



# EDUCATION INITIATIVE REPORT

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PREPARED BY THE  
ACPM STRATEGIC COMMUNICATIONS COMMITTEE  
EDUCATION INITIATIVE SUB-COMMITTEE



**ACPM/ACARR**

The Association of Canadian Pension Management  
L'Association canadienne des administrateurs de régimes de retraite

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## INTRODUCTION

During the 2007 Association of Canadian Pension Management (ACPM) National Conference's Open Forum, ACPM members expressed concern regarding the level of plan members' general financial literacy. They were specifically concerned about plan members' awareness of the need to save adequately for retirement, along with their ability to do so.

As a result, the ACPM's Strategic Communications Committee formed the Education Subcommittee. In order to narrow the focus of its mandate, the subcommittee determined that, as a first step, it would focus on canvassing plan sponsors across Canada regarding "best practices" for communicating about retirement plans and educating plan members around the need for adequate retirement savings.

Plan sponsors with both defined benefit and capital accumulation plans were invited to roundtables hosted by ACPM. The first roundtable was held in Toronto on March 6, 2008; the second one was held in Montréal on June 26th, 2008. The Vancouver and Calgary meetings were held on October 22<sup>nd</sup> and 23<sup>rd</sup>, 2008, respectively, and the final roundtable met in Halifax on January 27, 2009.

These roundtables were relatively small groups—no more than a dozen plan sponsors in each city—so as to encourage discussion and provide everyone with an opportunity to express what tactics, media and messages they were using, and whether these efforts were successful. All these stakeholders were extremely forthcoming in addressing the roundtable questions and provided great insight. ACPM is very grateful to the organizations that took part.

The subcommittee has now prepared this report that summarizes the ideas and suggestions from plan sponsors across the country with respect to plan member communication.

We welcome any questions or comments you may have.

Sincerely,

Bryan Hocking  
Chief Executive Officer  
ACPM

Marcia McDougall  
Chair, Strategic Communications  
Committee  
ACPM

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## SECTION 1: ROUNDTABLE DISCUSSIONS

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## EXECUTIVE SUMMARY

This report of the ACPM Strategic Communications Committee's Education Subcommittee is divided into three sections:

1. Comments on plan member communication that were received from plan sponsors in 2008 and early 2009 at roundtables hosted by ACPM in Vancouver, Calgary, Toronto, Montréal and Halifax;
2. Case studies that highlight techniques and tactics that plan sponsors have found effective in communicating with and educating plan members about their retirement programs and the general need to save for retirement; and,
3. Resources for plan sponsors who are looking to raise the general level of retirement savings awareness—and perhaps even broader financial literacy—of their employees.

Across the country, plan sponsors at the roundtables had a lot to say about member communication—so much so, in fact, that the two hours allotted for each roundtable was only enough to “scratch the surface” of the topic. Clearly, the plan sponsors enjoyed not only commiserating with each other, but also learning what others were doing that was effective in driving members to take desired action. For that reason, we decided to include the case studies in addition to the summary of roundtable commentary.

The following points provide a high-level summary of the roundtable comments:

- Merely providing information about the organization's retirement plan is not enough for most plan sponsors. They want to go further and inform members about the need to save for retirement generally and even to provide members with financial literacy.
- The majority of plan sponsors have a communication plan of some sort, but few have a communication policy.
- One challenge that was universally noted by plan sponsors was convincing plan members to start saving as early as possible. However, many plan sponsors only provide retirement plan information to younger members as part of their overall communication process; retirement planning information is not offered other than to middle-age and older employees.
- While all plan sponsors, especially those that offer capital accumulation plans (CAPs), provide information about investment options, most find that understanding investments is especially challenging for their members. Many of the plan sponsors we spoke to rely on third-party administrators to provide information about investment options and

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focus their efforts on encouraging members to join the organization's retirement program and increase savings over time.

- A number of plan sponsors indicated they are concerned about incurring possibility legal liability if they cross the line between giving investment information and providing advice.
- Few plan sponsors measure the effectiveness of their member communications efforts. Some do so by surveying employees, others by determining whether desired actions connected to the organization's retirement plan have been taken (i.e., increase in number of plan members or decrease in number of members in default fund).
- Some plan sponsors feel stymied in their communication efforts by the limited funds available to them. However, without proof that specific communication efforts are effective, it is difficult to build the business case for additional funding.
- Including spouses/partners in retirement planning sessions is very common.
- While written materials are still a mainstay of most plans, plan sponsors are increasingly looking to electronic media.
- Electronic communication (generally Web-based intranet portals) also provides plan sponsors with the opportunity to provide personalized communication and self-service tools.

The rest of the first section of the report provides greater detail around plan sponsor comments made during the ACPM roundtables. We also provide some examples of how sponsors are providing effective plan member communication. More concrete examples are given in the case studies in the second section of the report.

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## 1.1 PLAN SPONSOR COMMITMENT

When it comes to plan member communication, the plan sponsors who attended the roundtables were concerned to go beyond mere sharing of required information about their plans. That likely comes as no surprise, since they were interested enough in the topic to attend the roundtables. What was unexpected, however, was how passionate they were about really wanting to help members make decisions that would result in adequate retirement savings.

The other common feature, however, of many roundtable attendees was the extreme frustration they felt at not being able to change plan member behaviour, despite their best efforts. “Changing behaviour” was as basic as convincing younger employees to join the retirement plan right through to persuading middle-aged to increase their contribution levels and helping older employees make smarter investment decisions as they neared retirement.

