



Marathon for Talent: *Lead with Better Pensions*

Improving attraction, retention,
wellness, and the bottom line

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Overview

1. Who is CAAT?
2. The Marathon for Talent
3. Pensions as a Competitive Advantage
4. Best of DB and DC Innovation

Trusted voice in Canadian retirement

From recruitment to retirement, CAAT is a sought-after expert on how organizations can employ **the power of pensions as a long-term business solution.**



Carrick on Money





CAAT is one of Canada's most sustainable and highest-performing pension plans.

- Established in 1967
- Open to all sectors and provinces in 2020
- Not-for-profit trust

Professional pension expertise

- ✓ 400+ purpose-driven, in-house experts
- ✓ No bonuses, no commissions
- ✓ We are CAAT members too!



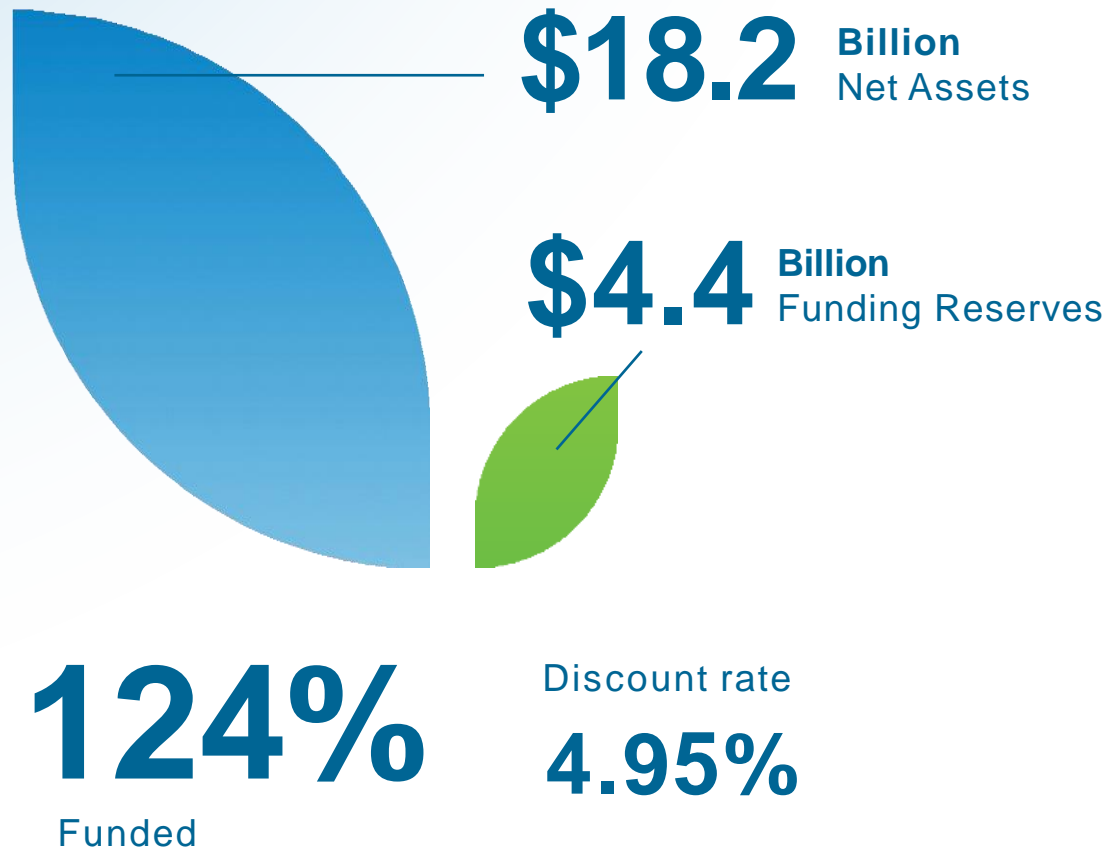
Leading investment performance

The Plan's 10-year net rate of return of 11.1% is ranked #1

out of the 38 funds with market value above \$1 billion in the **BNY Mellon Canadian Master Trust Universe.**



CAAT Plan is large, secure and diversified



Outstanding value attracting employers



Talent Attraction & Retention:

Better pensions lead to
being an employer of choice

The Marathon for Talent is here

Dive deeper in a special fireside chat with **Dr. Susan Black**, President and CEO of The Conference Board of Canada, on **The Marathon for Talent**.



