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CANADA

MENTAL
HEALTH
SPECIAL
ISSUE

A GLOBAL PERSPECTIVE

Comparing workplace mental-health
supports around the world **p14**

PLUS!

A closer look at five employers' award-winning mental-health strategies **p8**

How active management strategies are helping institutional investors **p17**

What are the issues for savings when mental health becomes a burden? **p22**

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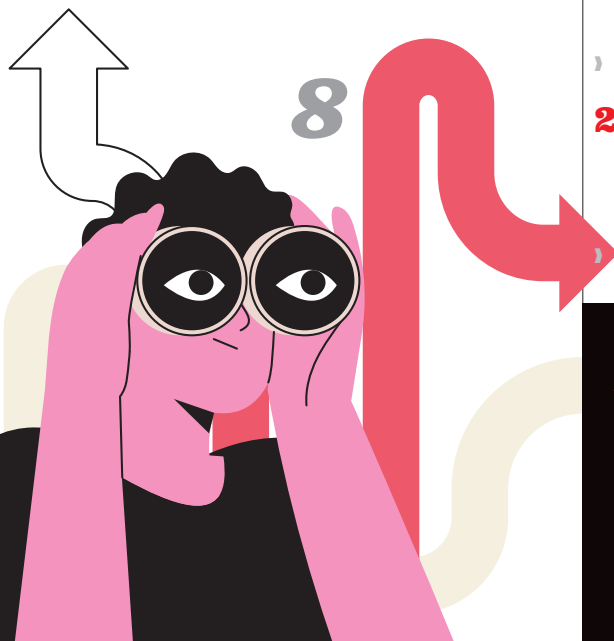
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Canada

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The more things change

Well hello there!

We may have met during one of *Benefits Canada's* and the *Canadian Investment Review's* many events throughout the year, but if we haven't, I'm usually helping our daily online news coverage from behind the scenes, while contributing to the monthly print magazine.

You'll be seeing me in this space for the next few months, as Jennifer Paterson takes time to welcome a new baby to her family alongside raising a growing toddler.

The theme of change is fitting for the first issue of *Benefits Canada* in 2024. However, the more things change, the more they stay the same.

This is perhaps most evident in the theme of employee mental health. It has been a top challenge and priority for employers over the last few years, as well as a mainstay of *Benefits Canada's* coverage. This edition of the magazine is our annual mental-health issue, in which our editorial team focuses on how employers are meeting the moment and supporting workers' mental wellness.

In this month's Employer Strategy (page 8), we feature winners of the 2023 Workplace Benefits Awards that were recognized for their innovative approaches to employee mental health and take a deeper dive into these winning strategies.

The Benefits Feature (page 14) explores how Canadian employers stack up to their global peers in terms of mental-health benefits and support, including a look at Scotiabank's alignment of benefits across the

various global markets in which it operates. Ayman Alvi, the bank's vice-president of global pensions and benefits, notes this process includes focusing on what types of support are needed, what the employee experience is going to look like and how to balance that with the associated cost.

"A key piece, as a multinational employer, that we need to think about is how our programs interact with the local marketplace [and] local health-care structure — whether there's public support or not — and the socio-cultural piece because it's not one size fits all," he says. "And when it comes to mental-health support, it's not just about the immediate benefit. It's also how it links with time off, disability and ensuring inclusion throughout the process."

Another recurring theme is the turbulent economic market that institutional investors continue to navigate. While the fourth anniversary of the start of the coronavirus pandemic is just weeks away, the financial impacts of the health crisis — coupled with growing geopolitical tensions — are leading Canada's pension investors to view their portfolios and investment strategies in a different light.

In this month's Investment Feature (page 17), Amy Chang, managing director of active global fundamental at the British Columbia Investment Management Corp. says the key to navigating these macroeconomic challenges is to block out the noise and operate from a bottom-up perspective with a heavy long-term outlook, noting her team stays focused on

finding competitive advantages of prospective companies that can provide consistent returns in any economic environment.

"That means looking at the individual attributes of companies, including their business models, operations and ability to generate free cash flow," she says. "Within the BCI's internal active global fundamental strategy, we have a mandate that's focused on quality at a reasonable valuation. So opportunities, such as whether the company is underappreciated by the market, drive our investment decisions."

Happy reading, whatever changes the year ahead may bring.



Blake Wolfe
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REGISTER NOW FOR THE 2024 VANCOUVER BENEFITS SUMMIT

On May 23, this event will offer tangible actions for employers looking for a holistic approach to supporting their employees' health in uncertain times.

