CANADA'S PUBLIC POLICY FORUM

DES POLITIQUES PUBLIQUES DU CANADA

RETIREMENT SECURITY FOR EVERYONE

ENHANCING CANADA'S PENSION SYSTEM

FEBRUARY 2015

CANADA'S
PUBLIC POLICY
FORUM
DES POLITIQUES PUBLIQUES
DU CANADA

The Public Policy Forum is an independent, not-for-profit organization dedicated to improving the quality of government in Canada through enhanced dialogue among the public, private and voluntary sectors. The Forum's members, drawn from business, federal, provincial and territorial governments, the voluntary sector and organized labour, share a belief that an efficient and effective public service is important in ensuring Canada's competitiveness abroad and quality of life at home.

Established in 1987, the Forum has earned a reputation as a trusted, nonpartisan facilitator, capable of bringing together a wide range of stakeholders in productive dialogue. Its research program provides a neutral base to inform collective decision making. By promoting information sharing and greater links between governments and other sectors, the Forum helps ensure public policy in our country is dynamic, coordinated and responsive to future challenges and opportunities.

1405-130 Albert St.
Ottawa, ON K1P 5G4
Tel: (613) 238-7160
Fax: (613) 238-7990
www.ppforum.ca

ISBN: 978-1-927009-64-2

TABLE OF CONTENTS

WITH THANKS TO OUR PROJECT PARTNERS

Sun Life Financial

MORNEAU SHEPELL

A LETTER FROM THE PRESIDENT & CEO

Canada's pension system needs attention. For over two decades, economists have warned that shifting macroeconomic and demographic trends threaten to reduce the standard of living for millions of Canadians in their post-work years. There is a growing realization that this issue requires a combined and sustained response from leaders across the government, business, labour and academic sectors.

Building on our successful *National Summit on Pension Reform* organized in Fredericton in 2013, the Public Policy Forum convened an executive-level discussion series across Canada culminating in a second summit meeting in Toronto on October 8-9, 2014. Together with senior public, private, labour, and academic leaders, we focused on how all sectors can better work together to strengthen retirement income security in our country, particularly for Canada's at-risk groups. While there was a divergence of opinion on how best to proceed, participants agreed that focus, leadership and collaboration across sectors are needed to extend coverage and access to more Canadians. Finding ways to address policy gaps without creating unintended consequences will also be essential.

This report explores and expands upon the findings of the Public Policy Forum's *Pension Reform in Canada* project. By sharing the collected wisdom of stakeholders across Canada, it is our objective to shed light on the key issues and potential solutions that will enhance retirement income coverage for more Canadians, including our country's at-risk groups.

On behalf of the Public Policy Forum, I wish to thank our project partners, Sun Life Financial and Morneau Shepell, for generously supporting this important initiative. Special thanks are also owed to the leaders who participated in our roundtables in Toronto, Montreal, Halifax and Calgary, as well as at the *Second National Summit on Pension Reform.* We appreciate your valuable insights into the challenges and potential solutions related to Canada's retirement income system.

I also wish to thank my team at the Forum, including Paul Ledwell for managing the *Pension Reform in Canada* project, James McLean for writing this report and Julia Oliveira for her project assistance, as well as Dianne Gravel-Normand, Laine Johnson, Mathias Schoemer, Sara Caverley and Natasha Gauthier for their support.

David J. Mitchell
President & CEO
Canada's Public Policy Forum

EXECUTIVE SUMMARY

Within Canada's relatively well-functioning pension system, a series of significant cracks have appeared that are leaving specific demographic groups unprepared for retirement. More than any other subset of the population, a portion of middle-income earners, private sector employees and young Canadians are more likely to experience a declining standard of living in their post-work lives. For these "at-risk groups," government programs such as the Canada Pension Plan, Old Age Security and Guaranteed Income Supplement will be inadequate in providing sufficient income replacement. Access to inherited wealth is limited. And, in many cases, workplace pension plans are unavailable or not fully utilized. Together, these trends suggest that our country faces a looming retirement challenge for a significant minority of Canadians.

In 2014, Canada's Public Policy Forum convened business, government, labour and expert leaders in a pan-Canadian discussion series to identify how stakeholders can better work together to enhance retirement income options for our country's at-risk groups. Participants agreed that a collaborative approach is needed that focuses attention on who we are seeking to help and identifies strategies that can best support them. There was also a consensus that improving access and sustainability will require commitment from all sectors as well as a mixture of targeted public and private improvements. And a strategic approach that incorporates multi-sector collaboration and inter-generational equity will be needed to coordinate seamless coverage across Canadian demographic groups.

More specifically, participants identified the following action-items for improving coverage and access in Canada's retirement income system:

- **Target specific action and work together:** Stakeholders across the public, private, labour and academic sectors need to be clear about who they are seeking to help. This will require a keen understanding of the issues specific demographic groups face and a clear definition of what success looks like. Identifying roles and responsibilities for public, private, labour and academic leaders will also be essential.

- **Sharpen the tools:** A series of flexible options, rather than a "silver-bullet approach," could allow Canadians to save better and meet their individual retirement savings goals. Stakeholders may wish to incorporate opt-in defaults and other options that encourage retirement saving.

- **Establish a culture of knowledge-sharing:** Government, business, labour and academic leaders should seek to establish a series of public- and private-sector options that foster greater regulatory certainty, enhance financial literacy and communicate vital information to Canadians.

While improvements have been made to Canada's retirement income system over the past decade, it is our objective that the findings in this report help catalyse change that provides greater retirement income security to those who need it most.

“People are not saving enough for retirement and if we let this go unchecked we’re going to face a huge economic crisis.”[1]
Kathleen Wynne, Premier of Ontario, November 12, 2013

“The first important fact to establish is that there is no crisis for the current generation of retirees. The current retirement income system serves the vast majority of Canadians very well.”[2]
Philip Cross, *The Reality of Retirement Income in Canada,* April 2014

“Canada’s three-legged stool – Old Age Security (OAS) and the Guaranteed Income Supplement (GIS) for low-income Canadians, the national Canada Pension Plan (CPP) and workplace pensions or savings – is facing a crisis.”[3]
Jim Leech, Former CEO, Ontario Teachers’ Pension Plan, February 2014

"There is a widespread perception in Canada that the country is on the brink of a major retirement crisis. A more considered view is that while most recent retirees are faring reasonably well, Canada faces a slowly deteriorating situation in which a growing population of future retirees will experience a substantial drop in their standard of living."[4]

Fred Vettese, Chief Actuary, Morneau Shepell, May 29, 2013

"I am persuaded that Canada does have a looming retirement savings problem. Specifically, a significant proportion of middle-income, private sector workers without workplace pension plans will likely face material drops in their standard of living and that *is* a public policy issue. It suggests the need for a retirement savings facilitation initiative."[5]

Keith Ambachtsheer, President & Founder, KPA Advisory Services Ltd. and Director Emeritus, Rotman International Centre for Pension Management, October 2014

"There is no pension crisis in Canada – not now, not 10 years from now, not even, so far as we can foresee, in the more distant future. In fact, elderly couples have become the wealthiest family category in Canada. And it doesn't look as if that's going to change any time soon."[6]

Michael McCullough, Managing Editor (Western Bureau),
Canadian Business Magazine, April 8, 2011

INTRODUCTION

Canadians can be forgiven for not having a clear sense of whether our country faces a retirement savings crisis. Assessments made by some public and private stakeholders, including governments, employers, pension providers, organized labour and academics, can appear contradictory and confusing.