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*Plan sponsors were concerned to go beyond mere sharing of required information about their plans.*

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The one location where there was more acceptance of the situation was Calgary, where plan sponsors displayed a decidedly less paternalistic attitude towards plan members. While attendees were no less committed to trying to educate plan members—and were, in fact, quite innovative in their approaches to doing so—they also were strongly of the opinion that plan members had an obligation to take control of saving for their own retirement. While plan sponsors in Calgary were willing to invest in media and tools that would assist members in making reasoned decisions, many were of the opinion that their responsibility ended at that point. It was up to plan members to “take the ball and run with it.”

Plan sponsors were concerned about potential legal liability. Those in Montreal and Halifax expressed particular concern about not crossing the line between information about investment options and advice—even though many believed that advice was really what plan members wanted—and whether they would face lawsuits in the future if members retired without adequate savings.

One emerging trend across the country was the provision of funds (generally \$200 to \$300 and a one-time-only offer) for plan members to use the services of a financial advisor. In some cases, this was a financial advisor of their own choosing, but occasionally the plan sponsor chose the advisor. In those cases, there was concern to ensure that the financial advisor was independent and wouldn't promote its own products.

Plan sponsors in Calgary noted a particular shortcoming with the financial advisor approach, however. Plan members would show up for their session with the advisor without having done their “homework” (detailing their assets and debts) so that the advice they received was of limited value. their assets and debts) so that the advice they received was of limited value.

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## COMMUNICATION POLICY/STRATEGY

Few plan sponsors that attended the roundtables had formal communication policies. Several had communication plans, but no policy. A policy would have a formal set of objectives and assign accountability. It would also likely incorporate a communication plan, and might include measures of success.

Those who had a formal communication policy saw it as an element of good governance with respect to their retirement plan.

Various groups had primary responsibility for developing the communication plan. In some cases, it was the pension committee; in others, it was the internal communications team; in several instances, it was the human resources department. Regardless of who had primary responsibility, other stakeholders often provided input to the plan.

One of the main reasons to have a plan was to create a communication calendar, which would be used to determine the necessary budget.

A few of the roundtables occurred after the start of the economic downturn in fall 2008. Several plan sponsors were taking advantage of the increased focus on pensions to increase communication around the need for plan members to be more proactive in saving for retirement. However, the majority noted that, despite media stories about the impact of the recession on retirement savings, they had not had a lot of questions from plan members. Some plan sponsors attributed this to the success of their own communication efforts; others felt it was just more evidence of plan member apathy.

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*Those who had a formal communication policy saw it as an element of good governance.*

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## 1.2 PLAN SPONSOR AND MEMBER RESPONSIBILITY

Of course, all plan sponsors were committed to meeting their legal obligations to provide necessary information about the plan to members. As mentioned above, however, most felt a responsibility to go beyond the basics.

In some cases, that “responsibility” extended as far as providing broad financial information. (“Responsibility” is probably not the correct word—most plan sponsors who offered such sessions recognized they were going “above and beyond.”) Some plan sponsors offered very comprehensive financial information—everything from saving for a home and children’s education to retirement and estate planning. In a very few cases, retirement planning information went beyond finances to include how to have a healthier and happier retirement life. In many cases, these sessions were also available to spouses/partners and other family members in addition to the plan member.

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*Most felt a responsibility to go beyond the basics.*

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More often, however, the responsibility was limited to informing plan members as to how they could use the company plan to maximize their retirement savings. This type of communication was generally provided in a “big picture” fashion: plan members were encouraged to view their (and their spouse’s) retirement plan savings alongside government subsidies (OAS and CPP/QPP), and their own additional retirement savings.

Some plan sponsors had a large number of retirees receiving benefits under the plan. In most cases, communication with retirees was relatively straightforward and minimal. However, several attendees were exploring new ways of communicating with retirees, including online methods.

In all cases, though to varying degrees, plan sponsors’ sense of responsibility was tempered with a keen awareness that they did not bear the entire responsibility for ensuring plan members were financially literate, knew how important it was to save for retirement, and had an understanding of the retirement plan. This was a shared responsibility at best; some plan sponsors felt strongly that the onus really lay on the plan members to take advantage of the information and tools provided to better ensure retirement income adequacy.

In addition, plan sponsors felt that others should be involved in increasing financial literacy in this country, particularly our school system and, to a lesser extent, the government.

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## 1.3 KEY MESSAGES

Certain messages that plan sponsors shared were fairly consistent from coast to coast:

- Role of the employer-sponsored retirement plan
  - The retirement program is only part of what you should be saving. The corporate plan is not your “retirement plan”, just a component of it (the “three-legged stool”/“three pillar” message).
  - Individuals must take ownership of their own financial future
- Investments
  - Provide the book value of each employee’s investments
  - Help define the risk tolerance each individual has as it applies to investment practices. Ensure that members understand that their investment strategy should change over time
  - Think long term, diversify, balance (investments)
  - Retirement programs are for the long term—don’t focus on daily ups and downs of the market
- Timing
  - Don’t wait until retirement to plan your retirement
  - Information about retirement age and what the member’s plan payments are
- Plan expenses
  - Expenses incurred in the management of the retirement plan and its funds

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*Create a sense of appreciation on the part of employees for the retirement plan so that they would value it as a component of their total rewards package.*

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For some plan sponsors, it was also important to try to create a sense of appreciation on the part of employees for the retirement plan so that they would value it as a component of their total rewards package. This was particularly the case with respect to defined benefit plan sponsors, who really viewed the plan as deferred compensation. Other plan sponsors, including those with defined contribution plans, shared information about the plan in their recruitment efforts. While some felt that having a plan could be a differentiator, most agreed that it was definitely not a “deal breaker” in terms of recruiting younger employees in particular.

