

ROMAN CATHOLIC
ARCHDIOCESE OF VANCOUVER

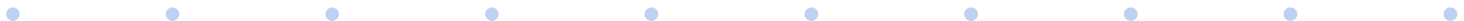
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**UNDERSTANDING
YOUR PENSION PLAN
AND PLANNING YOUR
FUTURE**

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What is a Pension Plan?

- Financial retirement plan in which the Employer and Employee contribute funds into a pool that is set aside for the employee's future benefit
- The pool of funds is invested on the Employee's behalf and the earnings generate income to the employee upon retirement



Two Main Types of Pension Plans

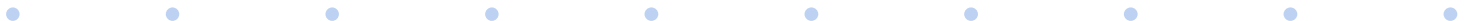
- **DEFINED BENEFIT**
 - Paid a certain amount for life
 - Based on a formula (Earnings & Years of service)
 - Employer & Employee contribute
 - Employer is responsible to make the money to guarantee payment
 - If there is a shortfall, the Employer puts in the differential



Two Main Types of Pension Plans

- **DEFINED CONTRIBUTION**

- Employer & Employee contribute
- Retirement income amount not guaranteed because it depends on how you invest your pension assets
- Based on total contributions made & investment returns over the years
- At retirement, you use the money in your account to generate retirement income
- Employer is not responsible to make the money to guarantee payment – therefore, no shortfall danger to the Employer ... more onus on the Employee



Who has a Pension Plan?

- Any Employer can offer its employees a pension plan
- Latest study by Stats Can (2012) shows that:
 - 37% of male employees have a pension plan
 - 40% of female employees have a pension plan
- Fewer than 20% of middle-income earners have more than 5 years of savings (Broadbent Institute (2016))





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By the Numbers (Private Sector)*

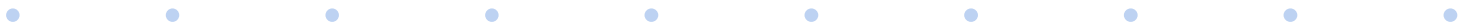
• No. of Pension Plans in Canada	15,872
• No. of plan members	3,044,035
• No. of Males	1,955,549
• No. of Females	1,088,486
• No. of DB Plans	9,431
• No. of Plan members	1,369,789
• No. of Males	912,335
• No. of Females	457,454
• No. of DC in Canada	5,612
• No. of plan members	952,630
• No. of Males	608,274
• No. of Females	344,356

• * Stats Canada (2015)

Terminology

- Plan Sponsor = Your Employer
- Plan Member = You
- Service Provider = Insurance Company
- Service Provider = Consultant

- RPP = Registered Pension Plan (DC)
- RRSP = Registered Retirement Savings Plan
- TFSA = Tax-Free Savings Account



How Does It Work?

- Employer decides to offer Employees a Pension Plan (a.k.a. reward for long service)
- Employer talks to Consultant to design the Plan
- Consultant goes to market with Sponsor's Plan requirements
- Sponsor signs agreement with Service Provider (Insurance Company) to establish plan
- Consultant works for Sponsor and sets up the plan and its administration (checks/balances, legislation, etc.) with Service Provider



How Does It Work?

- Employees are educated on understanding and investment strategies
- Financial Planners may get involved at this point
- Employee works, and makes contributions that are matched by the Employer, dollar for dollar. (100% interest rate!)
- Investment asset grows based on investment strategies
- At retirement, Employee decides what to do with his/her “pot” to generate desired income during retirement (in conjunction with Employees’ other assets)



