

Unclaimed Property Division Holder Frequently Asked Questions

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1) What is Unclaimed Property?

Unclaimed Property is a financial asset owed to an individual or business. Property is considered "unclaimed" when there has been no owner contact with the property for a set period of time, usually three or more years, depending upon property type. Unclaimed property includes, but is

not limited to, un-cashed checks, bank deposits - savings, checking, Certificates of Deposit (CD's), etc., securities, mutual funds, forgotten telephone or utility deposits, insurance benefits and payroll checks. Unclaimed property also consists of the value of the contents of safe deposit boxes, such as tangible property (jewelry, for example), cash and savings bonds. The Connecticut Unclaimed Property Division does not accept real property (such as land, cars, or boats), gift cards, or gift certificates.

2) Why does the state have to get involved?

Connecticut law requires the holders of unclaimed property, such as banks, credit unions, insurance companies, utilities and businesses, to report and remit those assets annually to the Office of the Treasurer, which safeguards the property until the rightful owner comes forward and claims it. The owners or heirs then have a single source where they can locate all unclaimed funds.

3) Who Must Report Unclaimed Property?

Any person or entity in possession of property (subject to the Unclaimed Property Law) which belongs to another, is deemed a holder of unclaimed property, and must report that property to the state of the owner's last known address. All holders, whether located in Connecticut or other states, must report to the State of Connecticut any unclaimed property in their possession that is owed to Connecticut residents. Holders incorporated in Connecticut must also report all unknown property to Connecticut. (Generally, holders should remit all unknown property to their state of incorporation.)

All holders are responsible for filing reports on behalf of their branches, divisions or affiliates. Other legal entities including state, county, and city governments, political subdivisions, public authorities, public corporations, estates, trusts or any other legal or commercial entities are also required to report unclaimed property.

If you have nothing to report to the State of CT for any given year, you must file a Negative Report if you meet the Negative Reporting criteria.

4) What is Negative Reporting - nothing to report?

If your Company is incorporated in Connecticut, or a Connecticut based business, you **MUST** file a report every year even if your Company has nothing to report. If you have nothing to report, this is called a "Negative Report".

If your Company is not incorporated in Connecticut or a Connecticut based business, and your Company has nothing to report in Connecticut, you **DO NOT** need to submit a Negative Report.

5) How do you file a Negative Report?

- 1) Send a letter on Company letterhead with the name of the Company, federal tax identification number, the year of the report, and the statement that your Company has no property to report for this year. The letter must be signed by an officer of the Company and their signature properly notarized.
- 2) Some electronic unclaimed property software programs generate negative reports and these may be submitted as long as they are properly signed and notarized; the electronic copies of the report are **NOT** acceptable by Connecticut.
- 3) Connecticut requires that all "Negative Reports" be paper copies and originally signed by an officer of the Company and properly notarized.

6) Does Connecticut have provisions for Voluntary Compliance in reporting Unclaimed Property?

Connecticut does not have a formal Voluntary Compliance process. The Office of the Treasurer encourages companies to voluntarily report. To discuss the voluntarily compliance process please email: cathy.kristof@ct.gov.

7) Do I need a Holder Number assigned before submitting a report?

No, the Connecticut Office of the Treasurer will assign a holder number to your report upon submission to our office. Numbers are assigned by Federal Tax ID number. **NOTE: If the name of your company has changed since the prior year's report, but your tax ID number did not change, please send a letter stating the old name of the company, tax ID number, and the new name of the company. This letter may accompany your holder report.**

8) What is the date that the unclaimed property report is due to the Office of the Treasurer?

Unclaimed property holder reports are due to the Office of the Treasurer within 90 days after the presumption of abandonment. Property in Connecticut is presumed abandoned as of December 31st of each year. Reports not submitted on a timely basis will be considered late and late fees and/or penalties may be levied as directed by state law.

9) Is there a late fee or penalty assessed if the report is not filed on time?

Per Section 3-65b (a) of the Connecticut General Statutes, Holder Reports not submitted on a timely basis will be considered late and late fees and/or penalties may be levied as directed by state law. Reports must be filed with the Office of the Treasurer within 90 days after the presumption of abandonment. Property in CT is presumed abandoned as of December 31st of each year.