Season 2, Episode #4: The Marathon for Talent - How to attract & retain talent through a long-term lens

Retaining talent is the top objective for most leaders

Almost 9 out of 10 leaders are [already] experiencing talent shortages (89%).¹

- Leaders say **retaining workers is their main priority.**²
- Nearly **8 in 10 SMB leaders expect to increase their headcount** over the next three years (77%), with more than half anticipating an increase of 6% in total staff or more.³
- **Seven in 10 employers** say they expect to face hiring challenges in 2023, with the main reason for employee turnover being better pay or benefits elsewhere.⁴

Employers must focus on long-term talent management to retain talent and avoid burnout.



1. Mercer Global Trends Survey, 2022
2. C-Suite Challenge, The Conference Board of Canada, 2022
3. KPMG's CEO Outlook, KPMG, 2022
4. Harris Poll, Express Employment Professionals, 2022

Long-term financial security and wellness matter most for workers

Eight out of 10 Canadians say a retirement plan is a critical company benefit. ¹

- Six out of 10 Canadians say they would be **unlikely to work for a company that didn't have a retirement plan**
- 76% agree it is important to **offer benefits that will reduce employees' financial stress.**
- Eight out of 10 Canadians believe that **companies have a responsibility to offer a pension plan** that offers adequate retirement income. ²

Provide retirement confidence, financial security, and wellness to build long-term loyalty and attract their network.

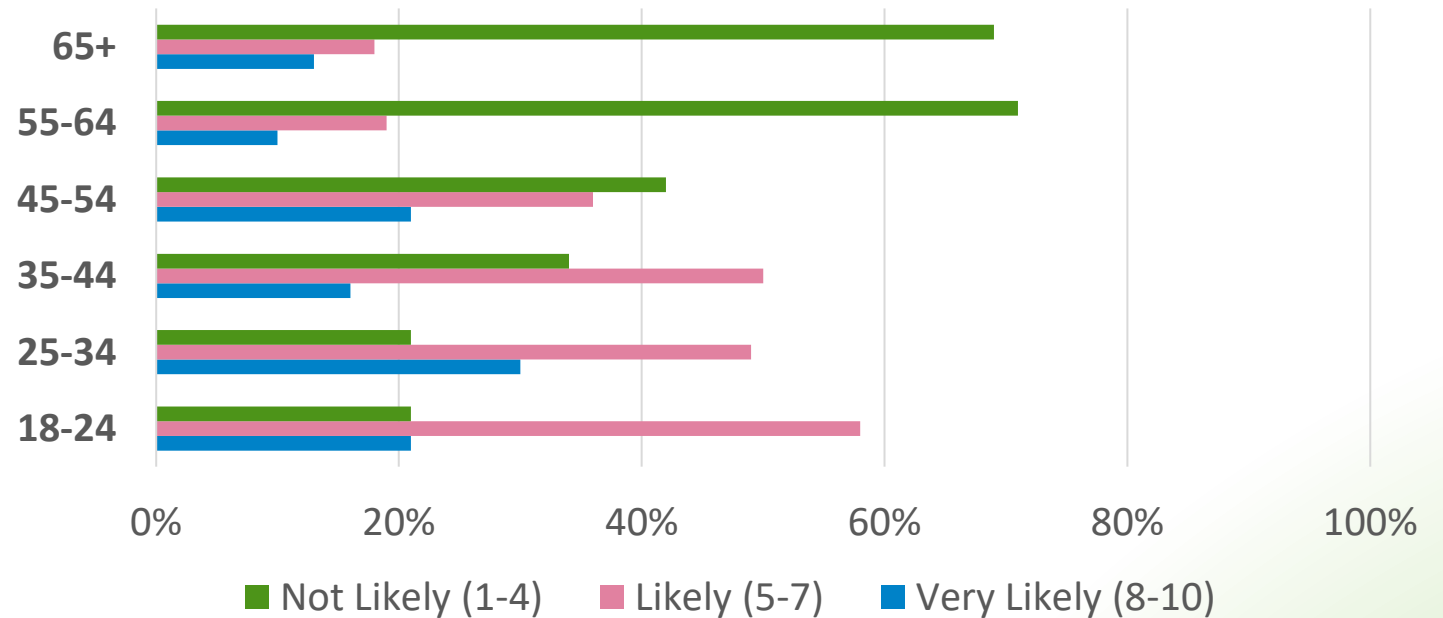


1. Manulife Investment Management, *Manulife Canada Retirement Study: Stress, Finances, Well-being*, 2022.
2. *Canadian Retirement Survey, HOOPP*, 2022.