TOP 50 DEFINED CONTRIBUTION PLANS

THE PUBLIC EMPLOYEES PENSION PLAN (SASKATCHEWAN)¹ Rank 2014: 1 ↑25.1% 2015 PA: \$8,451.0 2014 PA: \$6,753.2	WESTERN UNIVERSITY Rank 2014: 6 ↓-18.0% 2015 PA: \$1,106.2 2014 PA: \$1,349.0	ROYAL BANK OF CANADA Rank 2014: 11 ↑4.7% 2015 PA: \$889.8 2014 PA: \$850.0	QUEBECOR MEDIA INC.³ Rank 2014: 16 ↑4.7% 2015 PA: \$556.6 2014 PA: \$531.8	FINNING INTERNATIONAL INC. Rank 2014: 21 ↑5.4% 2015 PA: \$374.0 2014 PA: \$355.0	AGRIUM INC. Rank 2014: 26 ↑1.6% 2015 PA: \$322.0 2014 PA: \$317.0	LA COOP FÉDÉRÉE Rank 2014: 31 ↑4.5% 2015 PA: \$266.6 2014 PA: \$255.2	PCL CONSTRUCTION GROUP INC. Rank 2014: 36 ↑8.4% 2015 PA: \$225.5 2014 PA: \$208.1	LAKEHEAD UNIVERSITY Rank 2014: 38 ↓-5.2% 2015 PA: \$210.6 2014 PA: \$222.2	GOLDER ASSOCIATES LTD. Rank 2014: 42 ↓-9.4% 2015 PA: \$193.0 2014 PA: \$213.0
CO-OPERATIVE SUPERANNUATION SOCIETY PENSION PLAN Rank 2014: 2 ↑2.1% 2015 PA: \$3,336.8 2014 PA: \$3,268.1	MANULIFE FINANCIAL² Rank 2014: 10 ↑21.8% 2015 PA: \$1,075.0 2014 PA: \$882.5	UNIVERSITY OF SASKATCHEWAN Rank 2014: 12 ↑11.7% 2015 PA: \$727.2 2014 PA: \$651.2	HUDSON'S BAY CO. Rank 2014: 17 ↑1.7% 2015 PA: \$510.0 2014 PA: \$501.5	CASCADES INC. Rank 2014: 22 ↑2.9% 2015 PA: \$350.0 2014 PA: \$340.0	SUN LIFE ASSURANCE CO. OF CANADA Rank 2014: 33 ↑16.5% 2015 PA: \$298.2 2014 PA: \$255.9	KPMG LLP Rank 2014: 32 ↑5.7% 2015 PA: \$262.5 2014 PA: \$248.4	TRANSALTA CORP. Rank 2014: 37 ↓-6.2% 2015 PA: \$224.7 2014 PA: \$239.5	GEORGE WESTON LTD. Rank 2014: 50 ↑13.4% 2015 PA: \$203.6 2014 PA: \$179.6	RESOLUTE FP CANADA INC. Rank 2014: 48 ↓-3.2% 2015 PA: \$183.0 2014 PA: \$189.0
UNIVERSITY OF BRITISH COLUMBIA FACULTY PENSION PLAN Rank 2014: 3 ↑4.3% 2015 PA: \$2,009.2 2014 PA: \$1,927.2	SOBEYS INC. Rank 2014: 8 ↑1.1% 2015 PA: \$1,031.6 2014 PA: \$1,020.2	BOMBARDIER TRUST (CANADA) Rank 2014: 13 ↑4.3% 2015 PA: \$676.6 2014 PA: \$648.9	MANITOBA SCHOOL BOARDS ASSOCIATION Rank 2014: 18 ↓-0.6% 2015 PA: \$490.6 2014 PA: \$493.7	CANADIAN UTILITIES LTD. PENSION PLAN Rank 2014: 23 ↑7.1% 2015 PA: \$343.5 2014 PA: \$320.8	CAMECO CORP. Rank 2014: 28 ↑3.3% 2015 PA: \$293.7 2014 PA: \$284.2	APOTEX INC. Rank 2014: 32 ↓-4.3% 2015 PA: \$246.1 2014 PA: \$257.1	NIAGARA CASINOS Rank 2014: 45 ↑7.0% 2015 PA: \$219.4 2014 PA: \$205.0	ARCHDIOCESE OF VANCOUVER Rank 2014: 43 ↓-2.4% 2015 PA: \$200.0 2014 PA: \$205.0	CITI CANADA* Rank 2014: 49 ↑4.8% 2015 PA: \$179.5 2014 PA: \$171.3
IBM CANADA LTD. Rank 2014: 4 ↑0.1% 2015 PA: \$1,209.0 2014 PA: \$1,208.0	THE CO-OPERATORS GROUP LTD. Rank 2014: 9 ↑1.3% 2015 PA: \$931.1 2014 PA: \$919.1	CLAC RETIREMENT PLANS Rank 2014: 14 ↑15.3% 2015 PA: \$595.9 2014 PA: \$517.0	COMINCO PENSION FUND CO-ORDINATING SOCIETY (TECK COMINCO METALS LTD.)³ Rank 2014: 27 ↑9.1% 2015 PA: \$456.1 2014 PA: \$418.0	GOVERNMENT OF NEWFOUNDLAND AND LABRADOR Rank 2014: 24 ↑2.9% 2015 PA: \$339.1 2014 PA: \$329.4	CANADIAN YMCA RETIREMENT FUND Rank 2014: 31 ↑6.7% 2015 PA: \$290.0 2014 PA: \$271.8	TORONTO INDUSTRIES LTD. Rank 2014: 39 ↑4.1% 2015 PA: \$231.0 2014 PA: \$221.9	GLENCORE CANADA Rank 2014: 47 ↑11.2% 2015 PA: \$219.0 2014 PA: \$197.0	ENCANA CORP. Rank 2014: 40 ↓-10.9% 2015 PA: \$196.5 2014 PA: \$220.5	BAKER HUGHES CANADA CO. Rank 2014: 46 ↓-16.5% 2015 PA: \$168.6 2014 PA: \$201.8
COSTCO WHOLESALE CANADA INC. Rank 2014: 5 ↑18.0% 2015 PA: \$1,161.0 2014 PA: \$984.0	SHELL CANADA LTD. Rank 2014: 10 ↑10.7% 2015 PA: \$899.0 2014 PA: \$812.0	ACTRA FRATERNAL BENEFIT SOCIETY Rank 2014: 15 ↑2.3% 2015 PA: \$583.0 2014 PA: \$570.0	POTASH CORP. OF SASKATCHEWAN INC. Rank 2014: 21 ↑4.8% 2015 PA: \$387.7 2014 PA: \$370.0	SASKATCHEWAN PENSION PLAN Rank 2014: 25 ↑10.1% 2015 PA: \$337.9 2014 PA: \$307.0	MAPLE LEAF FOODS INC. Rank 2014: 29 ↓-11.8% 2015 PA: \$270.0 2014 PA: \$306.0	HUSKY INJECTION MOLDING SYSTEMS LTD. Rank 2014: 37 ↑0.4% 2015 PA: \$231.0 2014 PA: \$230.0	CANADIAN BAPTIST MINISTRIES Rank 2014: 41 ↑0.9% 2015 PA: \$217.0 2014 PA: \$215.0	HSBC BANK CANADA Rank 2014: 51 ↑9.0% 2015 PA: \$193.0 2014 PA: \$177.0	BÂTIRENTE Rank 2014: 56 ↑10.8% 2015 PA: \$163.5 2014 PA: \$147.5

