

Panel 3

Member Communication and Education Strategy

Moderator:

Jenny Chau, Acting Director of Pensions, BCFSA

Panel members:

Lisa Weber, Canadian Forest Products Ltd.

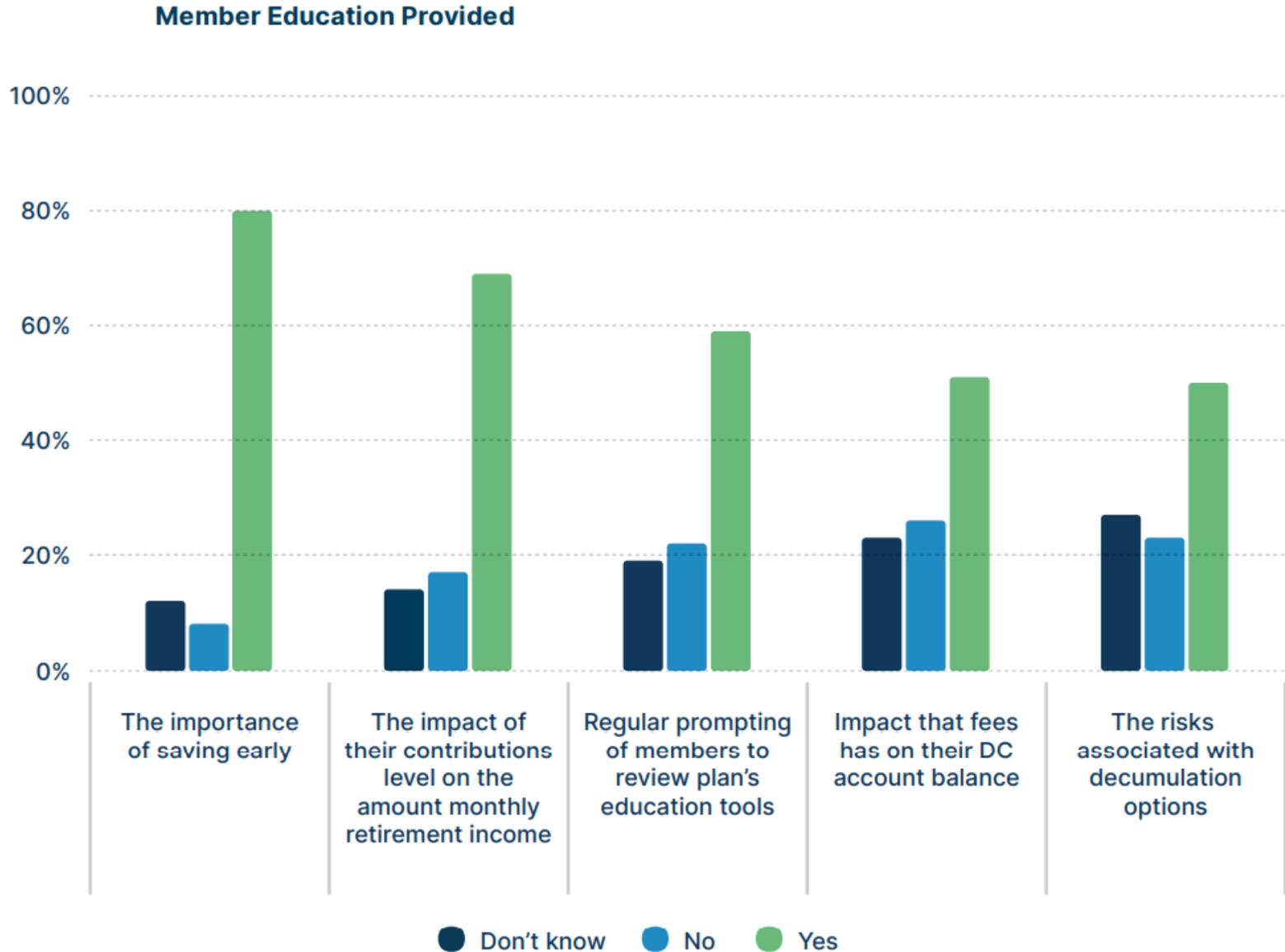
Kim Duxbury, Sunlife

Naveen Kapahi, D.A. Townley

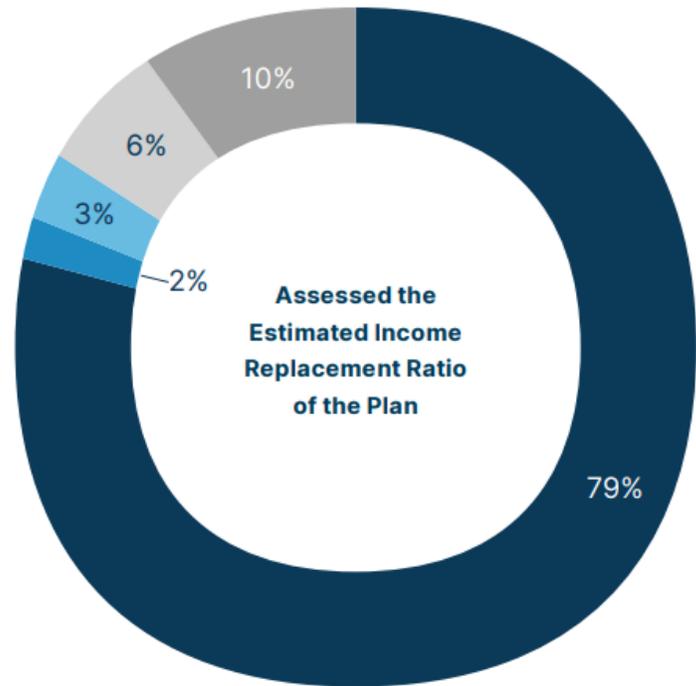
Survey Highlights

Common education topics include:

- Importance of saving early
- Impact of contribution levels and fees
- Options available at retirement



Survey Highlights



- Administrator does not look at this
- More than 6 years ago
- Within the last 6 years
- Within the last 3 years
- Within the last year

Data for Financial Preparations

61 per cent provide members with a projection of the retirement income their DC plan account balance may produce.

65 per cent provide members with a tool for estimating future expenses in retirement years.

Member Communication and Education Resources

DISCLOSURE REQUIREMENTS

- [BCFSA Advisory on Disclosure Requirements](#)
 - Summary of prescribed disclosure requirements and timelines plan administrators must provide to members/ beneficiaries of the pension plan

CAPSA GUIDELINES

- [CAPSA Guideline No. 3 – Guidelines for Capital Accumulation Plans](#) [Consultation Draft]
- [CAPSA Defined Contribution Pension Plans - Member Guide](#)

BC is supportive of electronic communication, specifically, section 37(3) of the PBSA requires that recipients expressly consent to receiving e-communication from the plan administrator.

Panelist

Lisa Weber

Benefits and Pension Advisor, Canadian Forest Products Ltd.



Canfor

Financial wellness:

Creating and sustaining an engaging program

October 13, 2022

Presented by Lisa Weber

Sharing our journey



Canfor Pension Landscape



Financial Wellness



Plan Design



Plan Outcomes



What we Learned



What's Next?