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## 1.5 PLAN MEMBER COMMUNICATION TECHNIQUES AND TOOLS

The following communication methods were listed by attendees as ones they implemented:

- Face-to-face meetings (large group and individual meetings)—often held mid-week in the evening so spouses can attend
- Print (booklet and enrollment kits), retirement Web site with calculator, CDs/DVDs and Webcasts
- Telephone calls to new hires and those near retirement
- Information sessions with extensive enrollment kits
- Annual reports
- Annual statements
- External, Web-based programs
- Communication with spouse in the pre-retirement sessions
- Closed-circuit television system

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*Most still placed high value on personal communication and felt their members did so as well.*

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While many plan sponsors were investigating and already implementing various types of online communication, most still placed a high value on personal communication and felt their members did so as well. While many were not able to hold one-on-one sessions as often as they once had (primarily due to HR team cutbacks or added responsibilities), they often held in-person group sessions or provided telephone counseling. In some cases, telephone assistance was outsourced to a provider's call centre. Regardless of the source, plan sponsors believed members and retirees still highly valued the calls as "personal" communication.

Similarly, plan sponsors were not quite ready to move to completely paperless communication. Many believe that print communication is still necessary, although some are compromising but making a printable version of retirement plan communication available to plan members from their intranet, should members wish a hard copy. Of course, plan members without access to computers were always provided with printed materials.

Plan sponsors who provided personalized, rather than generic, communication (whether in hard or soft copy) reported more positive feedback from plan members. This communication generally provided customized information specific to the individual plan member (savings levels, projected retirement income, etc.). This communication was generally an account statement.

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## 1.6 MEASURING EFFECTIVENESS OF COMMUNICATION EFFORTS

Not all roundtable attendees measured the effectiveness of their communication efforts. One plan sponsor in Calgary stated that the organization used to survey members annually to see whether their understanding of the plan and retirement concepts improved after information sessions. It stopped surveying when, despite its best efforts, no improvement was noted.

At some of the roundtables, there was considerable discussion around what “effective” or “successful” meant. For some plan sponsors, it simply meant getting positive feedback from plan members that the information they received was useful. Others were more intent on seeing behaviour change: increased plan participation, fewer members in the default fund, more members increasing their own contributions over time.

Whatever definition is adopted, those who did measure effectiveness used both direct (in terms of asking plan members for feedback) and indirect methods.

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### ■ Direct methods

- Members are surveyed to ask whether they are satisfied with the level of information about the plan and whether they understand its structure
  - Members are asked to complete an evaluation at the end of information sessions
  - Members are asked about their preferred means of communication. The predominant answer becomes the method used most often to communicate with employees
  - Telephone surveys may be conducted to cut down on the use of paper, and as a means of reaching those who are not technologically inclined
  - All-member survey may be conducted with open-ended questions, rather than multiple choice so as to gather more precise feedback
  - Focus groups are held with representative groups of plan members
  - Questions about the retirement program may be included in an annual or biannual employee engagement survey
  - Surveys may also be held to specifically ask about service received by and communication to both active members and retirees. (This is particularly the case when administration is outsourced):
    - How well the information is presented
    - Perception of quality of communication
    - Satisfaction level with communication efforts
- The data gathered forms a quality-of-service index

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- Members' recall of key messages may be tested following an information session, or they may be asked about their perceived value of the retirement plan
  - Feedback cards may be delivered with the annual statement. Plan members may be provided with incentives to complete and submit them, if anonymity is not an issue

- Indirect methods

- Analyze what funds the members are in and see if they're taking an active role in their investments
- Compare enrollment pre- and post-information seminars
- Compile statistics of online communication: who opened email, who left it open long enough to read it, who deleted it without reading it, profiles of recipients, etc.
- Monitor participation in plan
- Analyze members' decisions and actions; compare them to those from other years and draw conclusions
- Track the number of hits on the Web site to see if they increase
- Measure attendance at meetings to see if it increases

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*Analyze what funds the members are in and see if they're taking an active role in their investments.*

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## 1.7 SUCCESSFUL COMMUNICATION EFFORTS

As mentioned above, plan sponsors often found their efforts to communicate with their members ineffective in terms of persuading them to take positive action with respect to saving for retirement. Many plan sponsors were somewhat at a loss as to what else they could do that would ensure that all employees, and particularly younger ones, took full advantage of what their plan had to offer. In some cases, plan sponsors were focusing their efforts on convincing plan members to join the plan and make contributions, leaving information around investments to third parties or providing plan members the option of using target date/lifecycle funds or target risk/lifestyle funds.

However, despite the fact that some plan sponsors were discouraged by plan member apathy, none was ready to throw in the towel completely. They were all interested in hearing about successes their peers were having in convincing plan members to save more for retirement.

There were certainly some common, “tried and true” methods for communication, but there were also some new techniques that were meeting with some success in terms of getting employees to participate in the plan, increase contributions over time and make appropriate investment decisions.