Pensions matter to younger workers

Four out of 5 workers ages 18 to 34 say they are likely or very likely to **change jobs for a better pension.**

Likelihood of moving to another employer to get a good workplace pension, by age group



Pensions provide better long-term return

Young workers understand the value of pensions.

“...half of young workers under 35 would choose a pension over a higher salary...”¹

Many employers are increasing salaries and stay bonuses.

“...86% of employers are **using higher salaries** to help with attraction, retention efforts...”²

Short-term compensation increases will lose steam against long-term structural shifts:

“...Demographers predict that there will only be four candidates for every five job openings...”

1. Canadian Retirement Survey, HOOPP, 2022.
2. Mid-Year Compensation Survey, WTW, 2022.

Pensions drive wellness and productivity



More than third of workers report they are behind or far behind on their retirement savings.

Workers spend an average of **5.8 hours per week** on personal finances at work.

73% of employers agree that financially stressed workers are less productive.

3 of 4 of workers say a financial wellness program would impact their stress reduction, talent referrals, and stay incentive.

Good pensions improve brand and social value

Good pensions align with ESG and Corporate Social Responsibility (CSR) goals.

- Retirement insecurity is a growing crisis.
- Being part of the solution improves the brand value.
- Pensions provide social value.

Providing lifetime retirement income is good for employees, for business, and for Canada.