On the one hand, Canada's ageing population, rising household debt and low pension participation rates suggest to some observers that millions of Canadians will experience a diminished standard of living in their post-work lives. Recent initiatives by federal and provincial governments to incent greater retirement savings point to concerns that, without significant adjustments, a sizeable minority of Canadians may not have the income they require to maintain their quality of life in retirement. On the other hand, studies show that Canada's multi-pillar retirement system is among the world's most effective, balanced and sustainable.

For nearly a decade, these two divergent perspectives have helped catalyse greater interest around pension reform. However, this national debate has been notably narrow in scope. Decision-makers charged with improving Canada's retirement income system – primarily governments, employers, pension providers and unions – have focused the dialogue on which pillars need adjustment (public versus private), which option to pursue (defined benefit versus defined contribution), and when to act (now versus later). Divergent perspectives on how much Canadians will actually need in retirement make it difficult to determine the degree to which an under-savings gap exists. And, false choices between public and private retirement savings options have discouraged timely improvements. As a result, decision-makers across jurisdictions have been inconsistent in leveraging the strengths and correcting the gaps in Canada's retirement income system.

Today, leaders across the public, private, labour and academic sectors need to focus attention on who they are seeking to help and identify the strategies and policies that can best support them. While a majority of Canadians (70-80%) are preparing adequately for retirement, a significant number of middle-income earners and young Canadians working in the private sector are not sufficiently saving. A sizeable proportion of these demographic groups lack access to, or are not participating fully in, workplace pension plans. Government programs, designed to support low-income Canadians in retirement, will not provide enough income replacement to these "at-risk groups." Without an effective and targeted policy response, they are disproportionately more likely to experience a declining standard of living in their post-work years.

To help address this issue, government, employers, labour, workplace pension providers and academic leaders need to evaluate the key issues affecting Canada's retirement income system and where further work is needed. Extending retirement income coverage and access to more Canadians requires a better understanding of the economic, demographic and behavioural trends that are leaving so many people unprepared for their post-work years.

To help address this issue, government, business, labour and academic leaders need to evaluate the key issues affecting Canada's retirement income system and where further work is needed. Extending retirement income coverage and access to more Canadians requires a better understanding of the economic, demographic and behavioural trends that are leaving so many people unprepared for their post-work years.

AGEING DEMOGRAPHICS AND THE CANADIAN ECONOMY

> **"The fundamental challenge [facing decision-makers] is how to provide for adequate retirement income for the future population of elderly people without imposing an undue burden of taxation on the working population and the business sector."**
>
> **David Dodge**, Senior Advisor with Bennett Jones and former Governor of the Bank of Canada

When Canada's modern retirement system was established in the 1950s, there were eight working-age adults for every senior.[7] This 8:1 ratio epitomized Canada's young, vibrant labour force and ensured a strong balance between economic growth and the sustainability of government programs. However, the large baby-boomer generation, coupled with four consecutive decades of higher life expectancy and lower birth rates, have steadily increased the average age of the Canadian population. Between 1970 and 2013, the working-age-to-retiree ratio declined from 7.8 to 4.5. By the late 2050s, when most of the Generation X cohort and many Millennials are also expected to be out of the workforce, this ratio is set to fall to 2.3:1.0.[8]

David Dodge, Senior Advisor, Bennett Jones LLP and former Governor of the Bank of Canada

This dramatic demographic shift is creating a series of challenges that will have broad implications for our society and economy. Since older Canadians consume a higher proportion of health and social services, the exponential growth in retirees over the next four decades will place significant strains on our country's public finances. Lower aggregate demand, driven by an older population and a relatively smaller workforce, is also expected to put downward pressure on Canada's economic growth and competitiveness.

Without appropriate policy adjustments, experts across sectors have warned that these issues could place burdens on our economy, as well as on our pension, health care and social assistance programs. How decision-makers respond to these challenges will determine not only the standard of living for millions of Canadians, but also the wellbeing of our country's economy and welfare state.

THE STATE OF RETIREMENT INCOME IN CANADA

Canada's multi-pillared pension system provides many options for retirement saving

For over four decades, Canada's multi-pillar retirement system has remained relatively consistent across jurisdictions, representing a notable feat of pan-Canadian collaboration in a complex and diverse confederation. The public and private pillars of the modern retirement savings system were developed incrementally (and in tandem), substituting the charity, government annuities and the old age pensions that provided limited retirement income replacement during the first half of the 20th century. Today's modern retirement income system includes:

- Old Age Security (OAS) and the Guaranteed Income Supplement (GIS) - General tax-funded pay-as-you-go programs that provide nearly complete retirement income replacement for lower-income individuals, and a basic income floor for middle-income individuals;
- The Canada and Quebec Pension Plans (CPP/QPP) - Public defined-benefit (DB) plans funded through mandatory employer-employee contributions. During the 1990s, the CPP shifted from a pay-as-you-go system to a pre-funded platform;
- Private workplace pensions – Employer plans, including Registered Pension Plans with matching employer contributions, designed to provide adequate income replacement in retirement for middle-income individuals above the basic threshold provided by government programs; and
- Discretionary individual saving – Private savings that take advantage of tax-deferred/sheltered vehicles such as Registered Retirement Savings Plans (RRSP) and Tax-Free Savings Accounts (TFSA) as a supplement to workplace pension plans.

In addition to these sources of retirement income, Canadians can also rely on income from home or small business equity, individual savings and investments outside tax-deferred/tax-sheltered accounts as well as insurance protection and inheritances.

Government-run programs are effective and sustainable

Compared to our global peers, Canada's multi-pillared pension system has placed our country in a relatively strong position to meet the retirement income needs of an ageing population. The introduction of the Canada Pension Plan (CPP), Old Age Security (OAS) and Guaranteed Income Supplement (GIS) in the post-war years ushered in an era that saw old age poverty sharply decline over three consecutive decades**.** Whereas 20% of all seniors living in Canada were below the low income cut-off (LICO) line in the early 1980s, by 2005, the incidence of low income among seniors had fallen below 5%. As poverty has declined, median income among senior couples has increased by 18%. Even rates among unattached seniors, a demographic group often at greatest risk of living in poverty, experienced a 14% increase in median income between 1996 and 2006. According to Philip Cross, former Chief Economic Analyst at Statistics Canada, our country's social guarantee that seniors will have an adequate minimum income threshold "is one of our society's great achievements in recent decades."[10]

> **"With the number of seniors expected to grow dramatically in the coming years, this will decrease overall consumer spending and put strains on social programs. That's not good for people. That's not good for business. That's not good for our economy."**
>
> **Hon. Mitzie Hunter**, Associate Minister of Finance, Government of Ontario

In addition to reducing poverty levels, sound management of the CPP and OAS/GIS,[11] as well as the availability of private pension plans and individual savings options, have made Canada's pension system strong, balanced and sustainable. A 2012 assessment by Canada's Parliamentary Budget Office (PBO) found that while OAS-related costs could more than triple over the next two decades, "when measured as a percentage of Gross Domestic Product, the cost is manageable."[12] Further, while many individuals depend to some extent on government transfers in retirement, these installments represent a smaller proportion of Canadians' income (39%) compared to those living in other OECD countries (59%).[13] These and other findings[14] indicate that Canada's elderly benefit programs will remain sustainable well into the future.

Together these pillars have ensured that the majority of Canadians are well-prepared for retirement. Nevertheless, our country's retirement system appears to fall short of ensuring adequate income replacement for a sizeable minority of people – between 20 and 30 per cent of the Canadian population – prompting concerns among governments and economists that additional tools may be needed.[15]

Mitzie Hunter, Associate Minister of Finance, Government of Ontario

Many workplace plans are underutilized and inadequate

For many small-medium businesses, the real or perceived burden of administering a workplace pension plan discourages employers from considering even low-cost options. Few small businesses have the expertise, time and resources to offer pension benefits to their employees. As a result, it is estimated that up to five million Canadians do not have access to a workplace retirement savings arrangement.

