

MEMO# 28336

August 25, 2014

Clarification Regarding Louisiana's Triggers for Abandoned Property Reporting

[28336]

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TO: TAAC ABANDONED PROPERTY TASK FORCE
TRANSFER AGENT ADVISORY COMMITTEE No. 55-14 RE: CLARIFICATION REGARDING
LOUISIANA'S TRIGGERS FOR ABANDONED PROPERTY REPORTING

I recently informed you that Louisiana had confirmed to the ICI that its trigger for escheating a mutual fund account is returned mail, not “no contact.” [\[*\]](#) Please note, however, that the RPO trigger only applies to those accounts for which either (1) a dividend has not been paid on the account or (2) dividends are automatically reinvested. If dividends are paid by check, and the shareholder fails to cash the check, the escheatment trigger is “no contact.” Accordingly, if a shareholder fails to cash a dividend check, either:

1. Both the check and the account may be subject to escheatment after 3 years based on the check not being cashed; or
2. If there has been contact on the account within three years, the account would not escheat but the uncashed check would escheat.

In light of this, members may want to alert shareholders who have not cashed checks regarding the potential escheatment consequences to their mutual fund account or encourage shareholders to utilize any automatic dividend reinvestment programs your fund offers to them.

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endnotes

[*](#) See Institute Memorandum No. [28316](#), dated August 15, 2014.

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