Offer Your Employees Twice The Retirement Income



The competition for top talent is fierce. Give yourself a hiring advantage by offering a pension plan that pays employees more money in retirement.

THE NUMBERS DON'T LIE

Research has shown that defined benefit pension plans like DBplus can provide twice as much income in retirement as Group RRSP and defined contribution plans, for the same cost[1].

A 2018 study by the Health Care of Ontario Pension Plan (HOOPP) found that, on average, every dollar contributed to a defined benefit pension plan adds up to $5.32 in retirement income. That's more than twice the payout of the average Group RRSP or defined contribution plan.

EXPECTED PAYOUT FOR EVERY $1 INVESTED

TYPE OF PLAN	DEFINED CONTRIBUTION PENSION PLANS AND GROUP RRSPS	DEFINED BENEFIT PENSION PLAN (DBPLUS)
Retirement income for every dollar invested	$2.58	$5.32

HOW DBPLUS PRODUCES SUPERIOR RESULTS

"Canadians are bombarded by messages promoting the importance of low fees and high rates of return as the best path to a secure retirement," says Dawn Marchand, CEO of Lawyers Financial. "While that's partly true, starting early, staying committed, and benefiting from expert advice are also critical to success," she adds. DBplus checks all those boxes.

1. IT'S EASY FOR EMPLOYEES TO STAY COMMITTED

Pension plans with mandatory contributions and automatic enrolment help participants get started early, stay committed and save more money over the course of their careers. That's because they are encouraged to:

- Contribute more money to their plan

- Start saving earlier in life
- Stick to their plan over the long haul

2. THE PLAN KEEPS COSTS LOW

When your employees participate in a defined benefit pension plan, they share the management cost with thousands of other Canadians. This often results in lower management fees, allowing more of the actual contributions to grow into retirement savings.

3. EMPLOYEES GET ACCESS TO TOP MONEY MANAGERS

It’s unrealistic to expect busy staff to make long-term decisions about where to invest or how to predict returns. DBplus leaves that job to experts.

4. DBPLUS ASSUMES ACCOUNTABILITY

The plan assumes fiduciary responsibility. It’s accountable for the stability of investment funds and for providing guaranteed income to all participants in retirement.

5. RISK GETS SPREAD WIDELY

Pension fund managers balance investment risk among a large number of plan members at different stages of their lives and careers. This eliminates long-term risk created by market ups and downs.

Footnote

1. *2018 study The Value of a Good Pension, published by the Healthcare of Ontario Pension Plan.*

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

by Lawyers Financial
Lawyers Financial