Unclaimed Property:
Recent Law Changes and Reporting
Recent Law Changes and Reporting

✓ Recent Law Changes
✓ When and Where to Report
  ✓ What to Look for – Property Types and Dormancy Periods
  ✓ Dormancy Triggers – What Makes a Property Dormant

✓ How to Create a Report
✓ Information to Include
✓ Delivery of the Report
**Recent Law Changes and Reporting**

**Unclaimed Property** – any financial asset that has been left with a “holder” without activity or contact by the rightful owner for a specified period of time

**Dormancy Period** - the amount of time a property is inactive while in possession of the holder

**Holder** - a business or organization in possession of unclaimed property

**Owner** – the individual to whom the property was originally owed

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**Recent Law Changes and Reporting**

**Tangible Property** – physical property normally turned over from safe deposit boxes, police confiscations, or left behind in hospitals or nursing homes

**Intangible Property** – monetary assets such as bank accounts, refunds, uncashed checks, securities, and credit balances

**Due Diligence** – the effort put forth to contact the owner or rightful heir of a property via a letter or email
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THE PENNSYLVANIA TREASURY DEPARTMENT
TIMOTHY A. REESE, STATE TREASURER
Recent Law Changes

- Notification of property owners prior to the transfer of unclaimed property
- Modify presumed abandonment rules for fiduciary and retirement savings accounts
- Effective Date of Amendments: September 10, 2016

Notification of property owners prior to the transfer of unclaimed property

- The holder is required to send notice to the owner of the property not more than 120 days, nor less than 60 days, prior to the date a report is required to be submitted, if:
  - The holder has in its records an address for the owner that the holder's records do not disclose to be inaccurate; and
  - The value of the property is $50 or more

- Notice must provide:
  - Description of the property
  - Description of the property's ownership
  - The value of the property, if known; and
  - Any information necessary to contact the holder to prevent the reporting of the property to the State Treasurer
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Notification of property owners prior to the transfer of unclaimed property

- Notice must be sent by first-class mail, unless the owner has previously agreed to a method of electronic notice that remains valid
  - Holders of unclaimed property are prohibited from imposing any costs or fees upon owners of unclaimed property for the preparation or mailing of these notices.
- Compliance with these new notification requirements may result in an owner recovering property, or indicating a continuing interest in the property, prior to the date unclaimed property is required to be submitted
  - Pennsylvania law does not require the property to be remitted to the State Treasury.

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Modification of Presumed Abandonment Rules for Fiduciary and Retirement Savings Accounts

- §1301.8. Property Held by Agents-In-Fact and Fiduciaries
- Presumed abandoned three years after the holder has lost contact with the owner, unless within the three year period the owner has:
  - Increased or decreased the principal in the account;
  - Commenced receiving distributions; or
  - Otherwise indicated an interest in the account or plan or in other property of the owner in the possession, custody, or control of the holder
- Legislation provides that a holder has lost contact with the owner if:
  - First-class mail is returned undelivered
  - If a second communication sent within 30 days after a prior communication is returned as undelivered, presumed abandonment is measured from the date of that second communication being returned undelivered
Modification of Presumed Abandonment Rules for Fiduciary and Retirement Savings Accounts (cont’d)

- If the owner does not receive communication from the holder by United States mail, the holder shall attempt to confirm the owner’s interest in the property by sending the owner an electronic mail communication not later than (2) years after the owner's last indication of interest in the property. If the holder receives notification that the electronic mail communication was not received or if the owner does not respond to the electronic mail communication within (30) days after the communication was sent, the holder shall promptly attempt to contact the owner by first class United States mail. If the mail is returned to the holder undelivered by the United States Postal Service, the holder shall be deemed to have lost contact with the owner on the date of the owner's last indication of interest in the property.