Last month's top news, moves and numbers in the HR, benefits, pension and investment industries



PENSION INVESTMENTS

- The **Caisse** is investing US\$100 million in subscription commerce platform company AppDirect. It's also backing the acquisition of supply chain solutions provider SCI Group by investee company Metro Supply Chain.
- The **Ontario Teachers'** is selling its interest in Ohio-based snack food company Shearer's Foods to private investment firm Clayton Dubilier & Rice.
- The **AIMCo** is investing in a new green energy fund from Singapore-based Seraya Partners. It's also increasing its Australian agriculture portfolio with the acquisition of a cattle management company.
- The **IMCO** is adding \$2.6 billion in portfolio assets from four public funds based in Ontario.

TOP 5 STORIES OF THE LAST MONTH

- 1** Caisse buys stake in Brazilian energy firm subsidiary, backs Quebec-based bakery
- 2** BCLC allowing employees to swap statutory holidays for personal, cultural days of significance
- 3** How Ontario pay transparency legislation will impact employers
- 4** Expert panel: How interest rates impact DB pension plans
- 5** How employers can help employees with ADHD be engaged, productive

PEOPLE WATCH

- Stephen McLennan is CIO of asset allocation, Gillian Brown is CIO of public and private investments, Jonathan Hausman is chief strategy officer and Nick Jansa is executive managing director at the **Ontario Teachers'**.
- Pierre Cherki is executive managing director of the **Ontario Teachers'** new in-house real estate asset group.
- Darwin Bozek is president and chief pension officer at the **OPB**.

EMPLOYERS IN THE NEWS

- **3M** is freezing U.S. DB pension plans for non-union employees by the end of 2028.
- **Willful** is expanding its bereavement leave to provide employees with additional support and flexibility.
- **The government of Nova Scotia** is providing roughly 3,000 early childhood educators and support staff with a comprehensive benefits plan and membership in the CAAT's DBplus pension plan.

SURVEY SAYS

84% of Canadian job seekers value work-life balance over climbing the corporate ladder (Express Services)

28% of global employees are planning to leave their employer within the next year (BCG)

49% of Fortune 500 leaders are women and people from underrepresented backgrounds (Spencer Stuart)

45% of Canadian employers are awarding larger bonuses than last year (Robert Half Canada)

87% of DC pension plan sponsors feel their members are somewhat or very prepared for retirement, compared to just **63%** of members who feel the same way (Voya)

- The **BCLC** is allowing employees to swap statutory holidays for personal or cultural days of significance.
- **IBM** is launching a new retirement benefit account for U.S. employees.





2024 VANCOUVER BENEFITS

Summit

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Benefits Canada is pleased to present the 2024 Vancouver Benefits Summit, designed for B.C.-based employers, advisors and consultants. This conference will offer tangible actions for employers looking for a holistic approach to supporting their employees' health in uncertain times.

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BROADENING THE SCOPE

of mental-health support

Nearly four years after a global health crisis sparked an enduring spotlight on Canadians' mental health, employees are increasingly making use of their workplace benefits while employers continue to push the boundaries in the programs and support they offer

BY JENNIFER PATERSON

ILLUSTRATION ELLY WALTON

Two-thirds (67 per cent) of Canadian benefits plan members used their mental-health benefits in the last year, according to the 2023 Benefits Canada Healthcare Survey, while three-quarters (73 per cent) said their workplace environment supports mental wellness.

It was heartening to see the survey's findings reflected in the calibre and number of entries in Benefits Canada's 2023 Workplace Benefits Awards' mental-health categories. However, it's also somewhat of a double-edged sword: employers are continuing to introduce various levels of mental-health support for their workforces, but they're doing so because of the increasing need for these programs.

Benefits Canada asked the finalists — and two winners — about their award-worthy mental-health strategies and how they've evolved in the past few years.

First West Credit Union

In late 2021, First West Credit Union noticed its short- and long-term disability rates were rising due to mental-health issues and knew it had to up its game to support employees' mental health to reverse the trend.

To begin, the British Columbia-based credit union conducted an employee survey, which showed the results varied significantly by location and type of work. It was clear a one-size-fits-all program wasn't going to be effective, so it developed its three-year Live Well strategy.

"It started from a concept and knowing there was a problem to a full-on evolution of supports and systems in place that are available at any time to help employees," says Kabir Bhagaria, First West's manager of employee health and safety.

Since managers know their employees and their workplaces the best, the organization first focused on its leaders, running sessions on psychological safety that aimed to promote an environment where it's safe for employees to speak up and be themselves at work. Indeed, First West's mental-health philosophy can be summed up by the terms inclusive, supportive, open and welcoming.

