounts.

*Question 4, 5, 6, 7 and 8*

ACPM agrees with all proposed requirements to withdraw funds and appreciates the alignment with other Canadian jurisdictions.

One of ACPM's guiding policy principles is that Canada's pension legislation should always strive for better harmonization. Therefore, ACPM agrees with the proposed requirements to withdraw funds as they align with the general provisions in other jurisdictions.

*Question 9: Should there be a sunset clause in the Financial Hardship Unlocking provisions in the Regulations? If so, what do you feel is the correct number of years for the sunset to take effect?*

ACPM does not support a sunset clause as it deviates from other jurisdictions but does feel a mandatory review of this provision is prudent. As indicated above, our belief is pension funds should be locked-in until the minimum retirement age. However, we also recognize the need for flexibility in uncertain times and appreciate the position the Government is in as we all navigate the uncertainties that COVID-19 brings to the citizens of Saskatchewan. With that in mind we feel a mandatory review after five years would be reasonable.

*Question 10: Do you have any concerns with financial institutions providing a statistical report to the FCAA? If you do not have any concerns, should the report be semi-annual or annual?*

Any reporting requirement should be clearly communicated in advance to LIRA holders so they can make arrangements to track the information that will be requested. In addition, no reports should be requested if the information is not intended for use in a meaningful way as there is an administrative cost to track, maintain and prepare the information that will be provided in any report.

*Question 11: Do you agree with Financial Hardship Unlocking being a mandatory provision in LIRA contracts?*  
Yes, otherwise it will result in unnecessary complexity as there will not be uniformity amongst LIRA contracts.

*Question 12: Do you agree that the financial institution who issued the LIRA should be responsible for reviewing the applications for Financial Hardship Unlocking?*

Yes, we feel the financial institution who issued the LIRA should be responsible for reviewing the applications. We also feel that the regulator should establish clear and concise rules and leave compliance monitoring to the LIRA holders.

*Question 13: Is two months enough time for financial institutions to prepare for the new rules?*

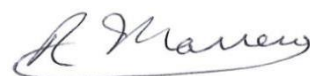
No comment.

Thank you for the opportunity to provide our input and please contact us if we can be of further assistance.

Sincerely,



Paula Potter  
Vice-Chair, Prairie Regional Council  
ACPM



Ric Marrero  
Chief Executive Officer  
ACPM