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### Common techniques

- Repetition—plan sponsors recommended to keep sending the same message until there is a response, then move on to something else, but always refer back to key messages
- Live meetings, preferably one-on-one, are more effective than either print or electronic communication
- Keep the information basic and relevant with respect to the retirement plan. This may mean having different information for different age groups and/or different job levels

### Innovative solutions

- A marketing approach to encourage plan membership. Develop a campaign using a slogan, contests, key messages. One plan sponsor launched a six-week campaign that started with a letter from the CEO, followed by posters, contests, emails, hard copy, etc. Employees couldn't help but become aware of the campaign and get caught up in the momentum.

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- Outsourced retirement counseling. One organization provides three hours of one-on-one time with a consultant; another provides \$300 towards the fee of an outside financial adviser, and provides members with a list of independent advisers.
  - Multi-disciplinary sessions/workshops, rather than the ones that only address retirement plan issues. Some plan sponsors solicit input from employees, either directly or by means of an employee committee, regarding the topics they want to learn about. In one case, this had increased attendance by 20%. In addition, informational sessions tended to be more successful for some plan sponsors if spouses/partners are also invited
  - Provide an income calculator that outlines the values of interest and capital based on the number of years the funds have been invested. This helps plan members understand their potential income upon retirement
  - Use plan members as “ambassadors”. Ensure that representatives from the “rank and file” have a good understanding of the retirement plan and then have them explain the benefits of the plan to other employees
  - Mail retirement information home in specially coloured envelopes. Members realize what it is as soon as it arrives. Sending communications home rather than to the member’s office address is key
  - Drive traffic to the Web site. One attendee created a program called “Financial Friday”, which addresses a new topic on the members’ site every week. The topic may be something like whether it is better to lease or buy a car, or an actual retirement-related topic. Once the members are used to going to the site, they are more likely to go to other links from there
  - Take personal account statement to a new level. The statement communicates not just the amount in the member’s account, but what the member could have saved if s/he had contributed 1% more or had taken better advantage of the company match. “Negative framing” (what the member has lost, rather than what the member has gained) seems to resonant particularly well with younger employees.

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*Use plan members as  
“ambassadors”.*

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## 1.8 KEY CHALLENGES

The main, over-arching challenge is getting plan members, especially younger ones, to change their behaviour and begin saving for retirement earlier. Plan sponsors were certainly looking to others around the table for new ideas, but also to other sources (school system, government) to help “spread the word” about the need to save adequately for retirement.

Some of the key challenges noted by roundtable attendees are as follows:

- Getting plan members’ attention: retirement savings are just not a focus for employees until they are close to retirement age, which is too late.
- Understanding of investments. Plan members are not interested or find investment decisions too complex.
- Lack of funding for plan member communication. Since those responsible for carrying out plan member communication can’t prove that any course of action will produce the desired outcome, it is difficult to build the business case for additional funds.
- Lack of basic awareness. Plan sponsors commented that they have employees who simply have no idea about how to budget, what a mortgage or a pension is, and who are under the belief that government subsidies will provide adequate retirement income. They were all very much in favour of providing basic financial education in school—even as early as elementary school—so that plan sponsors wouldn’t have to start from square one. It is also challenging to engage more sophisticated plan members when communication is geared to the “101” level.
- Inconsistent messaging. Plan sponsors encouraged employers, associations (including ACPM), the government, unions, and the education system to all promote the same course of action: saving for retirement is the responsibility of each individual and the earlier saving starts, the better.
- Plan sponsors’ inability (for fear of potential lawsuits) to provide plan members with what they really want: financial advice, not information.
- Inability to find investment advisors that do not have a vested interest in recommending their own products.
- Lack of reliable, free resources for basic financial literacy.

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*Challenge is getting plan members, especially younger ones, to change their behaviour and begin saving for retirement earlier.*

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**SECTION 2: CASE STUDIES**

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## CAESARS WINDSOR: MAKING INFORMATION ABOUT RETIREMENT ACCESSIBLE

Plan Sponsor:	Caesars Windsor
Demographics:	3,700 employees (more than three-quarters of employees are union members) Few retirees Casino operates 24/7, 365 days/year Shift work
Retirement Plan:	Defined contribution pension plan

When Caesars Windsor developed its retirement communication plan five years ago, it had a number of very specific objectives:

- Increase awareness of the employee pension plan
- Build knowledge and understanding of how the plan works
- Encourage a sense of shared responsibility for the retirement planning process
- Ensure employees are confident enough to make investment decisions or at least know where to go for assistance when making these decisions.

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*Creating an effective communication plan for retirement information at this large casino was not without its challenges.*

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By accomplishing these objectives, Caesars Windsor believed that the end result would be increased employee appreciation of the pension plan.

Creating an effective communication plan for retirement information at this large casino was not without its challenges, however. Employees are based in various locations throughout the site. Staff work all day, every day with a variety of start times. Their breaks are limited to 15 minutes, with 30 minutes for lunch. Dealers have a different break schedule—20 minutes off each hour. Employees take a shuttle bus that runs approximately every 12 minutes to their parked cars and then head home. As employees have increased their tenure, many now with 10-15 years of service, the average age of the population has increased from 33 to 44 years. Nevertheless, many do not see a pension as a priority.