Among private sector employees who do have access to a workplace plan, a third to half of employees do not participate and take full advantage of them. Preoccupied with the immediate priorities of daily life and due to what behavioural economists call “inertia”, millions of Canadians are missing an important opportunity to leverage their pension savings through employers’ matching contributions. By failing to make additional voluntary contributions, many Canadians are leaving money on the table that is crucial for their retirement security.

Preoccupied with immediate needs and low interest rates, millions of Canadians are missing an important opportunity to leverage their pension savings through employer contributions. By failing to make additional voluntary contributions, many Canadians are leaving money on the table that is crucial for their retirement security.

Canadian businesses are shifting from DB to DC

With more retirees living longer into retirement, many Canadian employers have begun transitioning from defined benefit (DB) to defined contribution (DC) pension plans, as part of a global trend. This shift has helped business leaders mitigate risk while providing employees with more choice and flexibility. It has also become a contentious issue among some government, business and labour leaders in our country.

Advocates for DB plans point to the income stability and certainty that come with predetermined benefits, traits that allow Canadians to better plan for their retirement. According to this view, DC plans transfer too much risk to employees who are not well equipped to manage it. Individuals with DC plans are also more vulnerable to changing market conditions that can occur over their working lives.

Conversely, those who support DC plans suggest that the costs associated with DB plans are becoming increasingly unsustainable in an environment characterized by more retirees and anaemic economic growth. Shifting towards modern Canadian DC plans with lower fees and target date funds, which offer some certainty against market volatility and risk, could reduce employer costs and liability while protecting Canadian savers.

During the *Second National Summit on Pension Reform,* there was general agreement that a significant middle-ground exists within the polarized DB-versus-DC debate. As traditional DB plans have moved towards a Target Benefit framework and Canadian DC plans achieved better cost and security features, DB and DC plans have

Bill Morneau, Executive Chair, Morneau Shepell

become more comparable than in the past. Participants acknowledged that stakeholders' interests align in enough areas, including the need for plan sustainability and security, which may make it possible to combine features of the two models.

In fact, recent Canadian case studies could provide some guidance on how best to proceed. For example, in the public sector, the Governments of New Brunswick and Newfoundland and Labrador recently concluded agreements with employees that share risk, preserve benefits and maintain plan sustainability. Identifying and adapting case studies that find a common ground in the DB-DC debate requires priority attention from all sectors.

Identifying and understanding at-risk groups

> **"About 80% of Canadian households are on track to maintain their standard of living [in retirement]. So at least 20% are not on track. The large majority of this group are within a very narrow segment of the population that are middle-to-high income earners, do not have a DB plan, do not have a DC plan, and do not save more than 6-7% per year."**
>
> **Fabrice Morin**, Principal, McKinsey Canada, October 2014

Middle income earners

Most experts acknowledge that low income-earners can rely on government programs, such CPP/QPP, OAS and GIS to sufficiently replace their income in retirement. Wealthy Canadians, by contrast, have access to numerous options – including private investments, inherited wealth and other personal savings – that will provide adequate income during retirement. Where the greatest savings challenge exists, then, is among a sizeable portion of the middle income-earning population who do not have adequate workplace pension coverage to sufficiently replace their income during retirement. Government programs will provide the middle-income group with basic retirement income support. However, without additional savings, millions of Canadians could experience a significant drop (upwards of 20%) in their standard of living after leaving the workforce.[16]

A recent analysis by BMO indicated that many Canadians cannot afford to save for their retirement due to immediate, short-term expenses.[17] Mortgage payments, student loans and other more pressing issues often take precedence over retirement planning, especially among middle-income earners. As one roundtable participant commented, "How can young, middle-class Canadians expect to save for retirement when many cannot meet more immediate needs, such as buying a house or raising a family? It is difficult to convince people to save for retirement when they have yet to set up their lives."

The pressure to balance immediate needs with long-term retirement goals has meant that Canadians now feel more anxious about their retirement future than at any other time in recent history. After collecting data from five million Canadians, or 1/7 of the population, Morneau Shepell discovered the proportion of "employees who report significant levels of stress in their daily lives has tripled [and] the number who report financial anxiety has doubled" since 2008.[18]

Private Sector Employees

Over the past three decades, pension coverage among private sector employees has decreased substantially in Canada. Whereas in 1984, 44% of private sector employees in Canada were enrolled in a Registered Pension Plan (RPP),[19] by 2011, this number had dropped to 25%.[20] SSince the majority of working-age Canadians are employed in the private sector, low pension access and participation rates represent a significant challenge not only for individual employees, but also for governments, employers and the Canadian economy.

To be sure, voluntary individual savings vehicles – such as RRSPs and TFSAs – have been expanded to provide additional, tax-deferred/sheltered retirement savings options to Canadians. However, with many people choosing to defer retirement saving until later in life, it is unclear how effective these tools will be on their own, without compulsory measures or incentives to boost participation in regular retirement savings in the workplace.

Canada's low coverage rates among private sector employees have renewed interest in mandatory savings plans and boosting access to, and participation in, workplace retirement plans. Increasing CPP contributions or introducing new provincial schemes, such as the Ontario Retirement Pension Plan (ORPP), could provide additional support to retired Canadians in the form of guaranteed benefits. If implemented, the combination of the ORPP and CPP initiatives would aim to raise the income replacement rate for middle income Canadians from 25% to 40%. [21]

Alternatively, it may be possible to use existing schemes to achieve a similar outcome for Canada's at-risk groups. According to some participants, encouraging more participation in Registered Pension Plans through smart

Dean Connor, President and Chief Executive Officer, Sun Life Financial and former President for the Americas, Mercer

> **"Retirement schemes are long term. It takes decades for them to mature, to see how and whether they worked, and for them to deliver their full long term potential. When they tend to work well together, as the Canadian system has, you have to think long and hard before changing it. That's not to say we shouldn't change, and there are many examples of positive change to these pillars along the way, but we have an obligation to 'do no harm'."**
>
> **Dean Connor**, President and Chief Executive Officer, Sun Life Financial and former President for the Americas, Mercer

defaults, combined with better use of annuities and Pooled Registered Pension Plans (PRPPs) for employers without plans could potentially lead to a higher income replacement rate for middle income Canadians.

Whichever option is pursued, finding affordable ways to extend coverage and access to more private sector employees requires priority attention and action. According to David Dodge, former Governor of the Bank of Canada, a national dialogue is needed to determine whether and how these tools should be introduced in our country.

Young Canadians

The fact that 1/3 of young, working-age adults are under-prepared for their post-work lives is not itself a concern. Higher pension contributions later in life and delayed retirement could help ensure adequate income for these individuals after leaving the workforce. However, recent evidence that only one in 10 Millennials gives serious thought to their retirement suggests that young Canadians may not change their saving habits until much later into their working lives.

Among young Canadians who are saving for retirement, 15% in the lowest income households and 38% in the highest income group are not saving enough to maintain their standard of living after leaving the workforce. Immediate financial concerns, such as paying off student debt, purchasing a house or starting a family, are among the chief reasons why young Canadians are not on the right retirement track.

Boosting pension awareness and participation among Canada's younger generations has been a significant challenge for policymakers over the past decade. However, roundtable and summit participants agreed that achieving intergenerational equity, though challenging, should be a shared objective by all sectors.