Notes: * 2014 figure has been restated.

1 Merged with Capital Pension and Benefits Administrations Plan in 2015.

2 Manulife acquired Standard Life, along with its pension plans, in 2015.

3 The pension assets for Videotron, a subsidiary of Quebecor Media, were added to this year's figure.

Figures in this report are based on responses provided by the survey participants. *Benefits Canada* assumes no responsibility for the accuracy of the data provided. All totals are subject to +/- variance due to rounding.



2015 pension assets (millions) as of Dec. 31, 2015
 2014 pension assets (millions) as of Dec. 31, 2014

PA = pension assets ↑↓ Indicates an increase or decrease in total pension assets from 2014

Source: Companies participating in the 2016 Canadian Institutional Investment Network pension fund survey or annual reports

2015 TOP 50 TOTAL: **\$34,535.9**

2014 TOP 50 TOTAL: **\$31,966.6**

VARIANCE: **↑ 8.0%**

MANAGER	FUND NAME	ASSETS	%	MBRS
PSG	Conservative Continuum	84,325,562	39.6%	2,470
PSG	Moderate Continuum	4,135,145	1.9%	104
PSG	Balanced Continuum	9,232,505	4.3%	229
PSG	Advanced Continuum	4,030,690	1.9%	122
PSG	Aggressive Continuum	5,387,536	2.5%	141
Trimark	Income Growth	10,996,205	5.2%	471
Greystone	Balanced	4,743,822	2.2%	247
SRA	Balanced	917,627	0.4%	56
Trimark	Cdn Equity	11,385,973	5.3%	524
GWLIM	Ethics	1,859,296	0.9%	156
Greystone	Canadian Equity	5,711,305	2.7%	319
Beutel Goodman	Canadian Equity	1,030,748	0.5%	74
Montrusco Bolton	Canadian Equity	2,620,866	1.2%	172
Portico	Money Market (LK)	1,385,366	0.7%	111
LL	1yr Compound Interest Account	3,607,447	1.7%	155
LL	2yr Compound Interest Account	402,384	0.2%	26
LL	3yr Compound Interest Account	1,692,134	0.8%	81
LL	4yr Compound Interest Account	292,941	0.1%	16
LL	5yr Compound Interest Account	36,962,712	17.4%	1,084
LL	Daily Interest Account	677,077	0.3%	48
SRA	Bond Fund	2,843,909	1.3%	223
Portico	SRI Bond	624,225	0.3%	75
Jarislowsky Fraser	U.S. Equity	4,152,527	2.0%	229
GWLIM	U.S. Dividend	1,346,442	0.6%	112
Trimark	Global Equity	9,357,385	4.4%	480
Fidelity	Global	2,745,100	1.3%	225
Sprucegrove	International Equity	459,627	0.2%	56
		\$212,926,559		

Sample Investment Returns



Example of Monitoring



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Advantages of a Pension Plan

Group Pension Plans can financially:

- Get 100% interest right off the bat!
- Can generate higher rates of return
- Get lower Investment Management Fees (IMFs)

Group Pension Plans can psychologically:

- Plan for the future through “forced” savings
- Put you in the “Driver’s Seat” about your financial future
- Take some of the stress out of worrying about how you will survive after you stop working



However ...