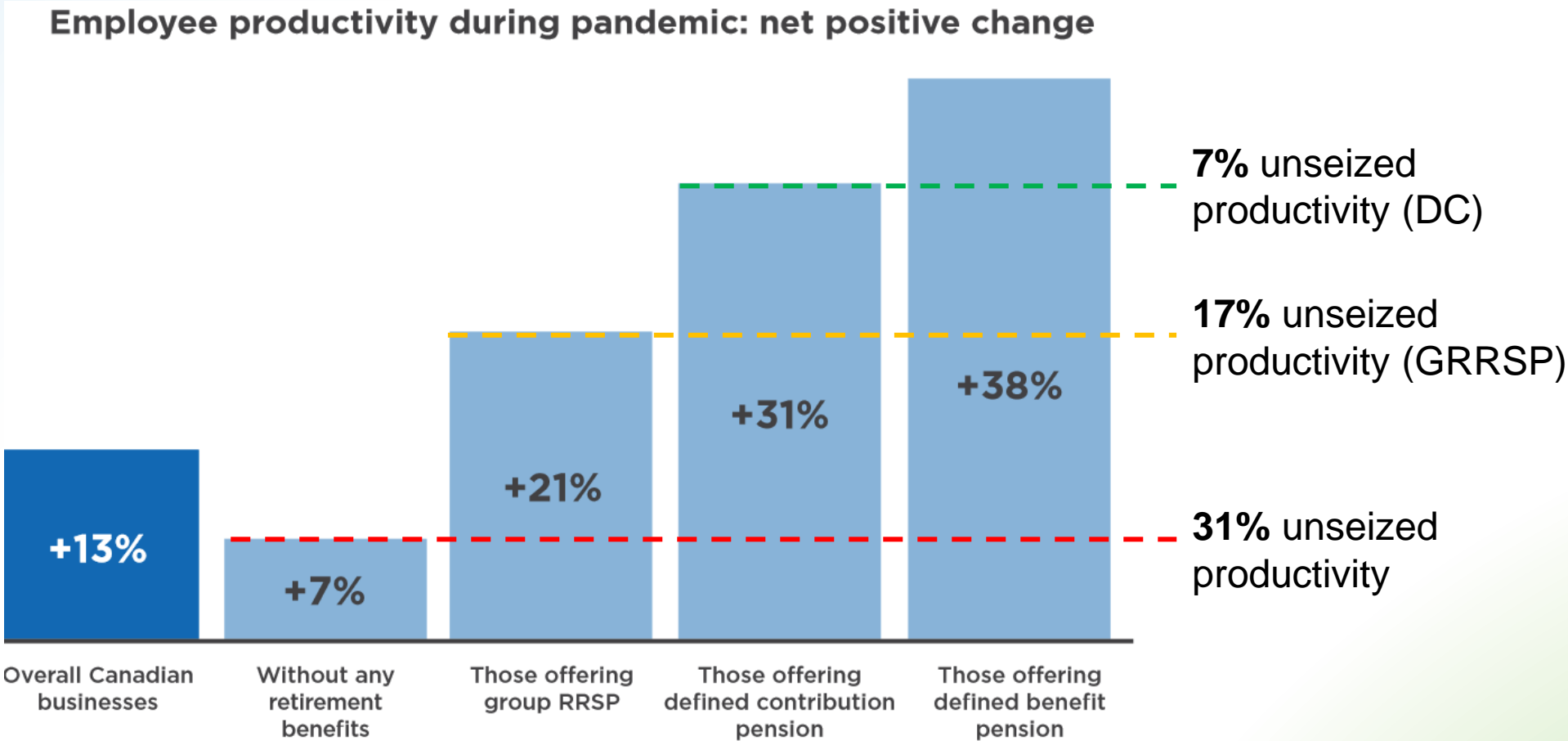
Learn more at cpplc.ca



The Type of Pension Matters:

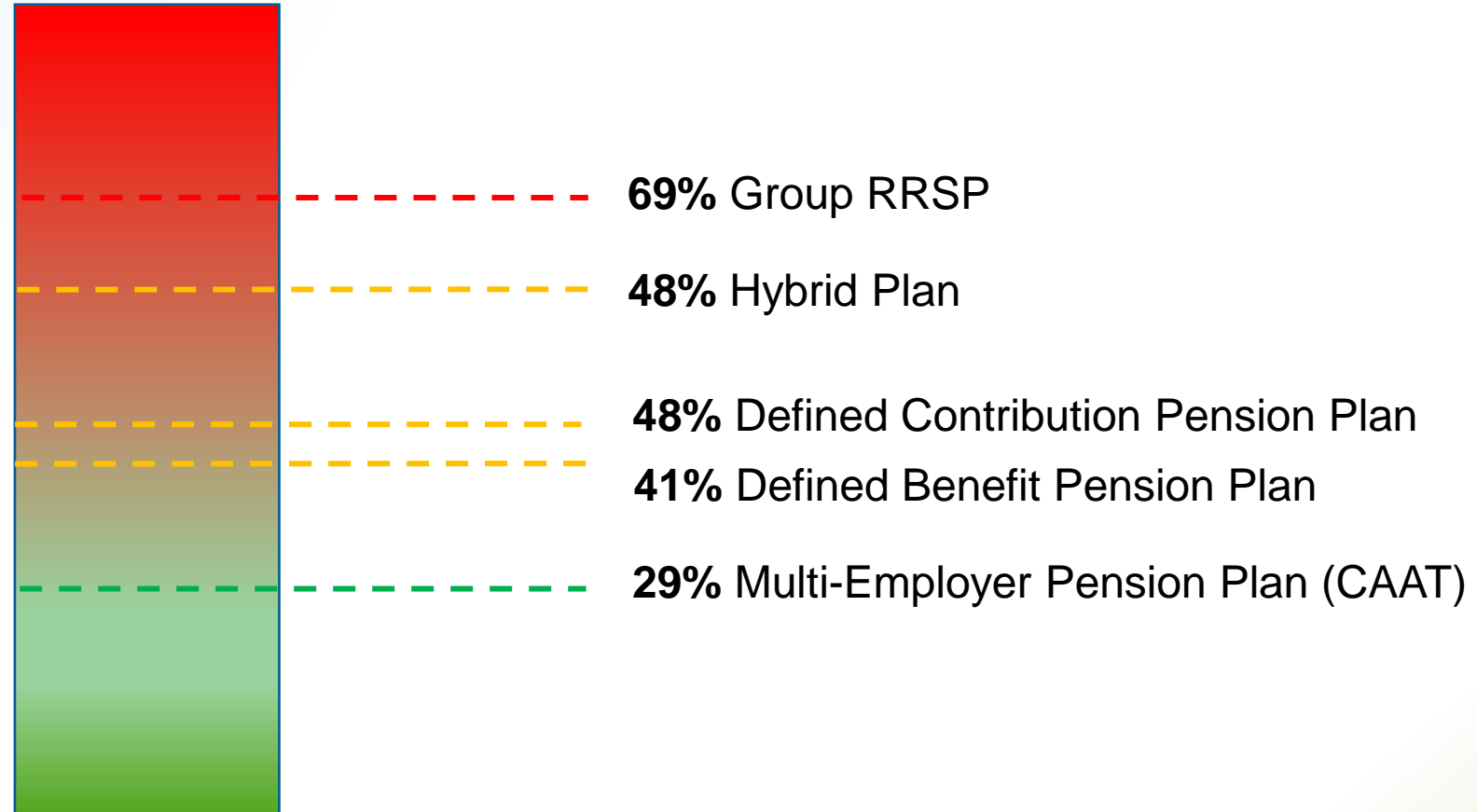
Improving attraction, retention, wellness,
productivity, and value

