



July 15, 2014

Ms. Jane Rooney  
Financial Literacy Leader  
Financial Consumer Agency of Canada  
427 Laurier Ave. West, 6<sup>th</sup> Floor  
Ottawa, ON K1R 1B9

Dear Ms. Rooney:

The Association of Canadian Pension Management (ACPM) is a national, non-profit organization acting as the informed voice of plan sponsors, administrators and their service providers in advocating for improvement to the Canadian retirement income system. Our membership represents over 400 companies and retirement income plans that cover more than 3 million plan members.

Thank you for the opportunity to comment on this important issue. As the focus of the ACPM is on the retirement system in Canada, we will limit our comments to matters pertaining to this subject.

In an era where defined benefit pension plan coverage has declined it now becomes more important to put in place programs to assist seniors/near seniors to save for retirement, but just as important is the need to help them understand and put in place a plan for the retirement or spending phase of their lives. Awareness of the various options available to them (depending upon circumstances) should form a large portion of the financial literacy they need to acquire.

Seniors require access to straightforward information, low cost products, simple tools and objective advisors. Examples of things retirees may not understand well include:

- the differences between retirement options (how to convert savings to income);
- how annuities work;
- the life expectancy of a couple as compared to an individual;
- appropriate investment strategies;
- sequence of returns risk;
- the impact of fees over the long term;
- their public benefits, claw backs, income splitting, etc.

Seniors access information effectively in several ways. These must be inexpensive, preferably free, and easy to access. Some examples of information delivery methods include:

- Printed materials - there should be well written, government prepared pamphlets on the areas discussed in the paper. These could be included as a series in mailed OAS statements or with Notices of Assessment;
- Television public service advertising;

- Q&A sessions held in seniors 'meeting places: libraries, churches, senior's drop-in centres, retirement homes;
- Seniors' clinics where confidential concerns can be addressed – much like family planning clinics, with access to senior professionals in the financial industry;
- Speakers' bureau providing speakers on various subjects who will go out to seniors groups –book clubs, church groups, friendship circles, bridge clubs, etc.;
- Social media – many seniors are on-line looking at pictures of family.

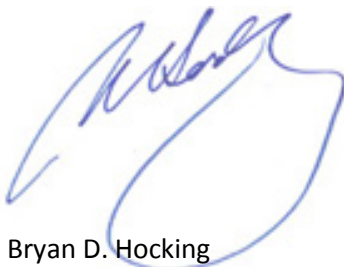
Some suggested ways to facilitate the above could include the formation of an organization providing administrative and secretarial assistance for clinics and speakers' bureau. Use newly retired people as volunteers. They are often eager to contribute to society and have valuable to knowledge to share. Provide to different communities – aboriginals, new immigrants, ethnic groups etc. Involve the adult children of seniors so that they can also advise their parents. Employers should be encouraged (perhaps through some sort of incentive program) to provide financial planning sessions for their employees over age 50. Guidelines for employers' best practices should be written with industry involvement and buy-in – along the lines of the CAP Guidelines.

In addition, there are organizations, such as the Financial Planning Standards Council (FPSC) that is a not-for-profit standards setting and certification body that develops, promotes and enforces professional standards in financial planning. They have launched an initiative to better educate people about achieving their life goals through proper management of their financial affairs. Working with a Certified Financial Planner can, at least in part, help ensure seniors don't fall victim to financial abuse. If your agency has not connected with the FPSC we encourage you to do so.

The ACPM applauds the efforts of the Federal government to increase financial literacy across all groups, including seniors. However as can be seen by the suggestions in our response, the endeavor is a challenging one and requires increased coordination amongst governments, financial institutions, social services and the education system.

We would be pleased to discuss our recommendations and contribute to any effort to set up guidelines for employers.

Sincerely,



Bryan D. Hocking  
Chief Executive Officer