Application of Effective Date – Prospective – Re Abandonment Rules for Fiduciary and Retirement Savings Accounts

- As noted, the effective date for the amendments is September 10, 2016.
- However, as it pertains to the amendments re Fiduciary and Retirement Savings Accounts, the application of the effective date is prospective, that is, from the standpoint of reporting such accounts as unclaimed property, the obligation to report does not occur until the 3-year dormancy and lost contact period tolls starting from the effective date. As such, any accounts are not required to be reported until the 2019 Holder Report Year (i.e. calendar year ending 2019, reportable as of April 15, 2020).
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www.naupa.org

When to Report

April 15th
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Where to Report

Texas v. New Jersey  379 U.S. 674 (1965)

1) State of the owner’s last known address
2) State of incorporation if address is unknown
3) State of incorporation if address is foreign

Recent Law Changes and Reporting

Dormancy Periods
For Report Year 2016
Due: 4/15/2017

<table>
<thead>
<tr>
<th>Dormancy Periods</th>
<th>Property Types</th>
<th>Transactions Occurring Between These Dates Should Appear on the Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 years</td>
<td>Wages/Payroll, Commissions</td>
<td>January 1st - December 31st, 2014</td>
</tr>
<tr>
<td>3 years</td>
<td>All other unclaimed property types</td>
<td>January 1st - December 31st, 2013</td>
</tr>
<tr>
<td>7 years</td>
<td>Money Orders</td>
<td>January 1st - December 31st, 2009</td>
</tr>
<tr>
<td>15 years</td>
<td>Travelers Cheques</td>
<td>January 1st - December 31st, 2001</td>
</tr>
</tbody>
</table>
Examples of Unclaimed Property

Recent Law Changes and Reporting

Property Types
Financial Institutions

- Checking and Savings Accounts
- Certificates of Deposit
- Vacation/Christmas Club Accounts
- Cashier’s Checks
- Official Bank/Certified Checks
- Money Orders
- Trust Accounts
- HSA’s
- Safe Deposit Box Contents
- Stocks & Dividends
- Wages/Payroll
- Accounts Payable
- Accounts Receivable
### Recent Law Changes and Reporting

#### Property Types

**Healthcare**

- ✔ Patient Accounts (Credit Balances)
- ✔ Patient Valuables (Tangible)
- ✔ Health Benefit Distributions
- ✔ Wages/Payroll
- ✔ Accounts Payable
- ✔ Accounts Receivable
- ✔ Small Balance Write-Offs

**Government Agencies/Courts**

- ✔ Court Deposits
- ✔ Restitution Awards
- ✔ Bail Bonds Deposits
- ✔ Support Payments
- ✔ Inmate Accounts
- ✔ Safekeeping Items
- ✔ Escrow Accounts
- ✔ Condemnation Awards
- ✔ Wages/Payroll
- ✔ Accounts Payable
- ✔ Accounts Receivable
- ✔ Tax Refunds
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Property Types
Insurance Companies

- Premium Refunds
- Endowment/Annuity Payments
- Claims Payment Checks
- Death Benefit Checks
- Matured Life Policy Funds
- Wages/Payroll
- Commissions
- Accounts Payable
- Agent Credit Balances
- Stocks & Dividends

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Property Types
Attorneys & Accountants

- Wages/Payroll
- Accounts Payable
- Accounts Receivable/Credit Balances
- Escrow Accounts
- IOLTA Accounts
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Property Types

Education

✓ Wages/Payroll
✓ Accounts Payable
✓ Accounts Receivable/Credit Balances
✓ Student Accounts
✓ Student Valuables (Tangible)

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Property Types

Utility Companies

✓ Court-Ordered Refunds
✓ Customer Overpayments
✓ Utility Deposits
✓ Stocks & Dividends
✓ Credit Balances
✓ Royalties
✓ Wages/Payroll
✓ Accounts Payable
## Recent Law Changes and Reporting

### Property Types

#### Corporations

- ✓ Customer Overpayments
- ✓ Gift Certificates/Cards
- ✓ Stocks & Dividends
- ✓ Royalties
- ✓ Lay-a-ways
- ✓ Uncashed Checks
- ✓ Wages/Payroll
- ✓ Commissions
- ✓ Accounts Payable
- ✓ Accounts Receivable/Credit Balances
- ✓ Refunds/Rebates

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### Recent Law Changes and Reporting

#### Tangible/Safekeeping Property

- ✓ Property Accepted
  - Jewelry
  - Silver/Gold
  - Monies (cash, coins)
  - Antiques, Collectibles
  - Tools
  - Musical Instruments
  - Toys/Video Games
- ✓ Property Refused
  - Miscellaneous Papers
  - Act 64 Evidence
  - Weapons
Dormancy Trigger Examples

- Date of Original Issuance/Reissuance
  - Checks
- Date of Distribution/Maturity
  - Insurance Policies
  - Uniform Gift to Minors/Court Ordered Accounts
- Date of Death
  - Insurance Policies
  - Burial Accounts
- Date of Last Customer Activity/Indication of Interest
  - Bank Accounts and Certificates of Deposit
  - Credit Balances

