



Vantage

Building Value for Public Pensions

lapp strong & secure 60 years
AIMCo





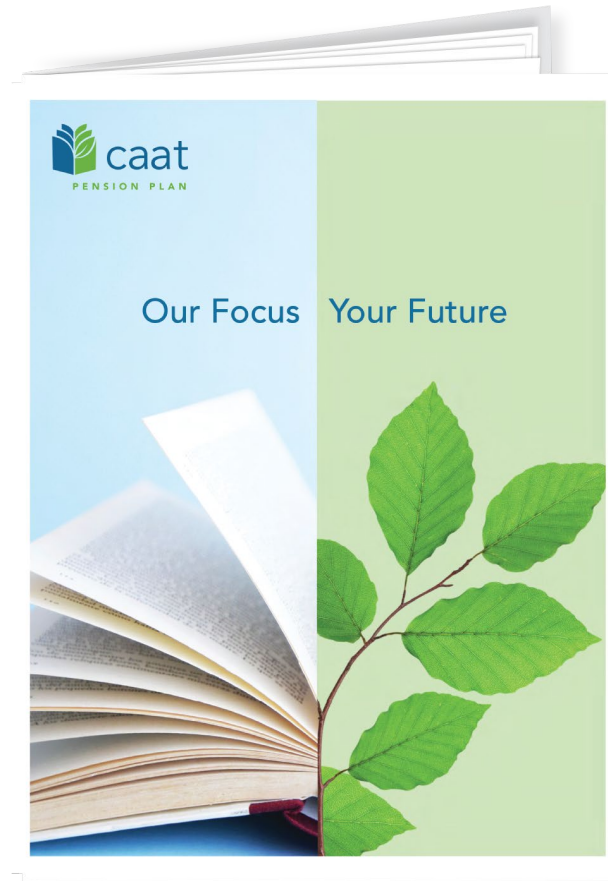
CAAT's New Model – Innovation in Pension Coverage



Introduction to CAAT Pension Plan

- Multi-employer, jointly sponsored
- \$5.6 billion in assets
- 24 participating employers – Ontario Colleges
- 103% funded – surplus of \$154 million
- 33,700 members

“Dedicated to the retirement security of Ontario’s college community.”



CAAT Pension Plan - 2022

- Multi-employer, Jointly sponsored
- \$18.2 billion in assets
- 211 participating employers
- 124% funded - \$4.3 billion surplus
- 75,000 members
- Two integrated plan designs – DBprime and DBplus



CAAT's Mission, Vision, Purpose



Mission: To provide secure, valuable and sustainable workplace retirement solutions



Vision: To be Canada's workplace pension solution of choice



Purpose: To improve retirement income security for Canadians

Agenda

1. Reassessing the needs of stakeholders
2. Starting with a solid foundation
3. Breaking through barriers



What is DBplus?





DBplus: Blending the Best of DB and DC



Accrued pensions including granted enhancements cannot be reduced

In addition to **secure, predictable, lifetime retirement income**, members enjoy:

- ✓ Spousal benefits
- ✓ Subsidized early retirement
- ✓ Wage inflation enhancements*
- ✓ Price inflation enhancements*
- ✓ Increased pension factor*
- ✓ Pension purchases

* Conditional enhancements granted based on Plan funding.