> **"While it is difficult for anyone to accurately predict exactly how much they need to save for retirement, this is a critical starting point that requires visualization before an appropriate savings plan can be established."**
>
> **BMO Wealth Institute's 2014 report,** *Broadening the approach to preparing for retirement.*

> **"Those who are 20-25 years away from retirement are in trouble. We need to put more money into the economy to create jobs and incentivize people to work longer."**
>
> **Participant of the Halifax roundtable discussion**

FINDING EQUILIBRIUM IN CANADA'S RETIREMENT INCOME SYSTEM

When Canada's multiple-pillar pension system was created in the post-war years, a careful balance was struck between its public and private components. Sharing risk and responsibility evenly has traditionally ensured Canadians a reasonable level of security in retirement without over-burdening any one stakeholder. During the 1990s, changing demographics, market conditions and public pressure spurred a series of important CPP reforms that expanded contributions and enhanced sustainability. In 2012, amendments were also made to the OAS when the federal government adjusted the age of eligibility; allowed for a voluntary deferral of the OAS pension; and introduced an automatic enrollment process.[25]

In addition, many provincial governments have begun introducing new tools, such as PRPPs and smart defaults, to boost individual savings. These innovative options have enjoyed success in other jurisdictions and some experts believe they will be an essential component for enhancing retirement income security in our country. Nevertheless, Canada's Third Pillar – workplace plans and individual savings – has not undergone the same level of reform that is necessary to provide income security to millions of Canadians, specifically in the at-risk demographic groups. As a result, re-establishing equilibrium across Canada's multi-pillared system has become a national priority that requires strategic leadership and collaboration across sectors.

After convening senior decision-makers in a series of policy discussions across the country, the Public Policy Forum identified a series of action-items that could help guide decision-makers who are responsible for expanding retirement income coverage and access to more Canadians.

Target specific action and work together

Be clear about who you are seeking to help

Middle-income earners in the private sector and young Canadians require additional resources, options and attention. Leaders across sectors agreed that establishing clearly-defined objectives can help ensure that appropriate actions are taken to assist at-risk individuals without negatively impacting Canadians with adequate retirement coverage. By sharing a common vision on who they are seeking to help, decision-makers will be better positioned to focus attention and drive the type of targeted solutions that are necessary to fill gaps in Canada's retirement income system.

Define what success looks like

Finding consensus on a desired outcome will also be essential for developing the partnerships and targeted interventions that are needed. Governments, in collaboration with pension providers, employers, labour representatives and academic experts should clearly outline their primary objectives and how they could best achieve them. This process requires sustained multi-sector coordination, as well as a commitment by all stakeholders to work together to adjust expectations, tools and arrangements over time. The news media will also play an important role in the discussion, helping to inform and shape the public discourse. By devising a clear vision that accommodates current and future trends, stakeholders will be better positioned to resolve Canada's retirement challenges.

Roundtable participants offered insight on what a multi-sector vision and strategy could seek to achieve:

- Establishing sustainable engagement and commitment from leaders across the public, private employer, labour, pension and academic sectors;
- Finding ways to evolve DB and DC plans to align with Canadians' needs and concerns;
- Introducing new mandatory plans, leveraging existing plans or adopting smart defaults such as auto-enrolment;
- Finding ways to boost coverage and access, particularly among private sector employees;
- Developing a plan to address leakage in pension plans; and
- Building stronger institutional features that include lower fees and greater certainty.

Identify roles and responsibilities

Several significant policy and practical challenges remain unresolved around the issue of governance. Participants cited the lack of coordination and trust among government, business, labour and academic leaders as the leading cause of misunderstanding and lost opportunities. While most stakeholders agree that pension sustainability and coverage should be improved in Canada, there is widespread disagreement over how best to achieve this objective. This is due, in part, to divergent priorities that have made it difficult for stakeholders to collaborate. For example, some business leaders indicated that governments plan and prioritize according to four-year election cycles, making it difficult to develop long-term partnerships or initiatives. While pension regulators have been helpful in advancing important legislation, leadership, coordination and courage from elected representatives is needed to advance meaningful change.

Further, the politically-sensitive nature of retirement income security has divided, rather than united, leaders across sectors. Driven by political priorities and parochial interests, Canada's national debate on pension reform has served to further obfuscate the core issues and generate responses that are not well aligned.

Overcoming this division will require a collaborative approach that clarifies the roles and responsibilities that each stakeholder is expected to fulfill. A useful first step may be to identify a series of shared objectives or principles that could be used to develop common purpose among stakeholders. These objectives should be inclusive, recognizing that governance must be multi-tiered, multi-sector and multi-generational. They should also seek to resolve issues around what reform might look like and how it can best be managed.

Participants suggested that public, private employer, labour, private pension, association and academic leaders need to establish working groups that bring together disparate viewpoints. Finding ways to engage small businesses, which employ 48% of the Canadian workforce, is essential.[26] Ensuring that the dialogue represents various intergenerational concerns will also be important for finding solutions for young Canadians. Canada's retirement income challenges will require incremental responses that evolve over many years. Therefore, a flexible and inclusive governance framework, underlined by core principles, will be crucial for ensuring that key players are engaged throughout the process.

Sharpen the tools

In addition to aligning expectations and focusing attention on Canada's at-risk groups, decision-makers will need to create the right conditions to enhance retirement income security in our country. This will require a close examination of how institutions and tools can better incent retirement saving.

Think beyond the "silver-bullet approach"

Since each at-risk group faces a different set of challenges, stakeholders need to develop a series of targeted responses that enhance coverage and meet individual needs. From CPP enhancement and the establishment of provincially-run pension schemes to financial education and regulatory adjustments, the public service has a wide array of tools that it should consider implementing alone and in collaboration with other stakeholders. Governments can also take an indirect approach by making private workplace pensions more readily accessible to people who do not have access to one and can better use behavioural nudges to encourage Canadians to save more in their pension plans.

Private pension providers and employers also have a key role to play in boosting retirement savings by helping "at-risk" Canadians save more through low-cost workplace pension plans. Understanding the concerns and factors that influence whether employers offer pension plans will be essential. Guaranteeing greater cost certainty and developing options that offer economies of scale will also be important.

Further, stakeholders should consider the potential utility of making better use of incentives, nudges and mandatory contributions. Since younger Canadians are more transient in their careers, models such as Pooled Retirement Pension Plans (PRPPs), which are tied to the individual rather than a geographic location or workplace, may provide the greatest amount of flexibility. Extending coverage to this demographic group will require a multi-faceted approach that overcomes financial illiteracy as well as the disinclination among young Canadians to save for retirement.

One potential option is to expand the use of mobile applications that make it easier to register in pension plans and increase contributions. According to some participants, these investment applications, which are both time efficient and user-friendly, have helped to increase plan enrolment and contributions among some Canadians. Further study and effort is needed in this area to determine the impact of technology on retirement savings across demographic groups.

Choice architecture matters

Governments may need to rethink Canada's savings infrastructure. Numerous studies have demonstrated that the structure of pension plans directly impacts participation rates and individual savings. For example, most employer-sponsored savings plans, TFSAs and individual RRSPs, are entirely voluntary. As a result, many Canadians – especially middle income earners, private sector employees and young Canadians – under-contribute to these retirement savings vehicles.

Governments wishing to enhance individual savings must first determine the level of paternalism they are comfortable using to increase and protect savings. In designing or enhancing choice infrastructure, leaders will need to find some agreement on three key areas:

- **Participation:** Should the pension scheme be mandatory, encouraged (using "nudges"), completely voluntary or some combination of these options?
- **Liquidity:** How easy should it be for plan holders to withdraw from their retirement savings before retirement?
- **Accessibility:** To what degree will technology empower people through financial literacy to take a more active approach to their retirement savings?

Since only specific demographic groups in Canada are currently under-saving, some roundtable participants suggested that enhancing or creating mandatory savings schemes does not provide the targeted approach that may be necessary. Instead, decision-makers may wish to closely examine where the challenges and risks exist, and then select an appropriate option that encourages more savings among those who need it.