“Indicated an Interest in Property” – shall mean any contact, communication or transaction, related to property, from the owner, or involving some affirmative action by the owner, which is documented in a contemporaneous record prepared by or on behalf of the holder or in the possession of the holder, including:

i. a written contact, communication or transaction;
ii. a secure or password-protected electronic contact, communication or transaction;
iii. a verbal contact, communication or transaction, in which the holder takes reasonable action to verify the identity of the owner; or
iv. a contact, communication or transaction, which is evidence by other criteria provided by the state Treasurer.
Examples of Indication of Interest/Customer Activity

- Deposit or Withdrawal
- Written Correspondence
  - With Return Receipt
- E-mail
  - With Reply
- Login to Online Account
- Verbal Contact
  - With Confirmation of Owner Identity
- Activity on Another Account

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How to Report Unclaimed Property
Electronic Reporting

- Required - 10 or more properties
- Software
  - Excel template
  - Encrypted
- Reports sent via email, website, or CD
- Waiver of signature
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Information Submitted on Report

✓ Owner’s name(s)
✓ Last known address
✓ Social Security Number
✓ Account/Check Number
✓ Joint ownership relationship (if applicable)
  • Examples: Beneficiary, UGMA, In Trust For, Joint Owner, And, Or, etc.
✓ Property type and property description
Common Reporting Errors

- Amount of payment and report do not match
- Forgetting to send report
- Invalid joint ownership codes
- Using incorrect dates for transactions & report year
- Sending report to the wrong address
- Information submitted in the wrong field

What is an Aggregate and how do I report it?

- $49.99 or less per property
- Lump sums by property type
What is an Aggregate and how do I report it?

• 3 accounts payable checks
  Tim Jones $25.00 + John Green $1.00 + Jane Smith $35.00
  = Last Name: “Aggregate”
  Value: $61.00
  Property Type: MS08 or ACPY

• 2 wage checks
  Joe Smith $20.00 + Mike Palmer $10.00
  = Last Name: “Aggregate”
  Value: $30.00
  Property Type: MS01 or WAGE
### Reporting an Aggregate

**Aggregates for PA Unclaimed Property**

<table>
<thead>
<tr>
<th>Last Activity Date</th>
<th>Property Type</th>
<th>Amount</th>
<th>Check/Account/Certificate Number</th>
<th>Social Security Number</th>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/4/2013</td>
<td>M568</td>
<td>$25.00</td>
<td>12345:123-45-6789</td>
<td>Jones, Timothy</td>
<td>1 Main Street, Harrisburg, PA 17104</td>
<td></td>
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<tr>
<td>3/10/2013</td>
<td>M568</td>
<td>$50.00</td>
<td>23456:234-56-7891</td>
<td>Green, John</td>
<td>2 Main Street, Harrisburg, PA 17104</td>
<td></td>
</tr>
<tr>
<td>6/12/2013</td>
<td>M568</td>
<td>$50.00</td>
<td>34567:345-67-8912</td>
<td>Smith, Jane</td>
<td>3 Main Street, Harrisburg, PA 17104</td>
<td></td>
</tr>
<tr>
<td>1/15/2014</td>
<td>M561</td>
<td>$20.00</td>
<td>45678:456-78-9123</td>
<td>Smith, Joseph</td>
<td>4 Main Street, Harrisburg, PA 17104</td>
<td></td>
</tr>
<tr>
<td>4/7/2014</td>
<td>M561</td>
<td>$10.00</td>
<td>56789:567-89-1234</td>
<td>Palmer, Michael</td>
<td>5 Main Street, Harrisburg, PA 17105</td>
<td></td>
</tr>
</tbody>
</table>

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**Recent Law Changes and Reporting**

**How do I report an Unknown Owner?**

- Owner is not known, but money is owed
- Provide any information available
  - Last activity date
  - Account/check/certificate numbers
  - Names of all parties involved in Property Comments
### Reporting an Unknown

#### How do I report a deceased owner's property?

- Owner is known to be deceased
- Use “Estate Of” only when money is due to decedent’s estate
- Provide date of death if available

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**Recent Law Changes and Reporting**