"There is no employee that wouldn't receive help," says Bhagaria. "If they say to their performance leader, 'I need support right away,' they would get it."

One of the unique aspects of the program is a new role called Live Well Champions. Any employee — from frontline workers to vice-presidents — can volunteer to become a champion, which includes learning how to recognize when a colleague is struggling, what to do to help them and how to support leaders. Currently, the organization has 60 Live Well Champions, with one or two at each location.

"They really help to drive a lot of the promotion initiatives, . . . especially with the remote work environment and being spread all over B.C.," says Bhagaria.

"People come and go all the time, but for the most part, we've got a very steady, stable group of Live Well Champions. Our goal [in 2024] is to offer them individual education sessions on various topics."

Flight Centre Travel Group

Flight Centre Travel Group was the 2023 Workplace Benefits Awards' winner in the mental-health program category for companies with fewer than 1,000 employees for its Healthwise program, which includes a focus on mental and emotional health. The program focuses on maintaining mental well-being to cope during challenging times and to prevent stress, which was particularly important during the coronavirus pandemic and its impact on the travel industry.

The company created a perceived stress test that allows employees to determine their current stress levels and provides the health and wellness team with an overview of how employees are doing. Those with a low level of mental stress are at cruising altitude, those experiencing mild to moderate stress are experiencing turbulence and should put their seatbelts on and those with severe stress receive a message that the oxygen masks are coming down.

Although the anonymous stress test is for all staff, the company can pull the results and see patterns in behaviour in different areas of the business, says



BY THE NUMBERS

- **18%** of plan members self-reported their mental health as generally poor over the past year, down slightly from **22%** in 2022. However, this surged to **74%** among those who also described their overall health as poor.
- **67%** of plan members used their employer-provided mental-health benefits in the previous year.
- **14%** of plan members said their benefits plans' coverage level for mental-health therapy fell short in the previous year.
- **73%** of plan members agreed their workplace environment supports mental wellness.

Source: *The 2023 Benefits Canada Healthcare Survey*

Anna Fisher, Flight Centre’s health and wellness director. “West Coast or East Coast, we can go to that area manager and say, ‘Your group is feeling very stressed at this particular time. Can we run training for them? Can we jump into a meeting? What can we do to help you with this problem we’ve identified?’”

The organization also encourages employees to disconnect when needed, emphasizing the need for them to set clear boundaries and to step away from work when out of the office or on vacation.

It also offers onsite wellness amenities such as a meditation room at its Toronto head office and its monthly onboarding sessions include resources and topics such as practicing gratitude on mental well-being. Flight Centre also provides mental-health leadership training for managers. It starts with 90-minute workshop-style sessions during which they learn how to create supportive environments for their teams and how to talk about mental-health challenges.

In 2022, as part of its initiatives for Canadian Mental Health Week, the company launched a podcast in which employees — including Fisher — share their experiences to help reduce stigma. “It’s just another way for employees to engage,” she says. “We don’t have a problem getting volunteers to talk about different things, whether it’s a mental-health challenge or [other topics].”

The Healthcare of Ontario Pension Plan

The Healthcare of Ontario Pension Plan developed its mental-health strategy in 2021 to educate and empower employees and their leaders to have supportive conversations, use available tools and provide resources for both the prevention and care of mental-health challenges.

The strategy has evolved as the organization looks at key data from its benefits and drug utilization, disability management, psychological claims, employee assistance program usage and employee feed-

back. It has also led to more collaboration with other areas of human resources, such as the diversity, equity and inclusion team and learning and development team.

“We started collecting the data methodically about six years ago because we wanted to be really intentional in our programming,” says Laura Carter, the HOOPP’s HR manager of wellness and benefits, noting the data highlighted the need to invest in mental health. “I think it’s what set us up to be in a good position when the pandemic hit. We were able to move quickly to support employees.”

In 2022, the HOOP launched mental-health training for managers, with four cohorts of people leaders completing the training so far. It also brought in a mental-health expert to provide monthly coaching and resources to leaders. Its 2023 activities included a four-week workshop on managing anxiety and stress; a three-part meditation workshop on fostering authenticity and compassion; seminars on topics like anti-racism and supporting neurodiversity

A SNAPSHOT OF COVERAGE

According to the 2023 Benefits Canada Healthcare Survey, **12%** of plan sponsors don’t provide any coverage for mental-health counselling, up slightly from **9%** in 2022. Of the remaining plan sponsors, about a quarter provide employees with an annual coverage maximum of up to **\$500 (28%)**, between **\$501 and \$1,000 (25%)** or between **\$1,001 and \$5,000 (23%)**. That leaves **7%** of plan sponsors with an annual maximum exceeding **\$5,000** and **5%** that didn’t answer.