Stakeholders should also consider the potential benefits of adapting successful case studies that combine different savings approaches. For example, David Laibson, Robert I. Goldman Professor of Economics at

David Laibson, Robert I. Goldman Professor of Economics, Harvard University

Harvard University, suggests that Canadians should consider opening both a mandatory, illiquid account as well as a voluntary liquid account that allows for limited withdrawals. Such an arrangement would ensure that individuals can gain access to funds in an emergency without draining their entire retirement savings.

Whichever measure or set of measures are implemented, stakeholders should seek to identify and mitigate any negative impact on successful existing pension initiatives. In addition, boosting retirement income security for Canada's at-risk groups will depend on policies that increase and enhance savings, rather than shift them from existing vehicles to new ones.

Use behavioural economics to better effect

Over the past decade, behavioural economics has grown in prominence as a means to prompt positive decision-making and action in specific areas, including personal finance. According to roundtable participants, instilling positive saving habits in young people through different techniques, including "reminders, peer pressure, automated and default controls, and incentives," can help and develop the habits that can lead to greater financial prosperity later on in life.

As mentioned earlier in this report, behavioural or "nudge" economics provide solutions to the inertia that often leads people to delay retirement savings. In fact, Canada may wish to consider the experience of other Western countries that adopted an auto-enrolment and nudge approach. For example, in 2007, only 15% of New Zealanders participated in workplace pension programs. Peter Neilson, Chief Executive of the Financial Services Council and a former Cabinet Minister of the Government of New Zealand, notes that with the adoption of the KiwiSaver program, which includes an auto-enrolment mechanism, savings rates among New Zealanders climbed to 63% in less than five years.

The use of auto-enrollment in other jurisdictions has shown equally dramatic results: with the introduction of opt-out approach in the United States, Americans' participation in the 401(k) savings scheme more than doubled. Since the United Kingdom only introduced auto-enrollment in 2012, it may be too early to determine its impact on pension participation rates. However, initial data has indicated that participation rates have climbed, albeit at relatively modest levels, for the first time in seven years.

Enable Canadians to save *better*

Although some stakeholders disagree on the extent to which Canadians need to save more for retirement, there was a general understanding that governments and pension providers can take steps to ensure Canadians are saving better. Investment infrastructure and institutions that were established 40 years ago have

Left to right: **Janet Ecker**, President & CEO, Toronto Financial Services Alliance; **Bernard Morency**, Executive Vice President, Caisse de dépôt et placement du Québec; **Fabrice Morin**, Principle, McKinsey Canada; **Fred Vettese**, Chief Actuary, Morneau Shepell not kept pace with rapid demographic and economic changes. The existing pension and savings infrastructure does little to encourage savings among at-risk groups and is not responding fast enough to Canadians' needs.

In response, certain elements of Canada's pension framework may need to be redesigned to reflect currently realities and provide greater support to those most in need. According to Bernard Morency, Executive Vice President at the Caisse de dépôt et placement du Québec, this would require a bold new approach driven by innovative solutions that bridge the gaps currently afflicting our pension system. It would also need to reflect the significant changes that have occurred in Canada over the past four decades, such as greater longevity and lower investment returns. Such an approach would need to focus on addressing existing challenges and designing flexible infrastructure that can accommodate Canadians well into the future.

Nearly 100% of the working population needs to save better. The assumptions that we make do not give enough consideration to the changes that are happening in an environment in which Canadians have to plan for, and manage their retirement. "

Bernard Morency, Executive Vice-President, Depositors, Strategy and Chief Operations Officer, Caisse de dépôt et placement du Québec

It may also be possible to make the retirement income system more responsive to Canada's at-risk groups through more subtle approaches. For example, Keith Ambachtsheer, President and Founder of KPA Advisory Services Ltd., suggests that governments could introduce mechanisms that better protect average Canadians by removing existing "incentives for financial advisors to steer their clients into high-cost retail mutual funds." Moreover, business and labour leaders could also develop mechanisms and tools to guide Canadians towards more stable funds that have higher returns and lower fees.

Whether stakeholders take a macro or micro approach to enhancing savings, there was a general agreement that government, pension providers, employers and labour leaders and the financial advisor community need to find ways to improve *how* Canadians save.

Establish a culture of knowledge-sharing

Government, business, labour and academic leaders should seek to establish a series of public and private sector options that foster greater regulatory certainty, enhance financial literacy and communicate vital information to Canadians.

Build greater regulatory certainty

Finding ways to streamline and simplify regulation is essential for providing Canadians with consistent, seamless options. Ensuring greater interoperability between pension schemes, especially if provincial pension plans are introduced, will help governments reduce red tape and overcome issues around coverage. Recent efforts in British Columbia and Alberta to align standards are encouraging. However, more work is needed to provide consistent standards across Canadian jurisdictions.

Promote financial literacy

The private, public and labour sectors all share a common interest in enhancing financial literacy in our country. While most Canadians understand the importance of retirement income security, few have the knowledge or skills necessary to understand the many complex options that are available. Investment risk, fees and the importance of sound retirement planning are not well understood or communicated in our country. As a result, most Canadians do not know how best to meet their post-work goals.

Stakeholders should consider collaborating to foster a life-long approach to financial literacy. For example, government, business and academic leaders could work together to introduce more financial literacy classes in elementary, high school and post-secondary curriculums. Such an approach would help ensure that students receive knowledge on traditional and innovative financial tools. It also may be useful for public, private and labour sector leaders to explore whether and how it might be possible to develop programs that provide information to adults on key issues, such as purchasing a house or investing for the future. One potential way to do this is in the workplace or through digital communication means, an approach that is already widely practiced by the Canadian private pension sector in cooperation with employers.

It's important to note that boosting financial literacy will not, in itself, be enough to address the retirement income challenges we face. Some studies suggest that enhanced knowledge may have only marginal impact on Canadians' savings habits and financial behaviour.[27] Nevertheless, finding ways to communicate issues around risk, fees and the importance of saving early will give Canadians the information they need to better plan for their future.

Communicate clearly with Canadians

Transferring financial knowledge "from Bay Street to Main Street" will require that stakeholders develop language and products that can be easily explained to, and accessed by, people without financial training. Further work is needed to structure and communicate investment vehicles in ways that are accessible and non-intimidating.

Further, participants agreed that all stakeholders in the discussion have a responsibility to keep Canadians informed on how macro-economic trends and policy changes could impact their retirement. Since any solution to Canada's retirement income challenges could take three or four decades to mature, it is essential to ensure the average Canadian understands how long it will take for these various interventions to have an impact.

CONCLUSION

For over a decade, Canadians have engaged in a national policy dialogue to explore how we can improve pension coverage and sustainability in our country. Some leaders have indicated a preference for a government-led approach, with an increase in the Canada Pension Plan's (CPP) mandatory contribution limits or, barring this, the establishment of provincially-run pension schemes such as the Ontario Retirement Pension Plan. Others have pointed to improved access to private workplace pensions, such as Pooled Registered Pension Plans (PRPP), and increased participation and contributions by employees in their workplace pensions (Registered Pension Plans) to boost retirement savings.

As we explored Canada's retirement income challenges with leaders from different regions and sectors, it became clear that greater focus and planning is required around three fundamental issues.