Faced with these obstacles, Caesars Windsor developed a three-year action plan to meet its goals. The linchpin of its efforts is “Pension Education Week.” This annual event offers a variety of activities using different media, including:

- A 15-minute PC session with a Financial Consultant where the plan member reviews their plan assets and can re-balance investments to ensure they are in line with their retirement goals.
- Booklets and other hard copy material from Caesars Windsor that provides information about the plan

- Announcements on Casino Vision, the onsite employee TV channel
- The opportunity to register for a retirement planning seminar

While all employees are encouraged to attend the Pension Education Week activities, those who are not contributing to their plan (the employer contributes a base contribution, regardless of an employee’s participation) receive a personal invitation by mail. The letter highlights what they’re missing by not participating in the plan. Members with all or a portion of their account balances in the default account are also sent a reminder letter that the Money Market Fund is a holding account for short-term investing and is not recommended for long-term investments.

Pension Education Week is a consistent feature of Caesars Windsor’s three-year retirement communication plan. However, each year has its own specific focus and theme, with initiatives geared to reinforcing the year’s key message.

*Pension Education Week is a consistent feature of Caesars Windsor’s three-year retirement communication plan.*

<b>Year</b>	<b>Focus</b>	<b>Theme</b>	<b>Initiatives</b>
1	Build awareness and understanding of the pension plan	“Do you know what you have?”	<ul style="list-style-type: none"> <li>• Create both a review group and an employee focus group to provide feedback on retirement information materials as well as the Pension Education Week program</li> <li>• Re-issue PIN for pension plan Web site</li> <li>• Develop 12 monthly inserts for the company newsletter, “Casino Chronicle”</li> <li>• Send personalized letters with a change form to those employees not taking advantage of the company match</li> </ul>
2	Increase employee participation in the pension plan	“Make the most of your DC plan”	<ul style="list-style-type: none"> <li>• Monthly “Pension Corner” in the Casino Chronicle , each with its own theme, accompanied by a pop quiz. Prizes were awarded to correct respondents twice this year.</li> <li>• An employee survey to gather feedback on what is of</li> </ul>

			particular interest regarding the pension plan <ul style="list-style-type: none"> <li>• Retirement sessions</li> <li>• Pension Education Week</li> </ul>
3	Account management	"Smart investing"	<ul style="list-style-type: none"> <li>• Educate employees on account management, including asset mix, investment funds, low fees, re-balancing, etc. through online investment courses</li> <li>• Pension Education Week</li> </ul>

In addition to the inserts in the Casino Chronicle and messages on the Casino Vision employee television channel, Caesars Windsor has a number of other ongoing communication vehicles that enable it to share information about the retirement plan, where appropriate to do so:

- "The Laurel" quarterly newsletter is sent to employees' homes and includes a letter from the company president and corporate news
- "Pre-shift Checklists" are 10-minute briefings that provide "need to know" information in a standard format
- "Buzz Sessions" are information sessions where key topics can be discussed in greater detail
- Messages may be printed on employee pay stubs and attachments stapled to them
- The company intranet is used for postings and newsflashes. In addition, flash media may be used to promote specific initiatives, like an "ad" for Pension Education Week.
- Town hall meetings with the President for all staff
- Onsite PCs available to all employees that provide a direct link (via Caesars' corporate intranet) to the plan administrator and members' secure online pension plan account.

In order to evaluate its success, Caesars Windsor included measures and benchmarks as part of its plan. Key metrics include increases in the percentage of employees taking advantage of the company match and using the VIP Room online (personal access to members' pension plan account) and call centre, as well as a decrease in the percentage of members in the plan's default option. Member surveys are also used to collect feedback.

Between 2004 and 2009, union pension plan participation has increased from 88.1% to 95.3%, and those maximizing the company match has grown from 57% to 87.5%. Over the same period, management pension

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plan participation has risen to 94.9% from 89.9% and from 75% to 81% for those maximizing the company match.

Despite its success, the communications plan still faces some internal challenges over and above the usual external governance and legislative concerns. Some union positions have no internal email access, while some non-union positions have email but limited intranet access. Employees are not interested in attending information sessions on their own time. And, for many, a pension is still not seen as a significant component of their total rewards package; employees are primarily focused on cash compensation.

Caesars Windsor nevertheless remains committed to educating its employees about their retirement plan, especially in the wake of the past year's market fluctuations. While Pension Education Week has been reduced from its initial five days to three and now to two days for cost saving reasons and to streamline the event, the pension committee is exploring new ways of communicating with employees—Webinars, podcasts, DVDs and e-enrolment are all under consideration. With the overall objective of enhancing employee appreciation of the plan, Caesars Windsor is determined to make retirement information as accessible as possible to all its employees.

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*Despite its success, the communications plan still faces some internal challenges.*

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## THE ECONOMICAL INSURANCE GROUP: TARGETING NEW EMPLOYEES FROM DAY ONE

Plan Sponsor: The Economical Insurance Group  
Demographics: 2,500 employees  
Retirement Plan: Defined contribution pension plan

The Economical Insurance Group (TEIG) determined several years ago that to achieve maximum employee participation in the company pension plan, it had to get employees involved and understanding the program from the start of employment. As a result, new hires are required to take an online course to learn about the retirement program as part of the company's onboarding process.

