

## **Pensions – Pension Unlocking Scams**

April 18, 2012 - Saskatchewan Financial Services Commission is receiving an increasing number of inquiries and complaints about pension unlocking scams.

Under Saskatchewan pension law, pension funds are locked-in until retirement to ensure they will be available as a source of income at that time.

Unlocking scams are often targeted at those who are in financial distress and hoping to get immediate access to their locked-in money to meet their current financial needs. Falling victim to one of these scams could have serious financial implications, including the total loss of your pension funds and significant tax penalties.

Pension unlocking scams are designed to look like legitimate investment opportunities. Although each scam is unique, it typically promotes the unlocking of pension funds without paying any tax. This may be advertised as an opportunity to “convert your locked-in pension plan into guaranteed money”. The arrangement often involves the purchase of shares in a company. Part of the money used to buy shares is then loaned back to the owner of the pension funds.

For information on Saskatchewan’s rules regarding locked in pension funds, please visit this link to Saskatchewan Financial Services Commission’s unlocking bulletin <http://www.sfsc.gov.sk.ca/Unlocking-Your-Pension-Money>, or talk to the financial services institution which is holding your funds.

If you encounter a scam, you should:

- Seek independent advice
- Do some independent research
- Contact the Saskatchewan Financial Services Commission

Saskatchewan Financial Services Commission can be contacted at:

Pensions Division  
Saskatchewan Financial Services Commission  
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Regina, Saskatchewan S4P 4H2  
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