Target specific action and work together: Policymakers, pension providers, employers, labour representatives and other recognized pension experts need be in agreement on who is at greatest risk of having insufficient income during retirement. Reaching a common understanding of who is most "at risk" helps focus attention on developing a balanced, effective policy response. At the *Second National Pension Summit*, a consensus emerged among participants that middle-income earners who under-save are the foremost "at

Left to right: **Peter Neilson**, Chief Executive, Investment Savings and Insurance Association of New Zealand; Former Cabinet Minister, Government of New Zealand; **Dana Flavelle**, Business Writer, Toronto Star; **Will Sandbrook**, Director of Strategy, Research and Analysis, NEST (United Kingdom); **Keith Ambachtsheer**, President & Founder, KPA Advisory Services Ltd.

risk" group. On average, the "at risk" groups – which include a sizeable number of middle-income earners in the private sector and young Canadians – are less likely to be enrolled in a workplace pension plan or saving enough to ensure income security during their retirement. What's more, these groups often do not have the requisite financial literacy skills to sift through the many financial options that are available to them.

Sharpen the tools: It also became clear that leadership and coordination across the government, business, labour and academic sectors is needed to provide greater coverage to Canada's at-risk groups. Rather than seek to adopt a "silver-bullet" approach or overhaul a multi-pillared pension system that serves Canadians relatively well, stakeholders should provide a range of options that are flexible enough to accommodate individual circumstances. Developing a better understanding of the circumstances facing each at-risk group will better position decision-makers to create effective solutions while mitigating unintended consequences. To ensure greater buy-in among all stakeholders, these solutions should be multi-sector and inter-generationally equitable. Such a coordinated approach would also be helpful in ensuring greater consistency and fluidity between programs.

Establish a culture of knowledge-sharing: Confusion among Canadians is widespread. The variety of different investment vehicles in our country makes it difficult for individuals to determine which options are best suited to their needs. Young Canadians often do not recognize or appreciate the benefits of saving early for their retirement. And many employees fail to utilize workplace pension plans offered by their employers. Without a concerted approach by government, pension providers, employers, unions, the financial advisor community and academic leaders to improve financial literacy across all age levels, it will be difficult to enhance coverage without mandatory measures. Roundtable and summit participants agreed that enhancing knowledge and understanding will help ensure that Canadians are better positioned to take responsibility for their own retirement planning.

Resolving Canada's retirement income challenges will require calculated responses that will evolve during the years to come. Therefore, it is essential that stakeholders work together to identify options with the most broad-based support and begin developing them soon so they are in place when needed.

REFERENCES

[1] The Canadian Press. (2013). *Wynne says economic crisis looms if pensions aren't improved.* CBC. Accessed online at: http://www.cbc.ca/news/canada/toronto/wynne-says-economic-crisis-looms-if-pensions-aren-t-improved-1.2423919
[2] Cross, Philip. (2014). *The Reality of Retirement Income in Canada.* Fraser Institute. Accessed online at: http://www.fraserinstitute.org/uploadedFiles/fraser-ca/Content/research-news/research/publications/Reality%20of%20Retirement%20Income_web%20final.pdf
[3] Leech, Jim. (2014). Interview in *Looming retirement income crisis requires attention: Teachers' Jim Leech.* Pensions in Perspective (4:1). Accessed online at: http://hoopp.com/uploadedFiles/Content/Newsroom/Newsletter/Pensions-in-Perspective-2014-issue-1.pdf
[4] Vettese, Fred. (2013). *Why Canada has no retirement crisis.* Rotman International Journal of Pension Management. (6:1) Accessed online at: http://www.morneaushepell.com/sites/default/files/documents/336-why-canada-has-no-retirement-crisis-fred-vettese/rotman-whycanadahasnoretirementcrisis.pdf
[5] Ambachtsheer, Keith. (2014). Presentation delivered at the *Second National Summit on Pension Reform*. Canada's Public Policy Forum. (Toronto: October 9, 2014).
[6] McCullough, Michael. (2011). *Why there is no retirement crisis.* Canadian Business. Accessed online at: http://www.canadianbusiness.com/business-strategy/why-there-is-no-retirement-crisis/
[7] Government of Canada. (2009) *Seniors.* Statistics Canada. Accessed online at: http://www41.statcan.gc.ca/2009/70000/cybac70000_000-eng.htm
[8] David Dodge (2014). Presentation delivered at the *Second National Summit on Pension Reform*. Canada's Public Policy Forum. (Toronto: October 9, 2014).
[9] Government of Canada. (2011). *Report of the National Seniors Council on Low Income Among Seniors.* National Seniors Council. Accessed online at: http://www.seniorscouncil.gc.ca/eng/research_publications/low_income/2009/hs1_9/page05.shtml
[11] Philip Cross. (2014). *The Reality of Retirement Income in Canada.* The Fraser Institute. Accessed online at: http://www.fraserinstitute.org/uploadedFiles/fraser-ca/Content/research-news/research/publications/Reality%20of%20Retirement%20Income_web%20final.pdf
[12] Government of Canada. (2012). *Federal Fiscal Sustainability and Elderly Benefits.* Office of the Parliamentary Budget Officer. Accessed online at: http://pbo-dpb.gc.ca/files/files/Publications/Sustainability_OAS.pdf
[13] Curry, Bill. (2012). *There's no old age security 'crisis,' PBO report shows.* The Globe and Mail. Accessed online at: http://www.theglobeandmail.com/news/politics/theres-no-old-age-security-crisis-pbo-report-shows/article545971/
[14] Ibid.
[15] Australian Centre for Financial Studies and Mercer. (2014). *Melbourne Mercer Global Pension Index.* Accessed online at: http://www.globalpensionindex.com/wp-content/uploads/RRF18205_MMGPI_Report_MINISTERSLETTER_WEB.pdf, pg. 55
[16] McKinsey&Company.(2013). *Are Canadians Ready for Retirement? Current Situation and Guiding Principles for Improvement.* Accessed online at: http://www.mckinsey.com/~/media/McKinsey%20Offices/Canada/Latest%20thinking/PDFs/Are_Canadians_ready_for_retirement
[17] Benjamin Tal and Avery Shenfeld. (2012). *Canadians' Retirement Future: Mind the Gap.* Canadian Imperial Bank of Commerce. Accessed online at: http://research.cibcwm.com/economic_public/download/if_2013-0220.pdf
[18] BMO Financial Group. (2014). *BMO Household Savings Report: Canadians Saved Average of $8,764 in 2013; Set Sights Higher for the Year Ahead.* Accessed online at: http://newsroom.bmo.com/press-releases/bmo-household-savings-report-canadians-saved-aver-tsx-bmo-201401230923528002
[19] Morneau, Bill. (2014). Presentation delivered at the *Second National Summit on Pension Reform*. Canada's Public Policy Forum. (Toronto: October 8, 2014). Available online at: http://www.ppforum.ca/sites/default/files/Bill%20Morneau's%20Remarks.pdf, p.5
[20] The Daily. (1999). *Pension coverage among young and prime-aged workers.* Statistics Canada. Accessed online at: http://www.statcan.gc.ca/daily-quotidien/991222/dq991222c-eng.htm
[21] Government of Canada. (2011). *Registered Pension Plan (RPP) and Retirement Savings Coverage (Canada).* Office of the Superintendent of Financial Institutions. Accessed online at: http://www.osfi-bsif.gc.ca/eng/oca-bac/fs-fr/Pages/FS_RPP_2013.aspx
[22] Government of Ontario. (2014). *2014 Ontario Budget. Chapter IV: Strengthening Retirement Security in Ontario.* Ministry of Finance. Accessed online at: http://www.fin.gov.on.ca/en/budget/ontariobudgets/2014/ch4.html; Government of Ontario (2014). *Bill 56: An Act to require the establishment of the Ontario Retirement Pension Plan.* 41st Legislature, Ontario. Accessed online at: http://www.ontla.on.ca/bills/bills-files/41_Parliament/Session1/b056.pdf
[22] BMO Wealth Institute. (2014). *Broadening the approach to preparing for retirement.* BMO Financial Group. Accessed online at: http://www.bmo.com/pdf/Q3_2012_Broadening_the_Approach_to_Retirement_Cdn_E.pdf
[23] Ibid.
[24] Ibid.
[25] Government of Canada. (2014). *Changes to the Old Age Security Program.* Service Canada. Accessed online at: http://www.servicecanada.gc.ca/eng/services/pensions/oas/changes/index.shtml
[26] CBC News. (2010).*10 Surprising stats about small business in Canada.* Canadian Broadcasting Corporation. Accessed online at: http://www.cbc.ca/news/business/10-surprising-stats-about-small-business-in-canada-1.1083238
[27] David Laibson. (2014). Presentation delivered at the *Second National Summit on Pension Reform*. Canada's Public Policy Forum. (Toronto: October 9, 2014); Laibson, David et al. (2013). *The Effect of Providing Peer Information on Retirement Savings Decisions.* Accessed online at: http://scholar.harvard.edu/files/laibson/files/peerinfo_jof_033114.pdf