Canfor Canadian Pension Landscape

1. Pension Plan Participation

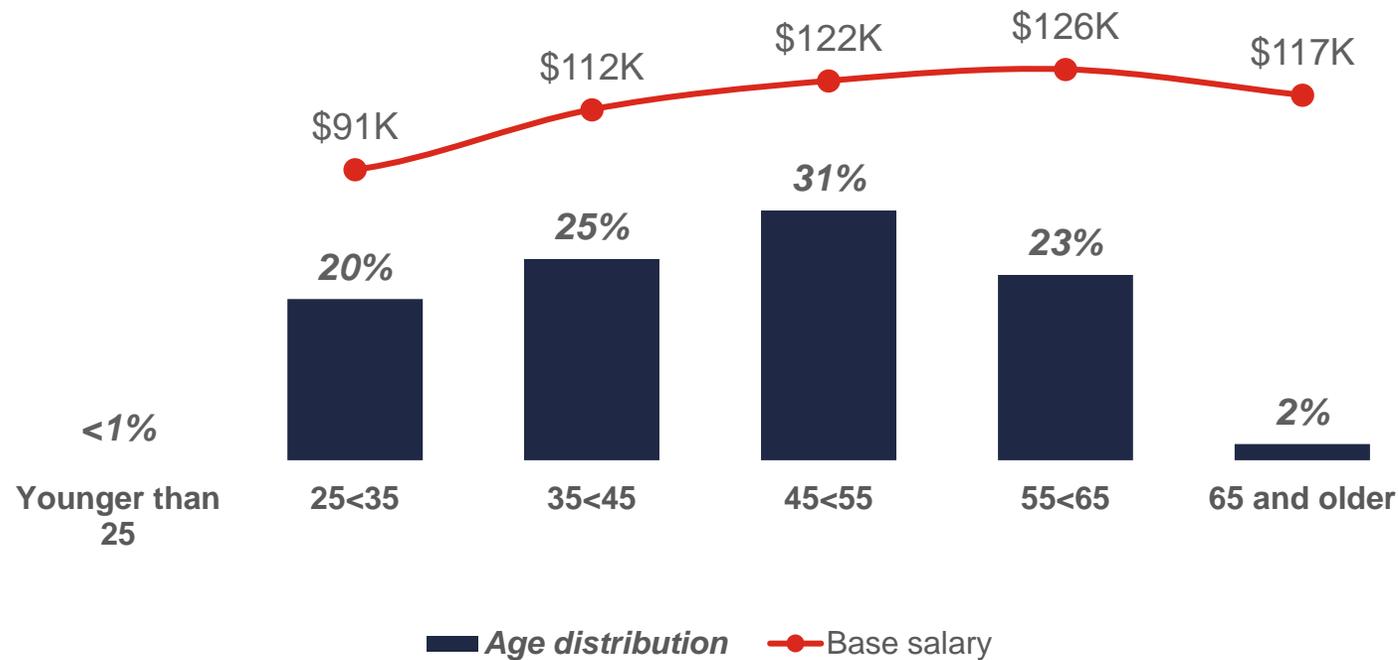
Employee group	Employment type	DB plans	DC plans	No plan
Salaried	Regular (hired<2006)	200	180 ⁽¹⁾	--
	Regular (hired≥2006)	--	860	--
	Temporary & casual	--	15	50
Hourly	Regular (unionized)	2,680	95	5 ⁽²⁾
	Regular (non-unionized)	0	190	--
	Temporary & casual	--	--	75

(1) 30 Members stopped active membership in the DB plan in 2006 and have been active DC plan members since; 150 were employed by a company acquired by Canfor after 2006.

(2) Members have a RRSP plan which the company contributes to.

Canfor Canadian Pension Landscape

2. Salaried staff profile

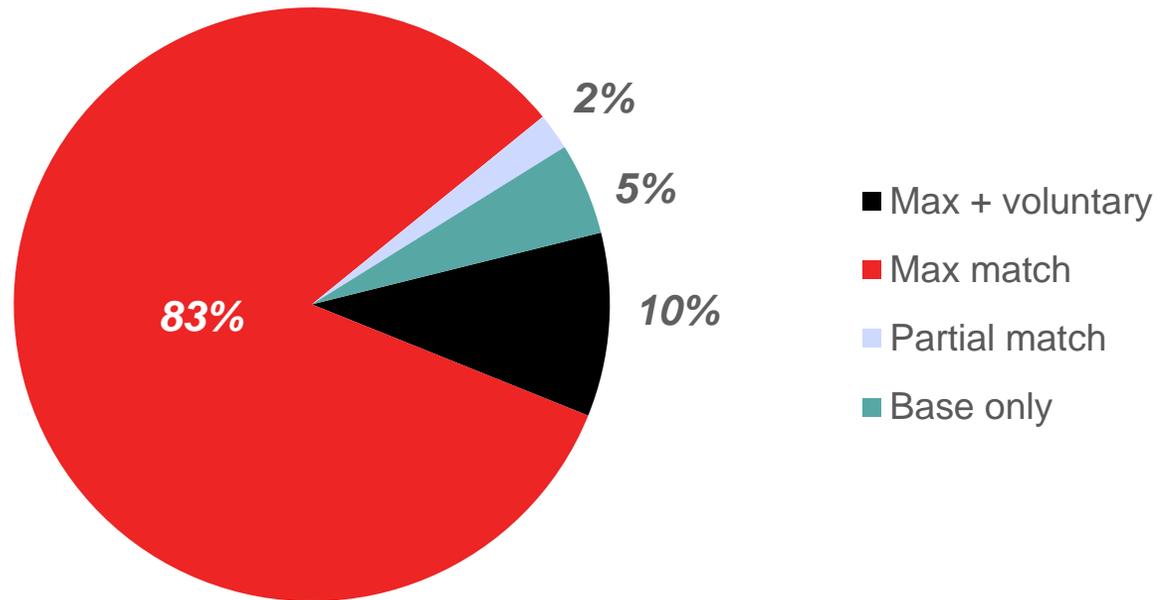


- Age demographics have shifted
- Age has a limited influence on wages, but drives different needs and priorities

