

Better  
**outcomes.**

Same **cost.**

Less **risk.**

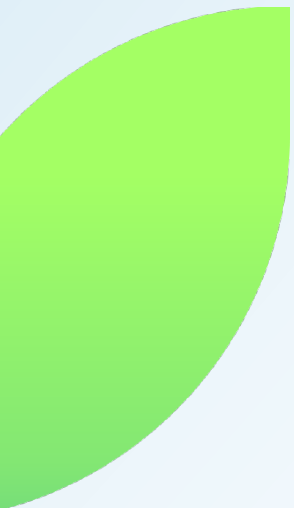


# A competitive **advantage**

**DBplus** by the CAAT Pension Plan

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# The Business Landscape



Canadian CEOs are already navigating uncertainty, rising inflation rates, labour shortages, and other business challenges in today's complex business environment.

When asked about the internal issues their companies will focus on, Canadian CEOs said areas of high priority include attracting and retaining talent, accelerating digital transformation, improving cash flow, developing the next generation of leaders, and modifying their business models.<sup>1</sup>

Today, employees want more focus on their financial wellness. Sixty percent of Canadians say they will not work for an employer without a good pension plan<sup>2</sup>, while sixty-four percent of employers' growth is already being impacted by a shortage of resources.<sup>3</sup>

The CAAT Pension Plan's modern plan design, DBplus, provides a complete solution for many of these challenges. By partnering with one of Canada's fastest-growing and highest-performing plans, employers secure cost certainty, eliminate risks, and accelerate their organizational objectives.

To remain competitive,  
it is time to upgrade  
**your retirement program.**



<sup>1</sup>Reset and Reimagine: Surviving and Thriving in a Uniquely Challenging Business Environment, The Conference Board of Canada, 2022

<sup>2</sup>Manulife Investment Management, Manulife Canada Retirement Study: Stress, Finances, Well-being, 2022

<sup>3</sup>CTV, "These Canadian industries are currently facing the biggest labour shortages," October 5, 2021.

# Tailored Approach to Eliminate Risks and Reduce Costs.

Organizations continue to turn to CAAT to upgrade their workplace pension and retirement savings programs to a more valuable and sustainable pension solution. At the CAAT Plan, each organizational goal is carefully reviewed to ensure we deliver a tailored approach to meet your business objectives. These design services come at no cost.



## Challenges for CEOs across Canada

- Attraction, retention, engagement, and productivity
- Lack of resources
- Financial risk management
- Enterprise value
- Legacy pension costs and risks
- Cost uncertainty

## The CAAT Pension Plan Advantage

- Increase attraction, retention, and loyalty by offering a gold standard in workplace retirement plans
- Improve engagement and productivity by minimizing employee stress around financial decisions and burden
- Minimize offsetting resources by giving administrative duties to Plan experts
- Minimize pension-related financial risks
- Increase enterprise value through sales and acquisitions by eliminating legacy pension costs and risks
- Secure cost certainty by choosing a fixed contribution rate that is aligned to the organization's goals

# New Benefits Secured. Business Goals Achieved.



The DBplus pension solution provides significant benefits and allows organizations to focus on their core business objectives.

Additional benefits can be secured, regardless of the existing pension arrangement (existing defined benefit plan, existing defined contribution or group RRSP, existing deferred profit-sharing plan, or no plan).

## Financial Benefits

- ✓ Eliminates consulting and internal governance costs
- ✓ No balance sheet risks
- ✓ Less turnover (reduced hiring and training costs)
- ✓ Efficient use of the compensation budget by contributing to a pension plan that increases the expected pension payout with lower risk and stress for employers and employees

## Culture and Workplace benefits

- ✔ Supports being an employer of choice
- ✔ Significantly improves attraction, retention, and engagement metrics
- ✔ Supports employee financial and mental wellness
- ✔ Fewer days off and lower health benefit utilization costs (related to stress)
- ✔ Higher productivity
- ✔ Supports holistic wellness

## Social Value Benefits

- ✔ Demonstrates corporate social responsibility, increasing brand value
- ✔ Reduces reliance on social programs
- ✔ Ignites volunteerism and community building
- ✔ Enhances quality and satisfaction of life
- ✔ Supports local communities





# Canada's Innovative and Award-winning **Solution, DBplus by CAAT Pension Plan**

CAAT is one of Canada's most sustainable, fastest-growing, and highest-performing pension plans. Backed by \$20.1 billion in assets, the jointly governed Plan stands 124% funded on a going-concern basis, with a funding reserve of \$5.3 billion.<sup>4</sup>

The DBplus design is part of the not-for-profit CAAT Pension Plan, which has been managing pensions since 1967.