APPENDIX 1: SUMMIT PROGRAM

Wednesday October 8, 2014 | Arcadian court

5:45 p.m.	**Arrival & Networking**
6:30 p.m.	**Welcome** **David Mitchell**, President & CEO, Canada's Public Policy Forum
6:35 p.m.	**Keynote address: Challenges & opportunities in savings** **Dean A. Connor**, President & CEO, Sun Life Financial
6:55 p.m.	**In conversation with Dean A. Connor** Moderated by **Tony Keller,** Editorial Board Editor, Globe and Mail
7:10 p.m.	**Dinner**
8:20 p.m	**Remarks** **Mitzie Hunter**, Associate Minister of Finance, Government of Ontario
8:30 p.m.	**Closing remarks** **Bill Morneau**, Executive Chair, Morneau Shepell
8:40 p.m.	**Networking**

Thursday October 9, 2014 | Allstream Centre

7:00 a.m.	**Arrival and registration** Continental breakfast will be available
8:00 a.m.	**Welcome** **David Mitchell**, President & CEO, Canada's Public Policy Forum
8:10 a.m.	**Nudge economics and retirement savings** **David Laibson**, Robert I. Goldman Professor of Economics at Harvard University, and expert on the use of nudge economics' in retirement planning
8:30 a.m.	**In conversation with David Laibson** Moderated conversation with **Rob Carrick**, Personal Finance Columnist, Globe and Mail
9:00 a.m.	**"Guaranteeing" retirement income for Canadians** **David Dodge**, Senior Advisor, Bennett Jones LLP and Former Governor of the Bank of Canada
9:30 a.m.	**Driving equilibrium: Workplace pension plans** Moderated by **Barbara Shecter**, Senior Business Writer, Financial Post • **Tom Reid**, Senior Vice-President, Group Retirement Services (GRS), Sun Life Financial Canada • **Dr. Robert Brown**, 2014 President, International Actuarial Association

10:40 a.m. **Health break**

10:55 a.m. **Creating equilibrium: At-risk groups**
Moderated by **Janet Ecker**, President & CEO, Toronto Financial Services Alliance

- **Fred Vettese**, Chief Actuary, Morneau Shepell
- **Bernard Morency**, Premier vice-président, Déposants, stratégie et chef des Opérations, Caisse de dépôt et placement du Québec
- **Fabrice Morin**, Principal, McKinsey Canada

12:05 p.m. **Lunch**

12:45 p.m. **Moving to Action: Defining a Long-Term Approach**
Moderated by **David Mitchell**, President & CEO, Canada's Public Policy Forum

- **Hassan Yussuff**, President, Canadian Labour Congress
- **Malcolm Hamilton**, Senior Fellow, C.D. Howe Institute

1:30 p.m. **Finding solutions: Sustainability in the public sector**
Moderated by **Paul Ledwell**, Executive Vice President, Canada's Public Policy Forum

- **Carol W. Geremia**, President, MFS Institutional Advisors and Co-Head, Global Distribution, MFS Investment Management
- **Paul Moist**, National President, Canadian Union of Public Employees
- **Mark Prefontaine**, Assistant Deputy Minister, Financial Sector Regulation and Policy (FSRP) Division; Superintendent of Financial Institutions, Insurance and Pensions, Alberta Treasury Board and Finance; Chair, Canadian Association of Pension Supervisory Authorities

2:45 p.m. **Health break**

3:00 p.m. **Finding solutions: Enhanced individual savings**
Moderated by **Dana Flavelle**, Business Writer, Toronto Star

- **Peter Neilson**, Chief Executive, Investment Savings and Insurance Association of New Zealand; Former Cabinet Minister, Government of New Zealand
- **Will Sandbrook**, Director of Strategy, Research and Analysis, NEST (United Kingdom)
- **Keith Ambachtsheer**, President & Founder, KPA Advisory Services Ltd. and Director Emeritus, Rotman International Centre for Pension Management

4:15 p.m. **Concluding remarks**
Paul Ledwell, Executive Vice President, Canada's Public Policy Forum

4:30 p.m. **Adjourn**

APPENDIX 2: ROUNDTABLE AND SUMMIT PARTICIPANTS

Briegh Anne Albert
Alberta Treasury Board and Finance

Jeff Alexander
CIBC Mellon

Keith Ambachtsheer
K.P.A Advisory Services

Carmela Antolino
Sun Life Financial

Bhim Asdhir
Excel Funds

Carl Bang
Sun Life Financial

Mel Bartlett
Morneau Shepell

René Beaudry
Normandin Beaudry

Dale Beesley
Alberta Treasury Board and Ministry of Finance

Kim Blinn
Nova Scotia Pension Services Corporation

Bert Blundon
Newfoundland Association of Public Employees

Gayle Bossenberry
Canadian Union of Postal Workers

Christine Bowes
Imperial Oil

Nigel Branker
Morneau Shepell

Chris Brown
Blake, Cassels & Graydon LLP

Robert Brown
International Actuarial Association

James Butler
Wilfrid Laurier University

Leslie Byrnes
Canadian Life and Health Insurance Association

Pamela Cant
Wilfrid Laurier University

John Cappelletti
CAAT Pension Plan

Rob Carrick
The Globe and Mail

Serge Champoux
Canadian Union of Postal Workers

Serge Charbonneau
Morneau Shepell

Alex Ciappara
Canadian Bankers Association

Scott Clausen
Mercer (Canada) Limited

Phyllis Clark
University of Alberta

Madeleine Cléroux
Canadian Union of Postal Workers

Dean A. Connor
Sun Life Financial

Nancy Conrad
Halifax Chamber of Commerce

Caroline Cranston
Bank of Montreal

Caroline Creighton
Sun Life Financial

David Davidson
Interuniversity Services Inc.

Glen Davies
City of Regina

Leo de Bever
AIMCo

Mary De Paoli
Sun Life Financial

Corina De Guire
BC Pension Corporation

Ken Delaney
Prism Economics and Analysis

Alex Diemer
Morneau Shepell

Derek Dobson
CAAT Pension Plan

David Dodge
Bennett Jones LLP

David Docherty
Mount Royal University

Kevin Dougherty
Sun Life Financial Canada

Robert Dumas
Sun Life Financial

Marc Dupont
Ontario Teachers' Pension Plan

Bernard Dussault
Professional Institute of the Public Service of Canada

Kim Duxbury
Sun Life Financial

Janet Ecker
Toronto Financial Services Alliance

Lynda Ellis
Financial Services Commission of Ontario

Wendy Feldman
Ontario Ministry of Training, Colleges and Universities

Don Figol
Towers Watson

Dana Flavelle
The Toronto Star

Francis Fong
TD Bank Group

Mitch Frazer
Torys LLP

Carol Furlong
Newfoundland Association of Public Employees

Rick Gant
RBC

Amy Gates
Saskatchewan Ministry of Finance

Vikas Gautam
Birla Sun Life Asset Management

Derek Gerard
Eckler Ltd.