Increase productivity by 7% to 31%



Source: HOOPP and CommonWealth, The Value of a Good Pension: The Business Case for Good Workplace Retirement Plans, November 2021.

Reduce stress levels with the right plan design



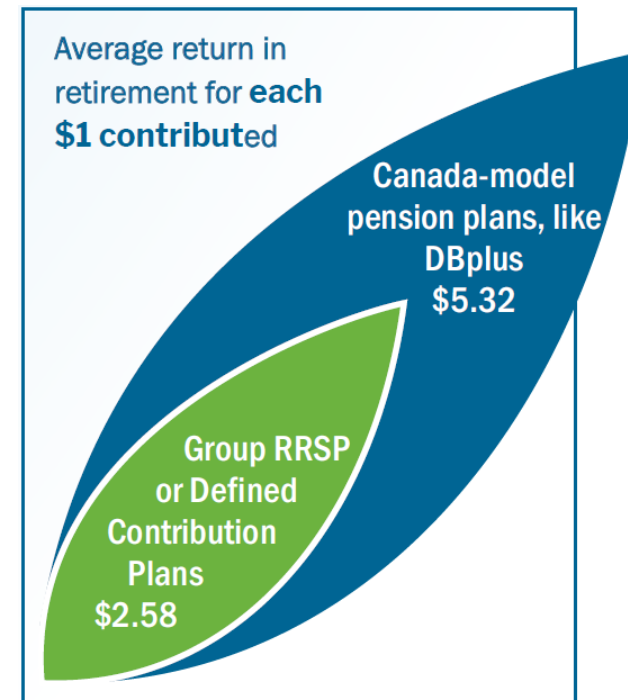
Source: Canadian Public Pension Leadership Council Survey of 2,000 Canadians, 2016

More Value. Less Stress.

Simple. Valuable. Predictable.

The expected pension benefit per dollar contributed is higher with modern **Canadian-model DB plans**, without the stress, risks or costs of managing investments.

Offering a world-class pension gives workers what they want and need – at an affordable rate.



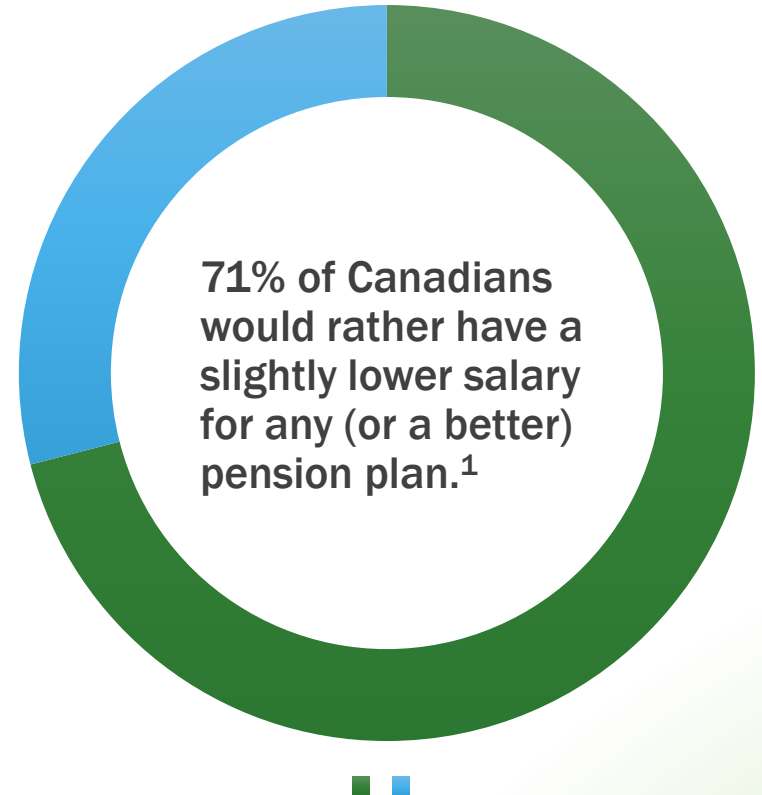
Source: HOOPP and CommonWealth, The Value of a Good Pension, 2016