"We believe that it is important for employees to understand the value of the company pension program," said Jennifer Hubbard, manager, HR Corporate, Human Resources at TEIG. "For younger employees this is particularly important, since they have their entire careers to accumulate for retirement. Interestingly, we discovered that reaching this target group involves more than just education. It's about educating them in a way that resonates with them." Jennifer reflected on one 20-something employee who provided feedback into the development of the online retirement course. "He told us that, as soon as he heard the word 'retirement', he tuned out. But when we talked about 'money', he had reason to listen." TEIG used this valuable feedback to position the program in a way that would resonate with new employees, focusing on the value of the program rather than retirement.

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*"We believe that it is important for employees to understand the value of the company pension program."*

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The course includes questions to ensure understanding as employees move through the course. The responses to these questions provide TEIG with feedback that it can then use to target its communication and improve its education efforts.

This course also serves another purpose for TEIG. By completing it, employees are taken through the steps and action items that are part of the enrolment process, so they are familiar with what needs to happen and prepared for the upcoming opportunity to make savings choices – how much to contribute and where to invest. "The action items follow the training in short order, so that what employees have learned is still fresh in their minds," Hubbard stated. "We find that really helps our people know what's coming next so that they take appropriate action to get set-up and start participating in the program early on."

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## ENBRIDGE: EMPOWERING PLAN MEMBERS TO BECOME DECISION MAKERS

Plan Sponsor: Enbridge Inc.  
Demographics: 4,200 employees  
Retirement Plan: Defined benefit pension plan, defined contribution pension plan, Group RRSP

With both a DB and a DC plan, Enbridge's retirement communication challenges have an extra layer of complexity. One of the company's key objectives is to provide employees with the knowledge they need to make an informed choice between the two options, both on plan entry and at subsequent option dates (40 and 60-point dates). Beyond that, Enbridge communicates with plan members to improve awareness and understanding of its plans generally and to provide sufficient knowledge and tools for DC and savings plan members to make appropriate investment decisions.

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*Underlying Enbridge's communication strategy is a strong sense that members need to take responsibility for their own retirement planning.*

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However, underlying Enbridge's communication strategy is a strong sense that members need to take responsibility for their own retirement planning. A constant refrain throughout its communication efforts is that the Enbridge plans may not provide sufficient retirement income and additional savings may be required.

Requiring plan members to assume responsibility for their own retirement income adequacy means providing them with the tools they need to plan effectively, according to Enbridge. Given that its employees are widespread, some in remote locations, Enbridge utilizes a combination of "high touch" and "high tech" to communicate with them.

One-on-one meetings between a member and an HR representative are certainly an effective means of communication, particularly because the member has specific questions he or she wants answered. However, this individualized method of communication has limits: there aren't enough HR resources to provide personal guidance to even the relatively small number of plan members who proactively seek answers about their personal retirement plans

Overall, live group sessions – meetings of 20 to 25 members hosted by HR – are an efficient method of reaching large numbers of employees. However, Enbridge is increasing its use of Webcasts, which are becoming increasingly popular with members in more isolated sites where group meetings are seldom held.

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Enbridge is also starting to investigate the expansion of techniques used in the “Enbridge University”, an internal training program that is primarily used to educate new employees on the fundamentals of their business as part of the orientation program. The education modules are Web-based, and employees can run through the material at their own pace on their own computers. The company may re-purpose this technology and infrastructure to deliver retirement and benefits education.

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*“Enbridge University”, an internal training program that is primarily used to educate new employees on the fundamentals of their business as part of the orientation program.*

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## McMASTER UNIVERSITY: A HOLISTIC APPROACH TO RETIREMENT EDUCATION

Plan Sponsor:	McMaster University
Demographics:	7,800 employees and approximately 2,000 retirees
Retirement Plans:	Three defined benefit plans <ul style="list-style-type: none"><li>• Hourly plan</li><li>• Original salaried plan – closed membership</li><li>• Salaried plan introduced in 2000</li></ul>
	Group RRSP
	Supplemental pension plan

McMaster University had provided individual retirement consultations for employees nearing retirement for some time. It augmented its program with self-directed course on the “Working at McMaster” Web site, as well as a workshop offered by McMaster Continuing Education.

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*The new program was far more comprehensive and included a complete review of financial and life planning issues for retirement.*

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However, in 2003, as part of its commitment to becoming an “employer of choice,” the university decided to implement a pre-retirement education program to supplement the existing process. The new program was far more comprehensive and included a complete review of financial and life planning issues for retirement. The objective was to take a more holistic view of retirement planning that encompassed both retirement income and lifestyle.

McMaster faced a number of challenges when it came to implementing its new program: funding decisions and the selection of a potential provider in an education environment.

In order to select a provider, McMaster developed a set of criteria to evaluate provider candidates:

- Content – both financial and life planning knowledge
- No selling – the program had to be education-based
- Independence – plan members had to trust the provider and be assured of confidentiality
- Price
- A variety of learning materials, including workshops, both print and Web-based resources, customized materials
- Dynamic presentation
- Evaluation tools – both for determining objectives and measuring them

The provider that was selected by McMaster University (Financial Education Institute of Canada) develops and delivers high quality, interactive adult learning systems, workshops, books and learning tools

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dedicated to life-long learning. Participants experience informative and interactive seminars in a safe, environment.