10) Can a company request an extension if they cannot file on time?

Yes. A company may request an extension to submit the holder report with our office. A company must complete the extension request form on our website and have it approved by the Assistant Deputy Treasurer **PRIOR** to the due date. **An originally signed document must be received to be considered.** An extension will **NOT** be granted to companies who failed to complete due diligence requirements, as set forth in state law. A copy of the extension request form must accompany the holder report upon it's delivery to the Office of the State Treasurer.

11) What is the property code to be used for reporting unclaimed property?

CT utilizes the property codes prescribed by NAUPA, the National Association of Unclaimed Property Administrators. Codes used in CT may be found on our website, under the link titled "Property Codes with Dormancy Periods by Category".

12) What is the mailing address for unclaimed property holder reports?

Anytime within 90 days after the presumption of abandonment - December 31, 2018, holders should send the following information to our lockbox:

- a. Check (payable to Treasurer, State of Connecticut, Unclaimed Property)
- b. Coversheet (signed by company officer and properly notarized)
- c. CD-ROM and Flash Drive with NAUPA report file (be sure the NAUPA file is on the CD ROM and Flash Drive).

Treasurer, State of Connecticut
Unclaimed Property Division
PO Box 150435
Hartford, CT 06115-0435

NOTE: REPORTS ARE CONSIDERED RECEIVED ON THE DATE THE LOCKBOX RECEIVES IT! - This is a lockbox at Webster Bank and not a Post Office box with the United States Post Office. The lockbox accepts certified and overnight deliveries.

* Last minute overnight deliveries should be sent to: Treasurer, State of Connecticut, Unclaimed Property Division, 55 Elm Street, 5th Floor, Hartford, CT 06106

If you are submitting funds via ACH or wire transfer, you will need to contact our office for the account number. Please follow all other instructions on our website. The holder report must include confirmation of the ACH or wire transfer, and should be mailed to our lockbox.

13) Can a holder send one check, ACH, or wire if they have multiple companies to report?

Yes. A holder may send one check, ACH, or wire for reporting of multiple companies. Include with the holder report either a Company letter explaining the one check, ACH, or wire and attach all applicable coversheets. Be sure that all coversheets and electronic reports are included with the check, ACH, or wire when they are sent to Connecticut. These reports may be sent to our lockbox.

14) Can a holder send an ACH or wire transfer instead of a check with their holder report?

Yes. A holder can send an ACH or wire transfer by following the instructions on our website under "Delivery and Reporting of Cash Property". We prefer ACHs with a minimum of \$25 and wire transfers with a minimum of \$50,000 as there is a fee assessed for each ACH or wire transfer processed. We request holders attach a copy of the ACH or wire notice confirmation with the holder report. This process allows the ACH or wire notification to be attached to the correct holder reports.

15) Can a holder send one CD ROM or Flash Drive if they have multiple companies to report?

Yes. As long as you indicate on Company letterhead the names of all companies included on the CD ROM or Flash Drive, and attach all applicable coversheets, you may send one CD ROM or Flash Drive to cover all companies reported. Be sure all coversheets and checks or wire instructions are included with the CD ROM or Flash Drive when sent to Connecticut. These reports may be sent to our lockbox.

16) How should a company handle funds owed to a business, when the original business no longer exists, for example in the case of a bank merger, and the newly formed entity has no previous owner records?

When, in the process of performing due diligence, a holder determines the assets can no longer be returned to the original business owner because: 1) the original owner cannot be found; 2) the original owner is no longer a legal entity; or 3) the original owner information is otherwise insufficient, the property must still be reported. It may have to be reported as "unknown". The property would be presumed abandoned as of the current year. The holder remits the property to the State Treasurer's Office in accordance with the dormancy periods and reporting requirements stipulated by state laws.

17) When should holders mail due diligence letters to rightful owners?