<table>
<thead>
<tr>
<th>Transaction Date</th>
<th>Property Type</th>
<th>Cash Reported</th>
<th>Account Number</th>
<th>Check Number</th>
<th>Owner 1 Tax ID</th>
<th>Owner 1 Last Name</th>
<th>Owner 1 First Name</th>
<th>Owner 1 Address Line 1</th>
<th>Owner 1 City</th>
<th>Owner 1 State</th>
<th>Owner 1 Zipcode</th>
<th>Owner 1 Date of Birth</th>
<th>Owner 1 Date of Death</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/2013</td>
<td>C001</td>
<td>250.00</td>
<td>67890123</td>
<td>3456789</td>
<td>Johnson</td>
<td>Raymond</td>
<td>2 Main Street</td>
<td>Harrisburg</td>
<td>PA</td>
<td>PA</td>
<td>PA</td>
<td>7/3/1993</td>
<td>7/3/1993</td>
</tr>
<tr>
<td>7/31/2013</td>
<td>A002</td>
<td>1000.00</td>
<td>67890123 1234</td>
<td>3456789</td>
<td>Smith</td>
<td>Jackson</td>
<td>30 Oak Street</td>
<td>Harrisburg</td>
<td>PA</td>
<td>PA</td>
<td>PA</td>
<td>8/5/2001</td>
<td>8/5/2001</td>
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<tr>
<td>9/2/2013</td>
<td>A002</td>
<td>252.00</td>
<td>67890123 1234</td>
<td>3456789</td>
<td>Green</td>
<td>N</td>
<td>Oak Street</td>
<td>Harrisburg</td>
<td>PA</td>
<td>PA</td>
<td>PA</td>
<td>9/5/2011</td>
<td>9/5/2011</td>
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</table>
Recent Law Changes and Reporting

Reporting a Deceased Owner

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
<th>L</th>
<th>M</th>
<th>N</th>
<th>O</th>
<th>P</th>
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</thead>
<tbody>
<tr>
<td>2</td>
<td>12/31/2010</td>
<td>M500</td>
<td>51-00</td>
<td>Aggregate</td>
<td>Aggregate</td>
<td>Aggregate</td>
<td>Aggregate</td>
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<td>Aggregate</td>
<td>Aggregate</td>
</tr>
<tr>
<td>3</td>
<td>12/31/2014</td>
<td>M501</td>
<td>51-00</td>
<td>Aggregate</td>
<td>Aggregate</td>
<td>Aggregate</td>
<td>Aggregate</td>
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<td>Aggregate</td>
</tr>
<tr>
<td>4</td>
<td>1/3/2013</td>
<td>C501</td>
<td>250-00</td>
<td>Johnson</td>
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</tr>
<tr>
<td>5</td>
<td>7/30/2013</td>
<td>AC02</td>
<td>1000.00</td>
<td>Oak Street, Harrisburg, PA</td>
<td>Oak Street, Harrisburg, PA</td>
<td>Oak Street, Harrisburg, PA</td>
<td>Oak Street, Harrisburg, PA</td>
<td>Oak Street, Harrisburg, PA</td>
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</tr>
<tr>
<td>6</td>
<td>8/1/2013</td>
<td>AC02</td>
<td>525-00</td>
<td>Green</td>
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<td>Green</td>
</tr>
</tbody>
</table>

What should I do if the address is old?

- An old address is known
- Initials rather than full name
  - Ex. M. Green
- Part of an address
  - Ex. Oak Street, Harrisburg, PA

What should I do if I only have partial information?

- Initials rather than full name
- Ex. M. Green
Reporting Partial Information

- Recommended - not required by law
- Maintains consistent reporting history
- Electronically file (Website)
- Manually file
Reporting Reminders

- Dormancy period – 3 years
- Deadline: April 15th
- Due diligence is now required
- Negative reports are not required, but recommended
- All amounts are reportable

Address via Post Office
Commonwealth of Pennsylvania
Bureau of Unclaimed Property
P.O. Box 783473
Philadelphia, PA 19178-3473

Address via Courier
Commonwealth of Pennsylvania
Bureau of Unclaimed Property
Lockbox 53473
101 N. Independence Mall East
Philadelphia, PA 19106

Payment
- Checks made payable to: Commonwealth of Pennsylvania
- Wire or ACH Transfer instructions available upon request
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Holder Compliance Specialists: 800-379-3999
Vault: 717-705-6682
Securities/Equity Questions: 717-705-8429
www.patreasury.gov

report@patreasury.gov