Expanding coverage by enhancing flexibility



10 to 18%

Same for all employees

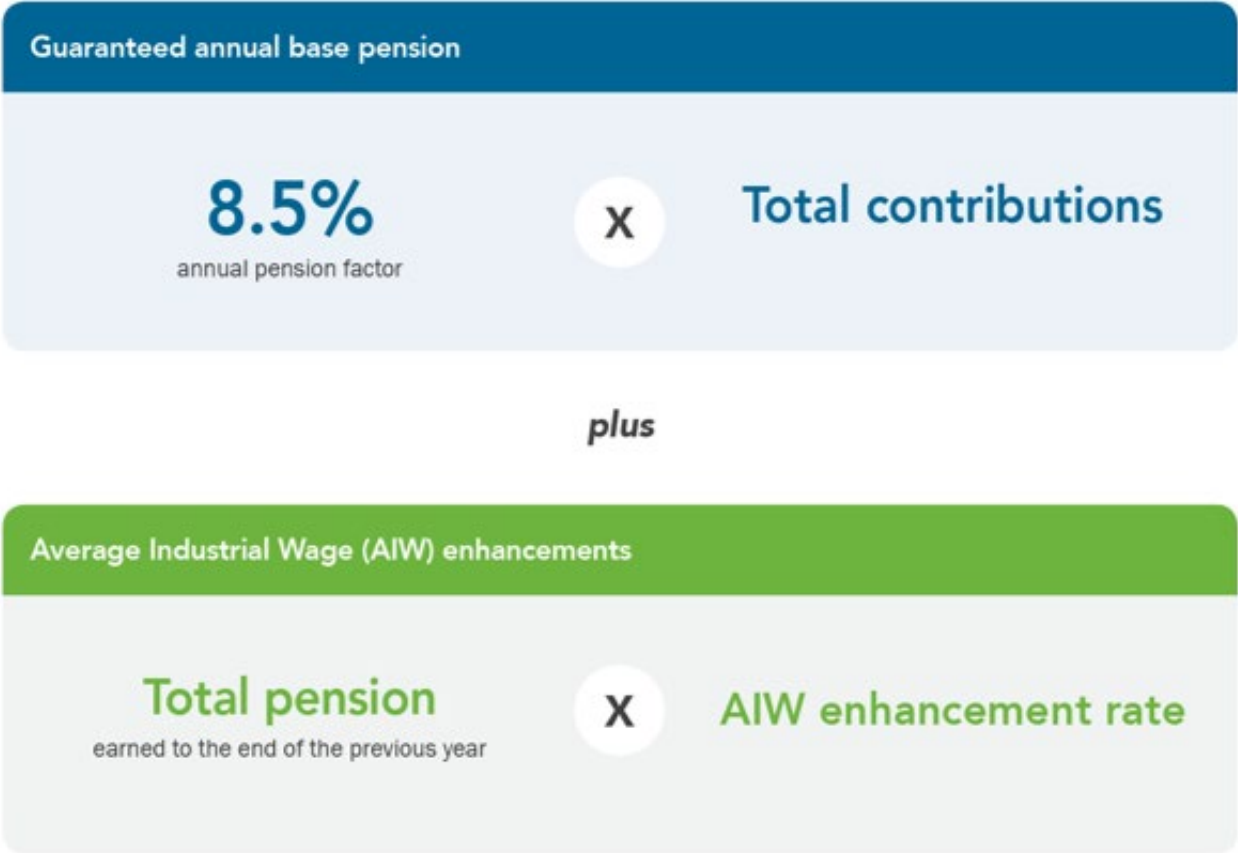


with
Contribution Choice

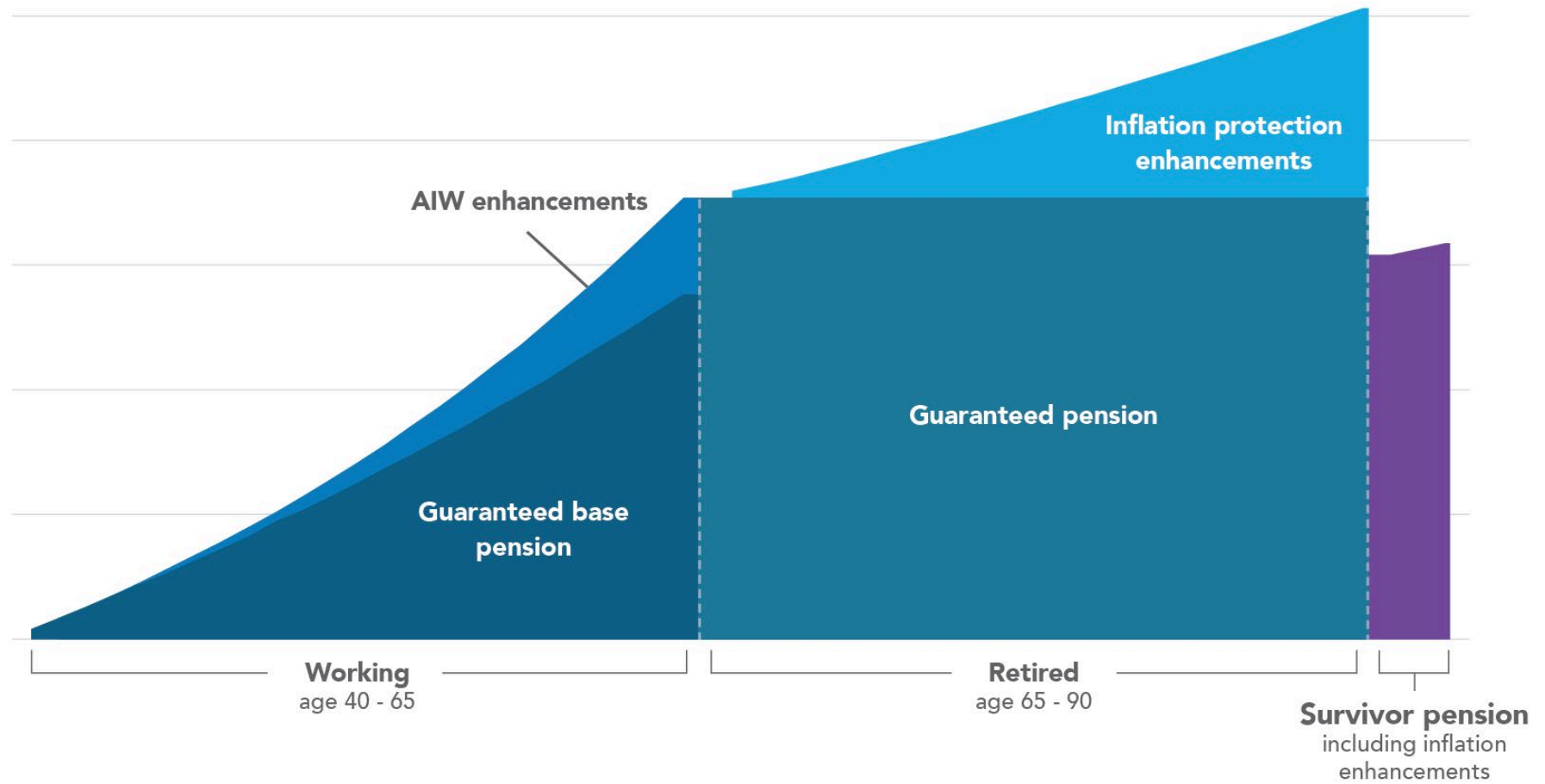
up to 18%

Base plus member choice

DBplus formula



Guaranteed and conditional benefits



“Profit for member” model means more enhancements as funding improves

	LEVERS OF CONTROL	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6
DBplus	Post-retirement conditional inflation protection increases (75% of CPI)	None	Applied	Applied plus consider-catch-up	Applied plus reserves	Applied plus reserves	Consider increases above 75% of CPI
	Pre-retirement benefit increase (100% of AIW)	None	None	Applied	Applied plus consider catch-up	Applied	Applied
	Lifetime annual pension factor (PF)	Consider reduction below 8.5%	8.5% plus consider catch-up	8.5%	8.5%	Consider 8.5% to 9.5%	9.5% (Consider an increase beyond 9.5%)
	Early retirement factor (ERF) (from age 65)	5% or higher	5%	5%	Consider 3%, 4% or 5% (currently 3%)	3%	3%
	Discount rate reserves	Fully used	Marginal	Consider up to 0.5%	Consider up to 1%	1% plus up to 7.5% increase in liabilities	Further build, up to tax limit

100% funded

124% funded
as of January 1, 2022



What makes DBplus innovative?