Canfor Canadian Pension Landscape

3. Salaried staff retirement saving behaviour

DC contributions breakdown
(% of employees by contribution level)



→ We believed that a significant portion of employees were not fully occupying their RRSP room

⊕ The Financial Wellness Decision

We wanted to create a **better value proposition** by **giving employees the ability to decide** what is **personally best** for them

✓ We had a good understanding of pension plan participation rate

? Whether or not employees were making sound financial decision was unclear



Plan Design

1. Partnered with Eckler Ltd to help design our **multi-year financial wellness curriculum**
 - As our external DC consultant, they had a solid understanding of our DC Plan
 - Have expertise in the employee communications and personal financial management
 - Do not sell any financial products
 - Have a module based financial planning tool
 - Kept us on track and focused on deliverables

ECKLER



Plan Design

2. The curriculum

- **Year 1's theme: Establishing a good financial platform**

Topics covered

- a) Taking control of your money and debt
- b) Establishing good saving habits
- c) Debt destruction
- d) How to save for your financial goals, including retirement



Plan Design

2. The curriculum (cont'd)

- **Year 2's theme: Planning for retirement and transitions**

Topics covered

- a) Sources of retirement income
- b) Preparing for your retirement lifestyle
- c) Investing basics
- d) Registered retirement savings plans and tax-free savings accounts



Plan Design

2. The curriculum (cont'd)
 - **Year 3's theme: Managing life events**

Topics covered

- a) Managing unexpected life events
- b) Finances and raising children
- c) Determining your insurance needs
- d) Finding a financial advisor



Plan Design

3. Marketing of our program...

- Creation of a visual brand and personas
- Media selection
 - Promotion: emails, intranet banner, CCTV, posters
 - Financial wellness microsite: announcements, calendar and resources

4. Educational **approach**

- Combination of articles, webinars and an online financial planning tool



Website

CANFOR SAFETY ▾ OPERATIONS ▾ DEPARTMENTS ▾ RESOURCES ▾ NEWS ROOM QUARTERLY UPDATE

Departments > Human Resources & Payroll > Canadian HR

CANFOR FINANCIAL WELLNESS

HOME CANADIAN HR ▾ SOUTHERN PINE HR ▾

Webinars Articles Resources

Search in this area

ABOUT FINANCIAL WELLNESS

At Canfor, we're committed to supporting you as you save and plan for the future – including offering valuable pension plans (both defined benefit (DB) or defined contribution (DC) plans) to help you reach your retirement goals. Last year, we continued to build on that commitment by focusing on support for your total financial wellness. We're excited to continue working on the foundation of financial wellness education and resources and are delighted to share what's in

Take Control of Your Finances - At Whatever Stage You're In

Why Financial Wellness?

Please direct any questions to our team address using the button below

EMAIL TOTAL REWARDS

YOUR FINANCIAL PLANNING ASSISTANT

Go Start. Go Dream. Go Plan. Visit the **GO Online Tool Today.**



Articles

TAKE CONTROL OF YOUR FINANCES AT WHATEVER AGE OR STAGE YOU'RE IN



Starting your financial wellness journey: tips for saving at your first job

Congratulations on starting your first job! Now that you are earning a regular pay cheque you might be starting to think more about your finances, just like Jenny. Earning your own money gives you the freedom to spend it as you wish (which can be a lot of fun!) but it also may mean that you have new financial responsibilities like housing costs, food, and debt repayment.

Financial wellness is about more than simply paying your rent and managing your debts. While most people will generally declare themselves “spenders” or “savers”, you can be both! You can manage your financial responsibilities and save. Here are a few tips to help you get the best possible start as you embark on your financial wellness journey. If you have a partner with whom you share household income, expenses and debts, be sure to include them in the steps below.

MEET JENNY

AGE:
24

FAMILY STATUS:
SINGLE

JOB:
IT

LOCATION:
RURAL

SALARY RANGE:
\$50-\$65K

DESCRIPTION:
Recent graduate, worried about paying off student loans, lives with friends, enjoys going to movies and jogging.