<sup>4</sup>Based on the CAAT Plan's latest actuarial valuation, as of January 1, 2024

## Participating employers say they join CAAT's DBplus plan design for:

- Cost-certainty – once contribution rates are set, they don't change (unless the employer wants to further enhance their program)
- Flexibility to pick the contribution rates that meet employer needs
- Minimized compliance or fiduciary time, costs, or risks
- Enhanced efficiency through simple accounting
- An opportunity to partner with pension experts
- Valuable and secure lifetime pension benefits employees want and need

DBplus is a unique workplace retirement savings solution that brings together the best of traditional DC plans (i.e., fixed costs) and traditional DB plans (i.e., predictable lifetime retirement income).

DBplus provides secure lifetime pension income at fixed contribution rates for employers and employees.

DBplus provides the certainty of a secure lifetime pension, more value, and simplicity – for both employers and employees.

# Elevate Your Recruitment and People Strategy.



## Improve attraction and retention

Labour shortages will drive talent retention and recruitment strategies for years to come. As workers have more choice, companies are preparing for higher wage and benefit costs along with increased turnover. The CAAT Plan can help organizations win the race for talent. Executive teams across Canada are now capitalizing on the link between employee retirement planning and talent attraction and retention.

### Benefits of choosing DBplus:

- More than ever, employees expect a workplace pension... 80 % of Canadians say a retirement plan is a critical company benefit.<sup>5</sup>
- The Plan offers conditional cost-of-living increases, survivor benefits, and other valuable features at no additional cost.
- Employees are demanding more focus on their financial wellness: 79% say they are likely or very likely to change jobs for a better pension.<sup>6</sup>

## Improve engagement and productivity

Pensions improve engagement and are also linked to increased productivity. The better the pension, the more productivity is expected. Research shows that productivity increased when employees were enrolled in a DB pension plan during the pandemic.<sup>6</sup>

The Canadian Payroll Association estimated that financial stress is the number one source of stress for Canadians, costing Canadian employers \$16 billion annually due to lost productivity.<sup>7</sup>

<sup>5</sup>Manulife Investment Management, Manulife Canada Retirement Study: Stress, Finances, Well-being, 2022

<sup>6</sup>Healthcare of Ontario Pension Plan and Abacus Data, 2021 Canadian Retirement Survey, May 2021.

<sup>7</sup>Canadian Payroll Association, National Payroll Week Survey of Employed Canadians, September 2019



# Less Cost. Less Risk. More Value.

## Exit the pension risk management business

CAAT can support your move to reduce existing DB pension costs and risks, while mitigating impact on accounting, governance time and risks. Employers may have the option of transferring past DB liabilities to CAAT and participating on a go-forward basis, thereby removing pension risks from their balance sheet.

### Benefits of choosing to move past DB liabilities to CAAT:

- Secure a fixed single exit price well in advance for your group to evaluate the option.
- The Plan's pension mergers receive an average 97% employee endorsement rate, including the full endorsement of 23 different unions.
- Once the merger is approved and assets are transferred, and the employer responsibility for payment of the past DB benefit becomes CAAT's.



## Remove cost uncertainty in balance sheet

Employers have no balance sheet risks when joining DBplus. Even in the highly unlikely event of a CAAT pension deficit, employers' contributions will not change.

### Benefits of choosing DBplus:

- The CAAT Plan currently has a total of \$5.3 billion in reserves to manage investment market volatility and other uncertainties.
- CAAT is responsible for all investment decisions and risks.
- CAAT's investment experts have created significant value add over the long term, leading to bigger reserves and benefit enhancements which deliver even more value compared to other pension options.