- Flexible design to meet employer needs
- DB for members, DC for employer (higher value proposition for same cost)
- Open participation
- A profit-for-member model



Reassessing the needs of stakeholders



Reassessing the needs of stakeholders

- Changing workforces
- Decline in retirement financial readiness
- Desire for financial security
- Rising risks for public pension plans



Need drives innovation

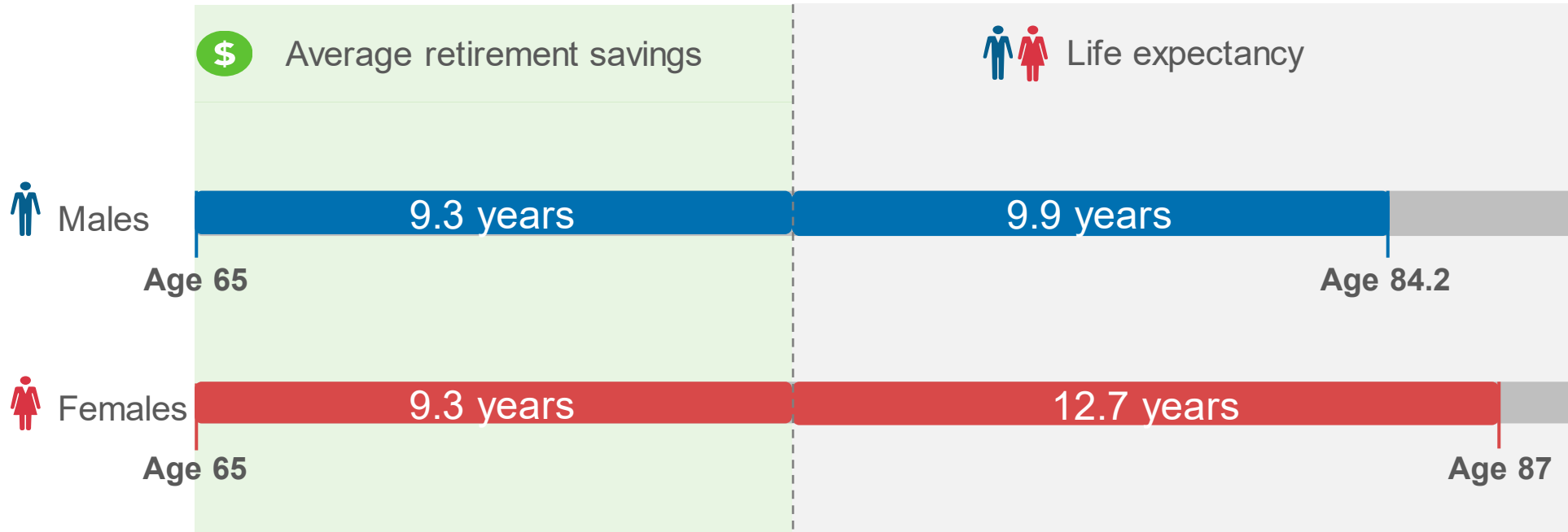
Canada's workforce is changing

'Gig' Economy is on the rise

2005	2016	2021
5.5%	8%	13%



Average savings gap in Canada



Investing in (and for) Our Future, (World Economic Forum, June 2019)



Offering employees what they want

More than ever, employees expect a workplace pension.

“...80 % [of Canadians] say a retirement plan is a critical company benefit. In fact, sixty per cent report they would be unlikely to work for a company which doesn’t provide one...”¹

Employers share responsibility in funding employee retirement.