GO Tool

Raj's house is his biggest asset

Asset Type	Amount
Home	\$480,000
Automobile	\$10,000
Furniture	\$20,000
Other property (e.g., vacation, rental)	\$0
Other (e.g., art, jewelry, etc.)	\$0
Savings	\$300,000
Defined Benefit Monthly Pension	\$100
Defined Contribution Pension Plan Account	\$238,000
IRA	\$0
529A	\$0
Investment savings	\$100
Cash	\$0

Raj identifies his liquid assets

Jenny inputs her goals

Summary

Annually Monthly Save PDF

Term	Goal	Recommended Annual Savings
Short term	Student debt	\$5,000
Medium term	Emergency fund	\$5,000
Long term	Buy a house	\$5,076
Total recommended annual savings		\$15,076



Plan Outcomes

+10%

in employee
DC contributions
(vs. 2020)

+18%

in employee
Group RRSP
contribution
(vs. 2020)

12%

in webinar
participation
(avg)

78%

of registered
employees attended
the webinar
(industry ≈50%)

83-99%

of attendees would
recommend the
webinar (range)



Plan Outcomes

100%

email open rate

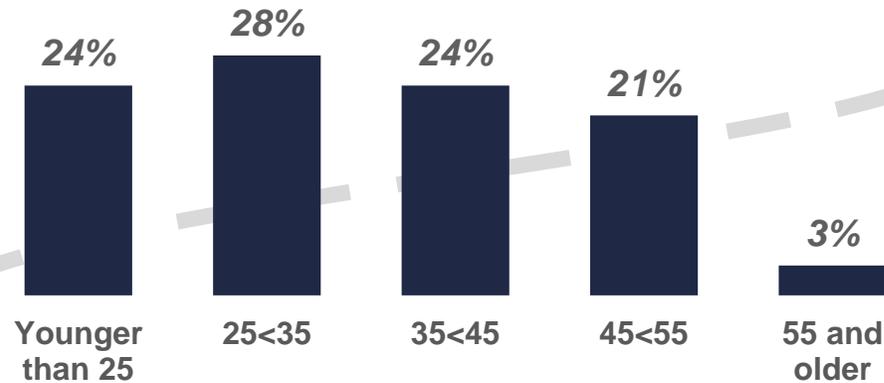
15%

email click rate

41%

email click repeated rate

Financial planning tool
Registration by age group



■ Age distribution

50%

of webinar attendees used the planning tool

2.25

Planning tool visit by user (first 12-month avg)



What we learned

1. **Align** with your People branding
 - Reinforces HR values
 - Becomes a valuable asset for leaders promoting the company
2. **Know** your operations
3. **Partner** with your internal communication team
 - Take advantage of the expertise and new tools
 - Receive insights on bad weather and rush hours



What we learned

4. **Single-topic** approach gets you further
 - Better use of participants' time
 - More engagement in the topic
5. **Be contemporary**
 - 15% of employees uses a mobile device to access our content
 - Live-chat and quick polls keep your virtual attendees engaged
6. **Use feedback** as your guide
 - Examine your stats and evaluation forms
 - Correct your course as needed



Plan Design Revisited

1. The curriculum change

- **Year 3's theme: Financial Wellness throughout your career**

Topics covered

- ~~a) Managing unexpected life events~~
- ~~b) Finances and raising children~~
- c) Determining your insurance needs
- ~~d) Finding a financial advisor~~
- e) How to minimize your income taxes
- f) Understanding the Canada Pension Plan
- g) Managing your pension throughout your career
- h) Estate Planning
- i) Managing your investments during a period of higher inflation



Next Steps for Canfor Financial Wellness

1. Plan to add a **4th year** to initial wellness curriculum that focuses **on investments**
2. Map **alternative paths** within the program to quickly address individual needs
 - Finding new ways to navigate the curriculum
3. Create program **awareness for new hires and hourly employees**
 - Leveraging new HR Onboarding Process and System



Panelist

Kim Duxbury

Assistant Vice-President, Executive Client Partner, Group Retirement Services – Sun Life Canada

