

Oversight Regulations of Financial Services (Pension Funds) (Locating of Members and Beneficiaries) 2012*

By the authority granted to me by clauses 24 and 60 of the Oversight of Financial Services Law (Pension Funds) 2005 (herein: Pensions Law), I set forth the following regulations:

DEFINITIONS

1. In these regulations –

“Person of Contact” – the most recent of these two, appearing in the records of the financial body handling the account of the member in which the business takes place:

- (1) The licensed individual or anyone who is listed as having added the member to the pension account;
- (2) The licensed individual or anyone who is listed as having been appointed by the member to administer for him the same pension account;

“Licensed individual” – as defined in the advisory law;

“Retirement age” – one of the following, the earliest of the two:

- (1) Retirement age according to the Retirement Age Law, 2004;
- (2) The age of eligibility for retirement by the conditions detailed in the bylaws of the pension, and for a new fund – in the most recent insurance plan in which the member was a part of or at expiration of the insurance policy, respectively.

“Returned post” – two periodical reports sent to the member after the start date, except reports that were sent by email, and were returned due to no known recipient, within a period of 3 years;

“Registered post” – registered post sent by the institutional organization to the member, beneficiary or potential beneficiary, respectively, to which a confirmation of receipt was received, in which it is made clear that there exists at the institutional organization money in the name of the member or deceased member, respectively, whose existence is suspected to have not been known to them.

“Order” – a recorded order/directive that the member gave in his account with the institutional body, including deposits, and including payment of the employer for the employee, withdrawals, transfers, checking of balance, written correspondence sent by the member, including those sent by email from the email address listed by the member with the institutional body, logging in to the member’s account through the website of the institutional body or a phone-call that took place according to section (1) and (2) defining “phone-call”; to this end, “checking of balance” and “written correspondence sent by the member” – excluding checking of balance or written correspondence carried out by the licensed individual by way of power of attorney granted to him by the member;

“Advisory law” – Oversight of Financial Services Law (advising, marketing and clearing system), 2005;

“Dormant account” – any of the following:

- (1) A pension fund account that is not a provident fund for annuity and is not an insurance fund if ten years have passed since the last date in which an order was given to the institutional organization or five years have passed since the last date an order was given to the institutional organization and according to the information they have on hand the money can be withdrawn from the member’s according, the earliest of the two;
- (2) A provident fund for annuity account that is not an insurance fund, insurance policy granted by an insurance fund or insurance policy granted by an insurance program conjoined with savings that are not of the insurance fund, in which one of the following took place:
 - (a) There was no order given to the institutional organization during the year that began six months prior to the age of retirement and ended six months after the age of retirement;
 - (b) The member reached the age of retirement and five years have passed from the last date in which an order was given to the institutional organization;
 - (c) The member has not yet reached the age of retirement and ten years have passed from the last date in which an order was given to the institutional organization;

“Start date” – the beginning date of these regulations as listed in regulation 7, respectively;

“To contact” – all of the following:

- (1) Regarding a member with whom contact was severed and the following conditions applied -
 - (a) Section (1) of the definition “member with who contact was severed” – updating of member’s new address received from the Population Registry, sending of registered post to the new address received by the institutional organization regarding the member according to the ID number of the member, death of the member or a given order, excluding a routine periodical deposit, receipt of annuity from pension fund for annuity or routine periodical withdrawal;
 - (b) Section (2) of the aforementioned definition – sending of registered post, giving of order or death of the member;
- (2) Regarding a beneficiary or potential beneficiary – written, documented inquiry of the beneficiary or potential beneficiary in the matter of the account of the deceased member, death of the beneficiary or of the potential beneficiary, documented registered post or phone call that took place as mentioned in paragraph (3) of the definition “phone-call”;

“Potential beneficiary” – as defined by regulation 4(b)(2);

“New member” – one of the following:

- (1) A member who was added for the first time to a pension fund after the start date of regulation 2, including a member whose money was transferred by regulation to the pension fund, after said date, from a different pension fund;
- (2) A member who has opened an additional account with the pension fund after the start date in regulation 2, including an account to which money was transferred after said date from a different pension fund by regulation of transfers, shall be seen as a new member regarding the additional account and its money only;

“Member with whom contact was severed” – a member with whom one of these conditions apply:

- (1) The correspondence sent to him is returned post;
- (2) The account under his name is a dormant account;

“Basic identifying details” – given name, surname, ID number, date of birth, sex, date of date;

“Action/Deal” – as defined by advisory law;

“Old age pension” – pension paid to a member from the pension fund for annuity for all the days of his life by regulation or policy terms, respectively, who is eligible to receive from that time that he reaches the age allowing as listed in the regulations of the fund or policy terms, respectively;

“New fund” – a new general fund and a new encompassing fund as defined by clause 2(F) of the Pensions Fund Law;

“Old fund in arrangement” – an old fund to which a special manager was appointed by instructions in clauses 78d of the Oversight of Financial Services Law (Insurance), 1981;

“Quarter” – period of three months ending on the last day of the months of March, June, September and December of each year;