The Bottom Line: Pensions Matter

Helping employees save for their future is a **key differentiator and competitive advantage** that:

- ✓ Reduces burnout, cost and time of recruiting/training, and talent exodus
- ✓ Addresses a structural change in the workforce with a cost-efficient long-term solution
- ✓ Attracts talent, builds culture and nurtures productivity to grow businesses in the long run

Leaders want modern options to attract, retain, and engage employees.



Source: HOOPP and Abacus Data, 2021 Canadian Retirement Survey, May 2021.

Minimizing Risk & Cost:

Understanding DBplus in the retirement plan landscape

The Best of DB and DC in One Plan

CAAT's innovative DBplus is a unique solution now open to workplaces across Canada.

The DBplus Advantage:

- ✓ Lifetime pensions employees want
- ✓ Cost-certainty employers need
- ✓ High-value features for both



Financial Risk Considerations

Key Financial Factors	DBplus by CAAT	Defined Contribution Plan or Group RRSP	Single-Employer Defined Benefit Plan
Fixed Cost	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Eliminates contribution volatility	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <i>(except when employee rates change)</i>	<input type="checkbox"/>
Eliminates employer deficit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Eliminates balance sheet liability	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>

Governance Risk Comparison

Key Governance Factors	DBplus by CAAT	Defined Contribution Plan or Group RRSP	Single-Employer Defined Benefit Plan
Eliminates administration systems	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Eliminates fiduciary obligations and litigation risks	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Eliminates responsibility for member communications and education	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Workforce Management Comparison

Key Workforce Management Factors	DBplus by CAAT	Defined Contribution Plan or Group RRSP	Single-Employer Defined Benefit Plan
Helps employee attraction and retention	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Helps improve employee engagement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reduces turnover cost	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

A better pension is a competitive advantage

Employers

- ✓ Improve retention, recruiting, productivity, and wellness
- ✓ Enhance equity
- ✓ Advance ESG and CSR goals
- ✓ Simplify pensions

Members

- ✓ Benefits employees want and need - secure, predictable, lifetime income
- ✓ Inflation protection, survivor benefits
- ✓ Reduce stress and risk - no need to be an investment expert
- ✓ Simplify retirement

***DBplus acts like a DC plan for employer,
with the attraction, retention, and wellness benefits of a DB plan.***

Read more on the power of pensions

CAAT in the News

- [A recession won't solve the labour shortage: The marathon for talent \(Talent Canada\)](#)
- [Employee retention: Facing the front-line flexibility dilemma in manufacturing \(Canadian Manufacturing\)](#)
- [DBplus: The right thing to do \(Benefits and Pensions Monitor\)](#)
- [Recruit to retiree: Skilled workers want financial security and wellness benefits \(Canadian Manufacturing\)](#)
- [Strong retirement programs can be a real differentiator for employers \(Talent Canada\)](#)

Read more on the power of pensions

CAAT in the News

- [Does Canada need a pension champion? \(Pension Pulse blog\)](#)
- [Workplace pension plans a recruitment standout \(Canadian HR Reporter\)](#)
- [How employers can boost employees' financial security even as pension and insurance benefits shrink \(Financial Post\)](#)
- [Carrick on Money Q&A \(Globe and Mail\)](#)
- [Modern DB Plans Combine the Best of DB and DC Pensions \(Benefits Canada\)](#)

Read more on the power of pensions

Success Stories

- Not-for-profit think tank boosts its talent recruitment with new DBplus offering (The Conference Board of Canada)
- Ontario Dental Association and its subsidiary, Accerta, upgrade from an RRSP to an attractable, modern DB plan
- CAAT helps B.C.-based non-profit replace RRSP savings program with a secure defined benefit plan (SHARE)
- Mental wellness non-profit George Hull Centre prioritizes financial wellness with DBplus
- Association brings the security of a modern defined benefit pension plan to BC's education sector (UVSS)