### **Improve enterprise value, removing pension legacy costs and risks**

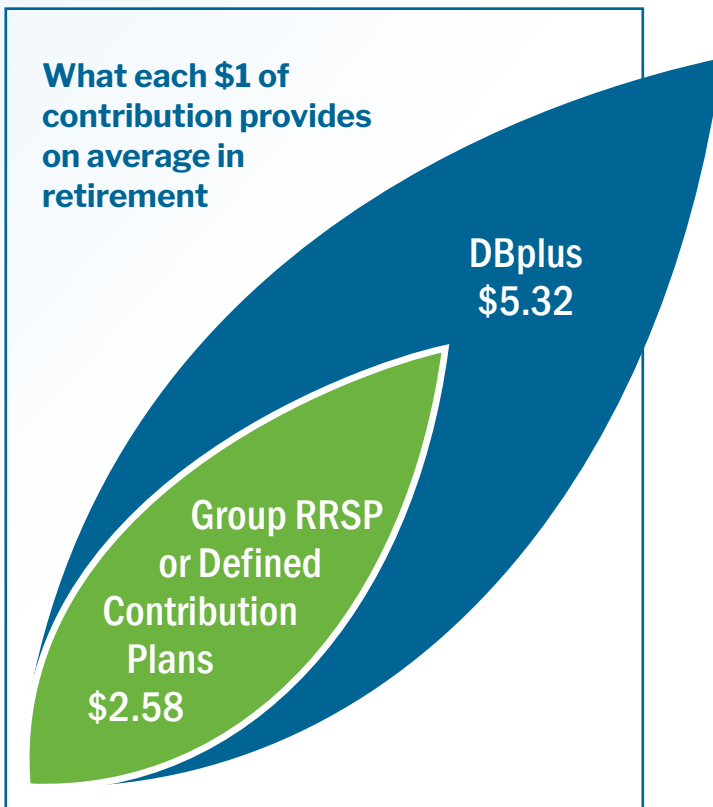
For organizations pursuing acquisitions and sales, CAAT Pension Plan can remove the burden of pre-existing DB arrangements.

#### **Benefits of choosing DBplus:**

- All administration support and duties are covered by the Plan at no extra cost.
- CAAT will provide transition support and roll-out to ensure successful implementation of program-to-program conversions.
- Organizations can focus on scale-focused objectives without concerns on existing arrangements.

# A plan employees want

More retirement income for each dollar contributed



Considerable research has been done on how large, jointly-sponsored pension plans like CAAT can provide twice as much income in retirement as compared to large group RRSP and DC plans – for the same cost.

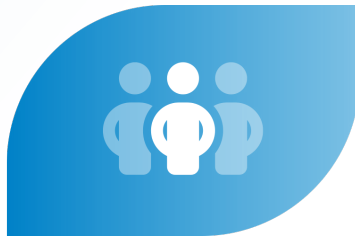
Canada-model pension plans, such as CAAT, provide \$5.32 on average in retirement income for each \$1 in contributions, compared to large group RRSP and DC plans, which provide \$2.58 for each \$1 contributed.<sup>9</sup>

<sup>9</sup>Healthcare of Ontario Pension Plan (HOOPP). “The Value of a Good Pension.” 2018

# Simple steps to bringing DBplus to a workplace



Choose the contribution rates that  
work for your organization



Choose the employee  
groups to be covered



Choose the effective date

# Flexible Solutions. Comprehensive and Complimentary Support.



Workplaces with different employee needs often pose a challenge for traditional pension plans. CAAT's support is provided without additional cost. Many participating employers have leveraged CAAT's knowledge, experience, and expertise in designing and implementing a design roll-out to employees.

## **Lift-and-shift plan upgrade**

The CAAT Plan's lift-and-shift approach brings far more value without impacting current costs. DBplus can replicate the current contribution structure of a DC or group RRSP program, which results in no cost impact to employers or employees. If applicable, employees can retain their current DC account balances and have the choice to use those balances to purchase additional pension with the CAAT Plan.

## **Tailored contribution rates**

Different contribution structures can be accommodated by group, location or other factors.

## **Quick and smooth transition**

Joining the Plan includes simple steps with support from the CAAT team. Implementation can be staged by group, location, or all at once, and transitions can be accommodated within weeks.

## **Comprehensive outsourcing**

Administration, governance and investments are managed by the professionals at CAAT at no additional cost. A dedicated onboarding team and ongoing support is also available at no cost, including employee education and communication support.



# Interested in learning more? Let's connect.

Connect with the CAAT Plan's team to learn more about how DBplus can add value at your organization. CAAT's pension plan experts are here to help you assess the benefits of DBplus and make a smooth transition to the Plan, regardless of the existing arrangement. CAAT's experts are all straight salary and do not earn bonuses or commissions. Our focus is on improving outcomes for employers, employees, and Canada.

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Visit our website at [DBplus.ca](https://dbplus.ca) or [caatpension.ca/pension-solutions](https://caatpension.ca/pension-solutions) to learn more.

*DBplus is open to workplaces of different sizes, sectors, and industries across Canada. There are exceptions that apply which may require individual regulatory approval from appropriate jurisdictional authorities.*



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