“Phone-call” – any of the following:

- (1) A phone-call between the institutional organization and the member regarding his account with the pension fund;
- (2) A phone-call between the institutional organization and the member during which it is made clear to the member that money in the member’s name exist at the institutional organization, where there is a suspicion that he may not know of their existence;
- (3) A phone-call between the institutional organization and the beneficiary or the potential beneficiary, during which it is made clear to him that money exists in the name of the deceased member with the institutional

organization where there is a suspicion that he may not know of its existence;

“Regulations of transfer” – Oversight Regulations of Financial Services (Pensions Funds) (Transfer of Money Between Pension Funds), 2008;

Updating of Contact Details

2. (a) Institutional organization will turn to Population Registry at Ministry of Interior by the end of the quarter following the start date, in a manner designated by the commissioner, with a request to verify the basic identifying details of the members in the pensions funds that it manages, with the listed details appearing in the Registry, and will also turn to the Population Registry regarding members of the pensions funds that it manages as designed by the commissioner, with a request to receive from the Registry the address information of said members; in this sub-regulation, “Institution Organization” – with the exception of old pension in arrangement.

(b) Institutional organization will turn to Population Registry at Ministry of Interior at the time of said inquiry in sub-regulation (C) that follows, after the join date of a member to a new pension fund, with a request to receive for a new member as mentioned, his basic identifying details, excluding date of death, of said member.

(c) Six months after the date mentioned in subsection (a) above, and every six months afterwards, institutional organization will turn to Population Registry and Ministry of Interior, in a method designed by the commissioner, with a request to receive from the Registry the family name and date of death of members of the pension fund that it manages, and will turn to the Population Registry, regarding member of the pension fund as designated by the commissioner, with a request to receive from the Registry the addresses of said members; there is naught in these instructions to mitigate the duty of the institution organization to request and receive from the Population Registry the aforementioned details, entirely or partially, according to law.

(d) After receiving the details from the Population Registry as explained in paragraphs above (a) through (c), the institutional organization will update the identification details of the members in the pension fund, entirely or partially, according to instructions of the commissioner.

ACTIONS TO LOCATE MEMBERS WITH WHOM CONTACT HAS BEEN SEVERED

3. (a) Institutional organization will operate with reasonable diligence to find the member with whom contact has been severed, with the aim of bringing to his attention the money or rights to which he is entitled, to be found at the institutional organization and so will do the following:

- (1) Will inquire with various organizations that may have information that can assist in locating the member, with a request to receive the address of the member, his telephone number, email address and the details of his employer, and will also ask of these same organizations to tell the member of the possibility that the

institutional organization may be holding money or rights in his name that are suspected to be unknown to him, so long as the institutional organization does not succeed in making contact with the member; among others, will turn to the following organizations:

- (a) Contact Person of the member;
 - (b) RE Salaried Member – the employer of the member as is written in the records of the organization;
 - (c) In a branch-pension-fund – to the representative of the members;
- (2) Will inquire with various databases with which is authorized to receive information from them by law, with a request to receive details that will assist in locating the member, so long as no successful contact with the member has yet been made;
 - (3) Will perform additional actions to locate additional members as designated by the commissioner.

(b) The institutional organization will perform the aforementioned actions (a)(1)&(2) within one year's time.

(c) Should the institutional organization not succeed in making contact with the member, it will repeat the actions in aforementioned sections (a)(1)&(2), every three years, within one year's time; and regarding members to whom subsections (2) of the definition "member with whom contact has been severed" applies, the institutional organization will also check every 3 years if the sum of money accrued in the account of the member is greater than 5,000 NIS; if the accrued sum is greater than 5,000 NIS, the institutional organization will repeat the action in (a)(1)&(2) within one year's time.

ACTIONS TO LOCATE BENEFICIARIES AFTER DEATH OF MEMBER

4. (a) Should the institutional organization be informed of the death of a member –
 - (1) Will notify the beneficiaries that their identity is known to it (in this regulation – "known beneficiary") and that there is an account in the name of the deceased member to whose money or rights they may be entitled, respectively, due to the death of the member;
 - (2) Should the deceased member have had one or more known beneficiaries as stated above (1) and no ending terms have been made as set forth in subsection (F), after 6 months from the date at which the institutional organization was informed of the member's death – will send a message as mentioned in paragraph (1) to the address of the deceased member, and will notify the known beneficiaries of the message in paragraph (1) so long as no successful contact with them was made, according to information that will be received from the following sources:
 - (a) For family name, address and date of death of the known beneficiaries – the Population Registry in the Ministry of Interior;

