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We would like thank you for the opportunity to respond to the [consultation paper on non-residency unlocking](#) issued in May 2014. We have chosen to formulate a general response, as opposed to answering the specific questions in the document.

We understand the rationale to offer an unlocking provision to non-residents; however, we wish to offer a note of caution regarding pensions that are in payment. The potential for anti-selection exists in the case where, for example, the recipient of a pension suffers a significant deterioration in health. In that instance, if they then elect to receive a commuted value, it could significantly exceed the total amount they would have received had the pension remained in payment status. This has the potential of creating unexpected additional costs for a pension plan and inequities between groups of pensioners within the same plan.

This issue is particularly relevant for multi-employer pension plans, where a member taking the commuted value can weaken the funding basis for the remaining plan members.

We would suggest that pension plans not be forced to offer this provision to non-resident pensioners. Alternatively, this provision should not be open-ended, and sufficient safeguards should be allowed to be put in place to avoid the aforementioned situations.

The Canadian Institute of Actuaries trusts that the comments provided above will be of value. We thank you for offering us the opportunity to respond.

Respectfully submitted,



Jacques Lafrance
CIA President