Carol Geremia
MFS Investment Management

Christine Gerritse
Morneau Shepell

Nathan Gibson
Morneau Shepell

Christine Girvan
MFS Investment Management

David Gordon
Government of Ontario

Dianne Gravel-Normand
Canada's Public Policy Forum

Donna Gray
Ontario Confederation of University Faculty Association

Barry Gros
AON Hewitt

Diwakar Gupta
State Bank of India

Malcom Hamilton
C.D. Howe Institute

Rick Hancox
New Brunswick Financial and Consumer Services Commission

Jo-Ann Hannah
Unifor Canada

Mathias Hartpence
Sun Life Financial

Greg Hebb
Dalhousie University

Josh Hjartarson
Ontario Chamber of Commerce

Bryan Hocking
Association of Canadian Pension Management

Terry Hogan
Government of Prince Edward Island

Janice Holman
Eckler

Chaviva Hosek
University of Toronto

Victoria Hubbell
Healthcare of Ontario Pension Plan (HOOPP)

Anne-Marie Hubert
Ernst & Young LLP

Isabelle Hudon
Sun Life Financial, Quebec

Mitzie Hunter
Ontario Associate Minister of Finance

James Infantino
Public Service Alliance of Canada

Mark Janson
Canadian Union of Public Employees (CUPE)

Patrick Johnson
Healthcare of Ontario Pension Plan (HOOPP)

Al Kiel
Morneau Shepell

Tony Keller
The Globe and Mail

Bruce Kennedy
BC Pension Corporation

Melissa Kennedy
Sun Life Financial

Hugh Kerr
Sun Life Financial

Brian Kingston
Canadian Council of Chief Executives

Brian Klunder
CPP Investment Board

Jamie Koe
Northwest Territories Ministry of Finance

Bayla Kolk
Treasury Board of Canada Secretariat

George Kuehnbaum
Canadian Union of Postal Workers

Kate Lahey
Healthcare of Ontario Pension Plan (HOOPP)

David Laibson
Harvard University

Stuart Laidlaw
Unifor Canada

Charles Laing
Open Access Ltd

Jean-Francois LaRue
Forest Products Association of Canada

Simon Laxon
Towers Watson

David Leacock
Unifor Canada

Paul Ledwell
Canada's Public Policy Forum

Darryl Mabini
Healthcare of Ontario Pension Plan (HOOPP)

Cara MacDonald
Unifor Canada

Bill MacKenzie
New Brunswick Social Policy Research Network

Hugh Mackenzie
Canadian Centre for Policy Alternatives

Nancy MacNeill
Government of Nova Scotia

Steve Mahoney
Morneau Shepell

Derrick March
Sun Life Financial

Ian Markham
Towers Watson

Annette Marquis
Public Service Alliance of Canada

Sean Maxwell
Blake, Cassels & Graydon LLP

Adam Mayers
The Toronto Star

Angela Mazerolle
New Brunswick Financial and Consumer Services Commission

Rosemarie McClean
Ontario Teachers' Pension Plan

Paul McCrossan
New Brunswick Task Force on Protecting Pensions

Craig McInnes
CSM Consulting

James McLean
Canada's Public Policy Forum

Ian McSweeney
Osler, Hoskin & Harcourt LLP

Andrea McQuillin
International Brotherhood of Electrical Workers

Mehul Mehta
Ontario Ministry of Training, Colleges and Universities

Catherine Melville
Sun Life Financial

Matthew Mendelsohn
Mowat Centre for Policy Innovation

David Mitchell
Canada's Public Policy Forum

Matt Miles
Manulife Financial

Paul Moist
Canadian Union of Public Employees (CUPE)

Shu-Yan Mok
Ontario Ministry of Training, Colleges and Universities

Rod Monette
Chartered Professional Accountants of Canada (CPA Canada)

Sayward Montague
National Association of Federal Retirees

Bernard Morency
Caisse de dépôt et placement du Québec

Fabrice Morin
McKinsey & Company

Bill Morneau
Morneau Shepell

Ric Marrero
The Association of Canadian Pension Management

Dan Morrison
Senior Consultant
Towers Watson

Sean Mullin
SPM Consulting

David Mulyk
Alberta Treasury Board and Finance

Julia Munro
Ontario MPP for York Simcoe

Leah Myers
Ontario Ministry of Finance

Peter Neilson
Financial Services Council of New Zealand

Scott Nelms
Ontario Ministry of Energy

Ken Neumann
United Steelworkers

Susan Nickerson
Torys LLP

Dario Nonis
Simon Fraser University

Allan O'Dette
Ontario Chamber of Commerce

Don O'Leary
University of Guelph

Julia Oliveira
Canada's Public Policy Forum

Steve Orsini
Government of Ontario

Valerie Payn
Halifax Chamber of Commerce

Paul Owens
Alberta Treasury Board and Finance

Pierre Piché
Power Corporation of Canada

Rosemary Pitfield
National Association of Federal Retirees

Jason Pope
OMERS

Maxim Poulin
Fédération des caisses populaires acadiennes

Mark Prefontaine
Alberta Treasury Board and Finance

Didem Proulx
Ontario Ministry of Training, Colleges and Universities

Brenda Prysko
Mercer (Canada) Limited

Ajit Ranade
Aditya Birla Group

Jean-Paul Raymond
Morneau Shepell

Helen Reeves
Morneau Shepell

Tom Reid
Sun Life Financial

Patrick Rettig
Unifor Canada

Kate Rexe
Canadian Physiotherapy Association

Jeff Richardson
United Steelworkers

Chris Roberts
Canadian Labour Congress

Marle Roberts
CUPE

Dominique Roelants
BC Pension Corporation

Mark Rowlinson
United Steel Workers

Will Sandbrook
National Employment Savings Trust (NEST)

Debashis Sarkar
Manulife Financial

Mathias Schoemer
Canada's Public Policy Forum

Susan Scotti
Canadian Council of Chief Executives

Allan Shapira
Aon Consulting Inc

Oma Sharma
Mercer (canada) Limited

Barbara Shecter
The National Post

John Slipp
AON Hewitt

Tom Smee
Royal Bank of Canada

Jana Steele
Osler, Hoskin & Harcourt LLP

John Stevenson
Ontario Securities Commission

Pat Suzuki
Suncor Energy Inc.

Frank Switzer
Sun Life Financial

Karen Tarbox
Towers Watson

Christa Taylor
Alberta Local Authorities Pension Plan

Scott Thompson
Ontario Ministry of Finance

Carolyn Tuohy
University of Toronto

Peter Tzanetakis
Advocis

Randy VanDerStarren
Open Access Ltd

Martha Varinsky
Healthcare of Ontario Pension Plan (HOOPP)

Joe Vecsi
Healthcare of Ontario Pension Plan (HOOPP)

Fred Vettese
Morneau Shepell

Michael Wenban
Deloitte

David Whyte
Sun Life Financial

Paul Winnett
Morneau Shepell

Steven Wolff
Nova Scotia Pension Services Corporation

Hugh Wright
McInnes Cooper

Sheri Wright
Alberta Local Authorities Pension Plan

Annie Xu
Employment and Social Development Canada

Glenda Yeates
Canada's Public Policy Forum

Paul M. Yeung
RBC

Hassan Yussuff
Canadian Labour Congress

Barbara Zvan
Ontario Teachers' Pension Plan

RETIREMENT SECURITY FOR EVERYONE

ENHANCING CANADA'S PENSION SYSTEM

CANADA'S
PUBLIC POLICY
FORUM
DES POLITIQUES PUBLIQUES
DU CANADA