McMaster's retirement education program consisted of the following phases:

1. Orientation – new employees receive generic written material
2. Up to age 35 – "Learning Lifetime Financial Habits"
3. Ages 36-44 – "Creating an Action Plan for Financial Goals"
4. Ages 45-54 – "Re-evaluating Financial Goals and Lifestyle Planning"
5. Age 55 and older (Rule of 80 – when age + service = 80 years) – "Decision-making & Tools for Post-Retirement Survival"

Because its program is broader than just retirement savings, McMaster University's metrics go beyond measuring the impact on retirement savings levels. It is primarily interested in the knowledge level and effectiveness of its provider in creating greater awareness amongst its employees of the need to plan for retirement and take action. It gathers feedback from participants following each session. Comments like this are not unusual: "Gave me motivation to take the time to plan. Greatly appreciated facilitator's humanitarian approach, i.e., it isn't all about money."

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*McMaster University's metrics go beyond measuring the impact on retirement savings levels.*

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McMaster has continued to refine and even redesign its retirement education program based on input from its employees and evolving best practices.

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## GLAXOSMITHKLINE CANADA: TARGETED AND ADAPTIVE EDUCATION

Plan Sponsor: GlaxoSmithKline Canada  
Demographics: 1,400 employees  
Retirement Plan: Defined contribution pension plan

When GlaxoSmithKline Canada (GSK) made changes to the fund line-up for its defined contribution (DC) pension plan and Savings Plan a few years ago, it used the opportunity as a springboard to provide additional education to employees about making investment choices and managing their accounts over time.

GSK recognized that employees had a range of knowledge levels, from basic to advanced, and that a one-size-fits-all approach to investment education would not necessarily meet all employees' needs. So GSK introduced two levels of targeted education—one session that offered the basics for all new employees and those with limited investment experience, and a separate advanced session to ensure that more knowledgeable investors received the more in-depth information that they needed to make their decisions.

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*GSK recognized that a one-size fits-all approach to investment education would not necessarily meet all employees' needs.*

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This targeted education ensured that each group would learn at an appropriate level, without impacting others in the group who may not have the same level of experience. The key to success was careful wording in the course descriptions to ensure that employees enrolled in the appropriate sessions. "We wanted to be sure that employees with less investment experience attended the basic class, so that they were not overwhelmed by the advanced course," said Frank Newman, director, HR Operations for GSK.

Through careful monitoring of participation levels and employee investment behaviour, GSK found that while the sessions were popular, default levels in the plan were still higher than desired among some employee groups. To address this, GSK introduced target date funds as the new default option—to encourage participation in the plan, but without the need to learn about and make individual investment choices. This reduced the need for investment education overall, although GSK continued to deliver a "basic plus" investment module that blended the basics and advanced education.

Investment education is just one of several initiatives that GSK offers to support the retirement and savings program. Additional initiatives include online tools and resources, modellers and regular newsletters that focus

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on retirement and investment topics—including market changes. GSK sees such market fluctuations as an opportunity to further educate employees.

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*GSK sees market fluctuations as an opportunity to further educate employees.*

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“We understand the need to change our communication and education efforts as our employees’ needs change,” stated Newman. “We monitor our plan activity closely, listen to employees and watch the marketplace to understand what’s changing and how we can adapt to support our employees. We’re constantly reviewing our communications strategies to keep ahead of employee needs to provide the right information and education to support our programs.”

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## ONTARIO TEACHERS' PENSION PLAN: MEASURING SUCCESS

Plan Sponsor: Ontario Teachers' Pension Plan  
Demographics: 289,000 active and retired teachers  
Retirement Plan: Defined benefit pension plan

The Ontario Teachers' Pension Plan's (OTPP's) approach to member communications is intrinsically linked to the organization's service strategy. This focus led OTPP to establish a specific member communication team 18 months ago.

The team works in tandem with OTPP's other divisions and it has specific objectives of its own. Some, like developing a value proposition, are goals for the long-term, while others are more immediate, such as ensuring members are aware of the implications of legislative changes. All are designed to respond to member needs.

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*OTPP's member communication efforts are comprehensive and reflect a client service philosophy.*

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The pension plan's member communication strategy is designed to convey a number of key messages to its members. It wants them to understand that their pension is a valuable employee benefit, that it's secure, and that the plan is being managed by a team of competent professionals. OTPP uses a variety of media to reach both the general plan membership as well as targeted groups. And after it has communicated, it measures the success of its efforts.

OTPP's member communication efforts are comprehensive and reflect a client service philosophy called "E=mc<sup>3</sup>", shorthand for "Excellence = more customization, choice and counselling":

- **"customization"** – communication is designed and crafted in a way that is most appropriate for member segments to meet their individual needs
- **"choice"** – members are able to choose how they want to hear from OTPP through a variety of vehicles, including optional e-mail subscriptions
- **"counselling"** – OTPP pays special attention to communication that enables members to feel empowered and educated enough to make decisions around often complex retirement-related issues, such as deciding when to take their CPP, survivor benefit options, purchasing credit, etc.

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Over time, OTPP's communication efforts have evolved: the focus has shifted from "compliance" to the above-mentioned "counselling;" the outreach has become proactive, rather than reactive; and, the medium of choice has become the Web, both due to the ability to send personalized and targeted messages and because it's a critical service delivery channel, enabling OTPP to securely deliver personal service to its members in real time.

One reason for this ongoing evolution of member communication is the fact that OTPP constantly measures the effectiveness of its methods and makes changes based on the results received. Members are asked to complete a survey - a "Quality Service Index" - after each major communication initiative. The survey is conducted by an independent third party and goes to a randomly selected group of participants. The goal is to gauge satisfaction with three criteria:

- Did the information inform the member?
- Was the information of high quality?
- Is the member satisfied with the information received?