“...77% said employers are responsible for offering a pension plan to help fund retirement.”²

Job seekers show preference for employers who provide retirement plans.

“...60 % of employees would be unlikely to work for a company that doesn’t offer a retirement plan.”¹

1. Manulife Investment Management, [Manulife Canada Retirement Study: Stress, Finances, Well-being](#), 2022
2. Healthcare of Ontario Pension Plan and AbacusData, 2021 Canadian Retirement Survey, May 2021.

Many Canadians find retirement planning stressful

One in three Canadians say financial stress is making them unwell, an 18% increase from 2020

Of those stressed about their finances, **35% identified saving enough for retirement as a cause of their financial anxiety**

The FP Canada 2021 Financial Stress Index



Starting with a solid foundation



Starting with a solid foundation

- Ensure the house is in order
- Patience is a virtue
- Establish capabilities
- Have a business-oriented mindset



Focus is needed

Breaking through barriers



Breaking through barriers

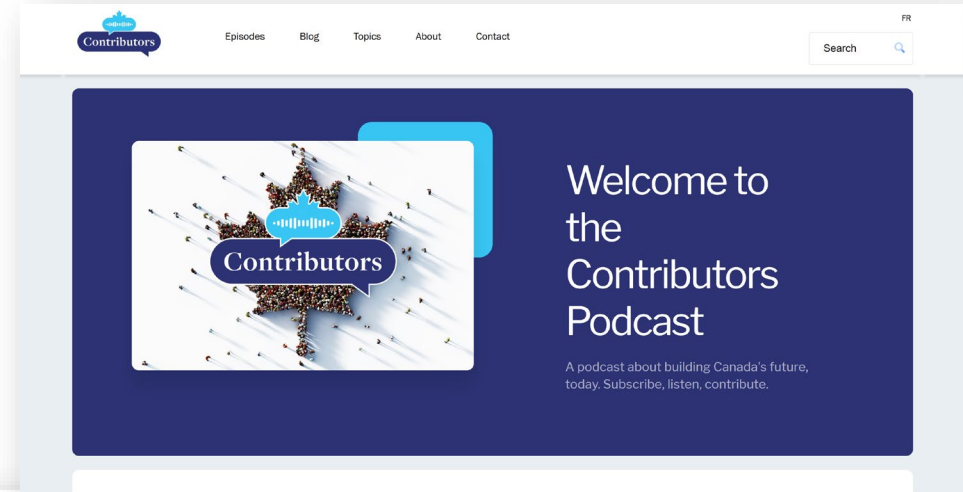
- Nurture stakeholder support
- Demonstrate benefits
- Address hurdles



Starting slowly helps

Contributors podcast

- Very strong guest list
- 2021 downloads: 23,000+



The screenshot shows the homepage of the Contributors podcast website. At the top, there is a navigation menu with links for Episodes, Blog, Topics, About, and Contact, along with a search bar. The main header features a large blue banner with a central image of a maple leaf made of people holding hands, with the word 'Contributors' in a speech bubble. To the right of the image, the text reads 'Welcome to the Contributors Podcast' and 'A podcast about building Canada's future, today. Subscribe, listen, contribute.'

Episode #12: Barriers to entry - How Canadian colleges are closing the trade-skills gap

In this episode, Russell is joined by Anne Sado, a member of the order of Canada and the past president of George Brown College.



APRIL 2022



In this episode, Russell is joined by Anne Sado, a member of the order of Canada and the past president of George Brown College. During the episode, she shares how Canadian colleges, like George Brown, have created learning pathways that will mitigate the growing skills gap – and empower employers to continue supporting Canada's future.



Have the innovations worked?

- Over 200 employers from 11 industrial sectors
- In 3 years, more members in DBplus than DBprime
- Members in every province
- Support of 17 unions and associations
- Overwhelming 97% support in DB merger conversions



Final thoughts

- There is both need and desire
- It is a mind shift
- Having support is key