State statutes indicate that due diligence letters are to be mailed within one year before presumption of abandonment (except for those properties with a one year dormancy period when due diligence is performed within 180 days of presumption of abandonment). Due diligence is to be performed on all properties **irrespective of dollar amount**. We recommend if you haven't sent out the due diligence letters in accordance with the statutory requirements, you send all due diligence letters out in early September of the current year, to the owner's last known address. Letters should be sent via first class mail (see due diligence sample letter on website). There is no requirement to send the letter by certified mail. Our office recommends holders give owners at least **45 to 60** days to comply with the request to contact the holder. This way, by the beginning of December, you will have all the information you need to actually declare the property abandoned as of December 31st. (The owner deadline/due date to respond to your due diligence letter must be prior to the December 31st presumed abandonment date.) (**Note:** Do not mail due diligence letters January 1st thru March 31st for property you are presuming abandoned as of December 31st, and are reporting to Connecticut on or before March 31st as you will be in violation of CT state statutes.)

18) Is there a minimum dollar amount for which the due diligence letter is required to be sent to owners?

No. The Connecticut statutes do not set a minimum value for sending a due diligence letter to an owners. Due diligence is to be performed on all properties **irrespective of dollar amount**.

19) Is there a minimum filing amount for a holder to submit a report to Connecticut?

No, all dollar amounts which meet the unclaimed property criteria for the given year should be reported to Connecticut. There is NO minimum filing amount in CT.

20) Is aggregate reporting allowed in Connecticut?

No. At this time aggregate reporting is not allowed in Connecticut. All amounts, regardless of the size, should be reported to Connecticut with detailed owner information on the holder report. If you submit a holder report with an aggregate amount, the holder is required to retain the records for 20 years as instructed by Section 3-65a (h) of the CT General Statutes. You may file "unknown owners" on a holder report.

21) What is considered "contact" with an owner in Connecticut?

Due diligence letters are sent out as required by statute, via first class mail to the owner's last known address. If the owner contacts the holder via phone conversation, email, letter, or in person, this is considered "contact". If the letter is returned by the post office as undeliverable, "contact" with the owner is lost and the property is subject to escheatment by the holder. If an owner has several accounts within the same holder, they should be linked so that one does not lose contact and another is still valid. (An example: a savings account and checking account with the same bank. They use the checking account all the time but rarely add money to the savings account. The savings account should not go dormant with an active checking account for the same owner and tax id number.) If a 1099 DIV is sent out for proceeds on a stock transaction and the 1099 is not returned by the post office, we consider this contact, in that the owner has received the 1099. If the 1099 is returned by the post office, contact is lost and the property should be escheated in the next reporting cycle.

22) What is the proper method or recommended method of reporting unclaimed property to the Office of the Treasurer?

Connecticut requires electronic filing of holder reports. There are several vendors of software available for filing the report in an electronic format. We offer a link to the free version of HRS Pro on our website. If you create the report using one of the electronic versions - HRS Pro, UPEXchange, Tracker, Chesapeake, Apex, etc, please copy the NAUPA file onto a CD ROM or flash drive and send it with your signed notarized coversheet and payment. **Please note: The file does not automatically come to us electronically. The software is stored on your computer and you must copy the file to CD ROM or flash drive. Before sending the CD ROM or flash drive, be certain the file is copied and in NAUPA format. Note: Excel, Adobe, or Word files are NOT acceptable formats!**

Note: If you are a first time filer or you have 3 or less properties to report to Connecticut, you may use the **ST77** form located on our website under the “First Time Reporting” page. If you use this form, you do not need to attach an additional coversheet. The ST77 has provisions for signature and notary. **If you have 4 or more individual properties, you MUST file using one of the software packages reference above and send us a CD ROM or flash drive with the file in NAUPA format. Do not send multiple ST77 forms to us.**

23) What do we do with Stock Certificates, Savings Bonds, or War/Military/Service Medals that may be found in Safe Deposit Boxes?

As per instructions on our website under the bullet labeled “Reporting and Delivery of Safe Deposit Contents”, the following should be observed:

Stock Certificates, listed in the owner’s names, may be sent to the Office of the Treasurer and we will report as safekeeping items. **They should not be included on the holder report.** A separate excel worksheet should be sent to the Office of the Treasurer with the original stock certificates. Include on the spreadsheet, information containing the owner details and stock certificate details (safe deposit box owner information).

