

# **Finance and Stress: Can Plan Sponsors and Administrators Ease the Pain?**

**Hosted by the Ontario Regional Council**

November 20, 2019

Sheraton Centre Toronto

Toronto, Ontario

# Speakers

- **Michael Campbell**, Former Vice-President, *Nortel Retirees and former employees Protection Canada (NRPC)*
- **Cheryl Douglas**, Director of Retirement and Savings in Total Benefits, *Sun Life*
- **Jeremy Evanson**, Innovation Partner, *Morneau Shepell*
- **Tyler Fleming**, Director, The Investor Office, *Ontario Securities Commission*

# Agenda

- 10 min Set the stage
- 60 min Panel discussion
- 10 min Presentation of draft ACPM recommendations
- 30 min Audience engagement and feedback
- 10 min Closing

# Why is ACPM interested in this issue?

- Lack of financial literacy in educational systems
- Improved financial literacy helps employees in all of our organizations and the functioning of the retirement system
- Financial understanding is required yet continues to be a challenge for CAP members (DC plans, Group RRSPs)
- Lack of financial literacy compromises retirement outcomes for seniors

# What is Financial Literacy

- **ACPM Draft Definition:** Financial literacy is the ability to obtain, understand and use knowledge to manage money efficiently and achieve financial wellness and goals. 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.

# 2019 ACPM Financial Literacy White Paper - Purpose

- To position ACPM as a thought leader for financial literacy
- Provide recommendations on how to improve financial literacy for:
  - Program participants of pension plans and less formal group retirement savings
  - Canadians who currently do not participate in a pension plan or group retirement savings program
- Focus on areas where ACPM can be the most effective and influential (retirement industry, government relations)

# Panel Discussion

## 60 minutes

Why does it matter?

What is it?

What can we do about it?



# ***DRAFT* Recommendations for Service Providers**

- 1) Improve disclosure of fees and expenses
- 2) Create more effective group retirement income products that link to the accumulation products
- 3) Improve transparency on the oversight of financial advice services



# ***DRAFT* Recommendations for Governments**

- 1) Define “accredited” financial planner and mandate disclosure of compensation
- 2) Adopt and implement a principles-based approach to regulating robo-advisors and financial advice service providers
- 3) Promote financial literacy through
  - Public education system
  - Government retirement income agencies
  - Guidance and resources for plan sponsors and administrators

# ***DRAFT* Recommendations for Plan Sponsors and Administrators**

- 1) Consider adopting reasonable default options and integrate retirement income education around those options
- 2) Consider the benefits of providing access to financial planning advice to employees
- 3) Integrate financial literacy into education policy, focusing on what is most important based on employee's career stage

# DRAFT Financial Literacy Recommendations

- **Audience Poll:**

- 1) Is there merit for the ACPM to focus on financial literacy?**
- 2) Can Plan Sponsors and Administrators help?**

# Audience Feedback and Next Steps



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