2022 BCFSA Pensions Forum

Defined contribution plans:
Improving retirement outcomes
for British Columbians

Panel Discussion 3: Effective Member Communication and Education Strategy

Kim Duxbury
AVP, Executive Client Partner
October 13, 2022



We advocate for plan members to engage digitally with their plan

- We contributed to the Canadian Life and Health Insurance Association's industry submission on CAPSA *Guideline No. 3*
- We encourage CAPSA to enable plan sponsors and providers to engage digitally with plan members to meet the Guideline's expectations. For example:
 - We ask for plan sponsors to have flexibility in terms of how they deliver educational materials to plan members (e.g., enable virtual education opportunities)
 - We ask for member statement information to be provided digitally, to boost plan member engagement
 - We encourage plan members to review their plan, its features (including any automatic starter decisions), and income options - helping them learn about their pension & savings plan online

6

Recommendations made to CAPSA on draft Guideline No. 3 – *Guidelines for Capital Accumulation Plans*, to enhance digital engagement for plan members and help them engage with their plans



64%

of plan members we support are digitally active



CAPSA's Guidance for Plan Members

A helpful primer

- Value of a DC Pension Plan, including impact of lower fees in workplace plan
- Automatic features
 - Enrolling early – power of compounding
 - Increasing contributions makes a big difference
- Decision making and available resources
 - Importance of money in = money out, investment decisions, and how to draw income
 - Tools available to help with decisions
 - Replacing the paycheque - retirement income can come from many sources
 - Understanding longevity

How digital innovation improves retirement outcomes

Digitally engaged members have...



Higher account balances

Average account balance
177% higher



Higher contributions

2X the
contributions



Greater asset consolidation

4X more likely
to consolidate assets
in workplace plan

These transactions are facilitated by...

More nudges



Personalized nudges are powered by artificial intelligence to prompt members to complete various tools or name a beneficiary.

Better tools & support



Digital tools better support member decision making when changing investments or updating payroll.

Faster transaction speed



Members are able to quickly make changes using the website as the transaction is immediately sent to Sun Life for processing.

Panelist

Naveen Kapahi

President, D.A. Townley



BCFSA Pensions Forum

Effective Member Communication and Education



D.A. Townley

Typical DC Plan

- **Unionized members of multi-employer trusts**
- **Fixed contribution rate per hour of work**
- **Plans are managed – no member choice**
- **Some have internal LIFs – many do not**

Educational Challenges

- Engaging Members when they do need to act
- However, when they do need to act, they are:
 - Near retirement
 - Their account is at it's largest
 - Their decisions have a dramatic impact on their retirement income

Some Principles we Follow

- **Lack of financial literacy compromises retirement income**
- **Financial information members are seeking depends upon their stage of life**
- **Pension plan education can be part of a broader financial education**
- **Members should have financial education before they seek financial advice**

Educational Needs at Stages of Career

	Member Focus	Financial Education
Early Career	<ul style="list-style-type: none"> • Excited to have money • Can't wait to spend it • Income is at your disposal 	<ul style="list-style-type: none"> • Good and Bad debt - Credit cards, student loans • Short term savings goals – house, car • Importance of participating in DC Plan • Explain Trustees approach to investing their money
Mid-Career	<ul style="list-style-type: none"> • Expenses are large percentage of income • Greater financial responsibilities • Aspire to own a home 	<ul style="list-style-type: none"> • Create a plan, prioritize financial goals • Budgeting an important focus • Understanding retirement income sources • Understand typical retirement income from those sources • Explain Trustees approach to investing their money
Later Career	<ul style="list-style-type: none"> • More financial comfort • The Joneses are getting a bigger house • Often assume income will continue to grow until retirement • Often underestimate years left after retirement • Bank of mom and dad 	<ul style="list-style-type: none"> • Prepare for your retirement lifestyle • Understand when you can afford to retire • Retirement income vehicles • When to start government programs • How to select a financial advisor • Understand longevity risk • Income splitting • Explain Trustees approach to investing their money

*Small enough to know you,
big enough to serve you.*

D.A. Townley

Financial Wellness Strategy

A financially literate person has the skills to make appropriate decisions on how to approach debt, pay bills, budget, save, invest, and plan for retirement.

Financial Wellness Strategy

- Pension plans exist to provide better financial health to members during retirement
- A lack of financial literacy can compromise retirement income
- Find a strategy to fight financial apathy
- Earlier we can engage members the better their retirement incomes will be

**Thank
You**