- (b) For details that may assist in locating known beneficiaries – various databases from which the institutional organization is legally entitled to receive information;
 - (c) For the addresses of the known beneficiaries, telephone number and email addresses – the licensed individual in the records of the institutional organization who is written as having added the member to the account of the pension fund; should a different licensed individual appear as the administrator of the account, then to the licensed individual who appointed him.
- (b) Should the institutional organization know of the death of a member, and the institutional organization did not know the identities of the beneficiaries, entirely or partially -
- (1) The institutional organization will send a message to the address of the deceased member as mentioned in sub-regulation (a)(1) no later than three months from the date at which the institutional organization was informed of the member's death; should the institutional organization not know the identities of the beneficiaries or party of them at the end of one year's time from the date of being informed of the member's death, the institutional organization will perform the following actions:
 - (a) Will turn to the Probate Registry with a request to receive the given name, family name and address of whomever has requested a certificate of probate, as well as any other identifying detail as designated by the commissioner;
 - (b) Regarding members having passed before 1 September 1998 – will turn to the administration of the Rabbinical Courts with a request to receive the given name, family name and ID number of anyone who has submitted a request for certificate of probate;
 - (2) Should the institutional organization receive from the Probate Registry and the Rabbinical Courts information pertaining to whomsoever submitted the request for certificate of probate as mentioned in paragraph (1)(a)&(b), who are not known beneficiaries or have received in some other way information about a person who may possibly be entitled to money from the deceased member's account, it will notify them as mentioned in (1)(a) according to the aforementioned information it has received;
 - (3) Should no potential beneficiary have replied from those to whom the institutional organization sent messages as mentioned in (a)(1) within three months from the date of sending, or should no address have been received for said potential beneficiaries – the institutional organization, so long as no successful contact has been made, will inquire to receive information from the following sources for the

following information, and will notify the potential beneficiaries according to information received as mentioned in (a)(1) –

- (a) Details that will assist in finding the potential beneficiary – to the various databases from which the institutional organization is legally authorized to receive information;
- (b) Family name of the potential beneficiary, address and date of date – to the Population Registry of the Ministry of Interior;
- (c) Address of the potential beneficiary, telephone number and email address – to the licensed individual appearing in the records of the institutional organization as he who added the member to the pension fund account; and if a different individual should be listed as the administrator, then to he who appointed him.

(c) The institutional organization will perform additional actions to locate additional beneficiaries as designated by the commissioner.

(d) The institutional organization will perform the actions in clauses (a) and (c), respectively, for a period of one year from the date of being notified of the member's death, and will perform the remaining actions in clause (b), with the exception of a message to the address of the deceased member, for a period of one year starting from the second year after the date of being notified of the member's death.

(e) Should there remain money or rights in the account of the deceased member after performing the aforementioned actions (a) through (c) respectively, the institutional organization will repeat the actions (a)(2)(b)&(c), respectively and with the necessary changes, until the necessary terms are met for a period of two years, and after the period of two years, with the exception of an old fund, every three years, for a period of one year; regarding the account of a deceased member that has no remaining rights for beneficiaries beyond the money accrued there, the institutional organization will check, until the necessary terms are met, every year for two years, and after two years with the exception of an old fund, every three years, if the money in the member's account is greater than 5,000 NIS and if it is greater than 5,000 NIS the institutional organization will perform the actions in (a)(2), (b) and (c), with the necessary changed, for a period of one year.

(f) In these regulations –

“Necessary terms” – one of the following, respectively:

- (1) For a deceased member who has not begun to receive old-age-pension –
 - (a) For an account in an old fund or a new fund – until the first payment to one of the beneficiaries;
 - (b) For an account that is not in an old fund or new fund – until there are no money or rights left in the deceased member's account;

- (2) For a deceased member who has already begun receiving old-age-pension –
 - (a) For an account in an old fund or a new fund – until the first payment to one of the beneficiaries;
 - (b) For an insurance fund – until that first date in which the highest possible monthly payment is made to a beneficiary that can be made according to the policy;
 - (c) For an account that has rights remaining in it after the death of a beneficiary – until the first payment made to a beneficiary deserving these rights because of the death of the aforementioned beneficiary before him.

“The address of a deceased member” – the address of a deceased member found in the records of the institutional organization, and if relevant then the last address as provided by the Population Registry as mentioned in 2(C).

MISCELLANEOUS

5. (a) There is naught in these regulations to force institutional organizations to provide information that they are not legally obligated to do so.

(b) Information acquired by the institutional organization according to these regulations shall not be used by the institutional organization but to redirect information about the relevant member so to avoid severing contact, to locate members with whom contact has been severed and to locate beneficiaries after the death of the member.

LINKAGE

6. The sums listed in 3(C) and 4€ will change on 1 March every year beginning on 1 March 2014, according to the known index.

START

7. (a) These regulations are in effect, with the exception of 2, as of 1 January 2013.
(b) 2 is in effect as of 6 months from the publication of these regulations.

FURTHER INSTRUTIONS

8. (a) Notwithstanding Article 3 (b), regarding members who on the start date, the provisions of paragraph (2) of the definition of “members with whom contact has been severed” applied, the institutional organization will perform the actions set out in Article 3 (a) (1) and (2) within the period of three years.

(b) Notwithstanding the provisions of Article 4 (d), regarding members whom prior to the start date detailed in article 7(a), the institutional organization was made aware of their death, and the “terms met” as set forth in article 4(f) were non-existence, the institutional organization will perform all actions set forth in 4(a)&(b) for a period of three years. .