The communication team has a personal stake in ensuring member satisfaction, over and above confirmation of a job well done. Satisfaction levels are one of the factors that affect staff bonuses, incenting the team to focus on timely, and relevant, high quality communications.

As part of the formal survey, OTPP also tests readership levels and recall of key messages. It finds that repetition is essential: communication efforts build on the key messages and always come back to them.

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*OTPP constantly measures the effectiveness of its methods and makes changes based on the results received.*

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# SECTION 3: RESOURCES

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## RETIREMENT PLANNING

### **CRA - RRSPs and Other Registered Plans for Retirement 2009**

<http://www.cra-arc.gc.ca/E/pub/tg/t4040/t4040-e.html>

*Information about registered pension plans (RPPs), registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), registered education savings plan (RESP), accumulated income payments (AIPs).*

### **HRSDC - Canada Pension Plan and Old Age Security**

<http://www.hrsdc.gc.ca/eng/oas-cpp/index.shtml>

### **Investor Education Fund**

<http://www.getsmarteraboutmoney.ca/>

### **RetirementAdvisor.ca Inc. (RAI)**

<https://www.retirementadvisor.ca>

### **Service Canada - Retirement Planning**

<http://www.servicecanada.gc.ca/eng/lifeevents/retirement.shtml>

*A checklist of the most popular federal programs to support retirement.*

### **Service Canada - Canadian Retirement Income Calculator**

[https://srv111.services.gc.ca/INT\\_01.aspx?lang=e](https://srv111.services.gc.ca/INT_01.aspx?lang=e)

### **The Financial Education Institute of Canada / L'institut canadien d'éducation financière**

<http://www.feic-icef.ca>

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### ***Associations***

#### **Advocis**

<http://www.advocis.ca/>

#### **Retirement Planning Association of Canada**

<http://www.retirementplanners.ca/>

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### ***Reports***

#### **BMO Retirement Institute - Special Report: Saving for Retirement: One Size Does Not Fit All**

[http://www.bmonesbittburns.com/personalinvest/retirementyourway/pdf/Saving\\_for\\_Retirement\\_E\\_final.pdf](http://www.bmonesbittburns.com/personalinvest/retirementyourway/pdf/Saving_for_Retirement_E_final.pdf)

#### **Canadian Institute of Actuaries - Planning for Retirement: Are Canadians Saving Enough?**

[http://www.actuaries.ca/members/publications/2007/Final%20CIA\\_Retirement\\_e.pdf](http://www.actuaries.ca/members/publications/2007/Final%20CIA_Retirement_e.pdf)

#### **HSBC - Future of Retirement: It's Time to Prepare**

[http://www.hsbc.com/1/PA\\_1\\_1\\_S5/content/assets/retirement/2009\\_for\\_report\\_en.pdf](http://www.hsbc.com/1/PA_1_1_S5/content/assets/retirement/2009_for_report_en.pdf)



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## Strategic Communications Committee

### **Chair**

Marcia McDougall  
Hewitt Associates  
Chair, Education Sub-Committee

### **Vice Chair**

Susan Nickerson  
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### **Members**

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Kenneth Burns  
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Sharon Chandler  
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Caroline Blouin  
RBC

Pierre Lavigne  
Member, ACPM Québec Regional Council

Dan Morrison  
Towers Watson  
Member, ACPM Alberta Regional Council

Scott Perkin  
Ontario Teachers' Pension Plan  
President, ACPM Board of Directors

Matthew Rotenberg  
Standard Life

Bryan Hocking  
Chief Executive Officer, ACPM

Vanessa Wilson  
Director, Communications, ACPM



ACPM/ACARR

The Association of Canadian Pension Management

L'Association canadienne des administrateurs de régimes de retraite

## ACPM Logo Identification

The ACPM logo is the most readily identifiable aspect of the organization and stands to represent, at a glance, the ACPM brand, which is the collection of experiences and associations connected with the organization.

The following drives the ACPM Brand:

**ACPM Vision:** The development of a world-leading retirement income system in Canada.

**ACPM Mission:** As the informed voice of Canadian pension plan sponsors, administrators and their allied service providers, the ACPM advocates for an effective and sustainable Canadian retirement income system through a non-profit organization supported by a growing membership and a team of volunteer experts.

**ACPM Guiding Principles:** **Clarity** in legislation, regulations and retirement income arrangements. **Balance** in the consideration of other stakeholder's interests. **Excellence** in governance and administration

The logo design represents the ACPM Guiding Principles and represents the principle of **clarity** in legislation, regulations and retirement income arrangements.

With its reciprocal and corresponding parts, the symmetry of the design is meant to represent the principle of **balance** in the consideration of stakeholder interests.

The circle in gold tone central to the design is meant to represent the principle of **excellence** in governance and administration, which is at the heart of the advocacy work of the ACPM.

These three distinct elements are visually integrated into the logo in a manner that captures, at a glance, the ACPM brand.

Additionally, one can ascribe further meanings to the logo. It can represent the pension holder in the centre, embraced by both sponsor and regulator. And, as arms embracing one another denoting security, which represents the mission of the ACPM to advocate for a sustainable Canadian retirement system.



ACPM/ACARR

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