Savings Bonds should be sent directly to the US Department of the Treasury, Bureau of the Public Debt. The CT Office of the Treasurer does not need to know about them. **They should not be included on the holder report.**

War/Military/Service Medals, should be reported to the Office of the Treasurer on a separate excel spreadsheet with box ownership information – name and address. If possible, a picture of the medal should be sent with the spreadsheet giving any ownership details available. A copy of this spreadsheet with the **original** medals must be sent to the CT Department of Veteran’s Affairs, 287 West Street, Rocky Hill, CT 06067. **They should not be included on the holder report.**

24) What is the law regarding expiration dates applied to gift certificates? Connecticut law abolished gift cards/gift certificates as a type of unclaimed property in Connecticut. Connecticut state law concerning expiration dates, and dormancy or inactivity fees, has not changed: both expiration dates and dormancy fees are prohibited on gift certificates and gift cards sold in Connecticut. **Consumer Advisory-** [see more on Connecticut's Gift Card Law.](#)

25) Are Banks subject to the law regarding dormancy fees?

Section 3-65c of the CT General Statute, clarifies that financial institutions may not impose escheat charges or fees with respect to abandoned property. Lawful charges that banks may apply are stipulated by regulatory authorities within the Department of Banking.

26) How should Safe Deposit Box contents be reported to CT's Unclaimed Property Division?

Holders should be aware of the Connecticut General Statute Section 3-65a(j) and 3-57a(a)(5). The date for reporting and remitting the sale proceeds and disposition of safe deposit contents is the same time as all other reporting of unclaimed property with the date of presumption of abandonment as December 31st of each year. Physical contents should be sold at auction and the proceeds received reported on the holder report in the owner's name. After the close of the calendar year in which the property was presumed abandoned, a holder report with safekeeping proceeds (cash only) should be filed within 90 days or no later than March 31st.

27) What are the guidelines to escheat Certificates of Deposit accounts?

Owners are normally mailed a notice from the bank to indicate the CD will automatically renew unless the bank hears from the owner. If the owner does not respond to the notice, the CD automatically renews. Sometimes if the notice is returned to the holder by the Post Office, the CD has already renewed. At this point the bank is encouraged to note the account that the mail was returned by the Post Office and contact was lost. This type of flag should prevent the CD from renewing again. If return mail is received prior to the renewal of the CD, the bank should not renew the CD, but note the account as dormant allowing the 3 year dormancy period to toll and the property should escheat to the state unless the owner contacts the Bank.

At the end of each calendar year, a 1099 is issued to the owner for the interest accrued during the year if appropriate. If the 1099 is returned by the Post Office as undeliverable, the holder assumes contact is lost and documents the account and the CD does not renew. Once the dormancy period has been met and the CD has matured, the property is escheated to the Treasurer's Unclaimed Property Division.

28) What are the guidelines to escheat an IRA account?

To escheat an IRA account, the financial institution must be certain the owner(s) of the account is 70 ½ years of age, a waiting period of an additional 6 months, and then the 3 year dormancy period begins, with due diligence conducted during the last year of dormancy. So in actuality the owner(s) age is 74 when the property is escheated to the state.

However, if the financial institution knows that the owner is deceased, you can wait the 3 year dormancy period from date of death, and escheat to us, if the financial institution can't locate the beneficiary or the heir. The owner's date of death should be included on the property when it is escheated.

Note: At this time, Roth IRA's do not have an end date or mandatory distribution date (trigger dates); therefore, Roth IRA's do not escheat to Connecticut unless the financial institution knows the owner is deceased.

29) Are Health Savings Accounts Escheatable?

Generally a Health Savings Account (HSA) is a tax-exempt custodial account or trust set up with a qualified HSA trustee to pay or reimburse certain medical expenses. HSA's may also be set up

with mandatory distribution dates under IRS rules. Contributions to HSA's remain in the account until they are used by its owner.

Holders must determine the type of Health Savings Account created, review the terms of the plan or trust agreement, and then determine the dormancy period. For example, does the HSA have a mandatory distribution date? If so, what is the mandatory distribution date? In this example, the dormancy period may be 3 years plus 6 months after the mandatory distribution date. Or was the HSA set up as a trust account? If so, what does the plan or trust agreement state regarding distribution? In this type of account the dormancy period may be 7 years because the funds are held in a fiduciary capacity.

Based on the complexity of these accounts Connecticut has not yet adopted the NAUPA codes for Health Savings Accounts.

30) (Also: Questions for Potential Owners or Heirs

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