The average reported annual maximum was **\$1,627**, down from **\$2,006** in 2022 and **\$1,865** in 2020. In 2023, **34%** of plan sponsors said they planned to increase their annual maximum for mental-health counselling, up from **28%** in 2022 and the highest number recorded over the four years since this question was first asked.

The current annual maximums for mental-health coverage among some of the 2023 Workplace Benefits Awards’ mental-health finalists are:

COMPANY	NO. OF EMPLOYEES	COVERAGE PER PLAN MEMBER
The HOOPP	900	\$2,500
First West Credit Union	1,300	Up to \$2,000
Sun Life	12,642	Up to \$12,500
Telus Communications	30,000	\$5,000 (+ \$5,000 per dependant)



“ People leaders have a unique challenge when it comes to supporting their teams . . . and maintaining their own mental health

in the workplace; and an employee survey on children's mental health to assess the need for resources and content.

The HOOPP noticed the need for training at the height of the pandemic when employees — and leaders — were struggling. “People leaders . . . have a unique challenge when it comes to supporting [their teams] and knowing what they can and can't say [and] maintaining their own boundaries and mental health. It's a tough balance and most people don't have the tools to navigate that, so when we had a few leaders come to us, we decided to pilot the training first.”

Sun Life Financial Inc.

Nearly a decade ago, Sun Life began its mental-health journey by aligning the National Standard for Psychological Health and Safety in the Workplace across a wide range of elements within its employee experience.

In 2016, the company increased its annual maximum mental-health coverage per employee to up to \$12,500 and expanded its list of registered practitioners the following year. In 2021, it created a dedicated mental well-being team, recognizing mental health was the leading cause of disability, even pre-pandemic. The same year, it also introduced an enhanced virtual EAP and a mental-health coach pilot program.

Sun Life also offers customized mental-health training for its people leaders, including a monthly learning series; embedded content in its DEI learning platform; mental-health webinars, podcasts and resources; and featured topics during executives' town halls. “It's been really important for us to start by building the founda-

tions, including employee and leader training, and really looking at our data and insights to inform where we continue to focus,” says Nicole Montpetit, the insurer's vice-president of total rewards for Canada.

In particular, the monthly learning series has received overwhelmingly positive feedback, she adds. “Having that direct support has increased their confidence and [ability] to manage and respond to situations from their employees.”

To promote mental health and provide work-life balance, Sun Life enhanced its annual vacation time allotment and introduced five care days annually, which encourage staff to focus on personal priorities including self-care and caring for others.

“We have a very strong caring culture at Sun Life that underpins our approach to our employees but also the flexibility,” says Montpetit. “That's a huge driver and employees really value that within our programs. We continue to listen and learn from our employees and they really do appreciate that flexibility in addition to the other supports we have.”

Telus Communications Inc.

Recognized as the winner in the 2023 Workplace Benefits Awards' mental-health program category for companies with more than 1,000 employees, Telus Communications' strategy includes a commitment statement, signed by its leadership team, affirming that a psychologically safe and healthy workplace is a priority.

It established a well-being and mental-health advisory group — which includes company directors who are accredited in multiple well-being and mental-health certifications and degrees — to ensure its

strategy reflects the ever-changing needs of its workforce. Indeed, the company has secured widespread leadership support to such an extent that its executive team and other senior leaders “proactively and routinely integrate well-being and team member mental-health strategies into their respective business plans, talk about it more seamlessly in their day-to-day interactions and publicly share their well-being and mental-health perspectives on their social media channels,” says Janet Young, director of well-being and health services.

Telus Communications also provides annual, customized mental-health training within its business units, as well as training for all employees every two years, which it has built into its onboarding process, so staff are well-equipped in this area from day one. It also hosts robust education and awareness campaigns in recognition of Canadian Mental Health Week, World Mental Health Day and Healthy Workplace Month.

One particular initiative is the company's identification of specific job demands and roles that are linked to higher mental-health incidence. This process helped it understand the impacts of psychological safety, scheduling, job fit, job design, team culture, virtual work, overall engagement and the role of the leader on employee mental health and enabled it to find opportunities to improve the employee experience.

“We have clearly designed our strategy and cultural framework to weave well-being and positive mental health into the fabric of Telus,” says Young.

“It's not just a stand-alone program with initiatives sprinkled throughout the year; it comes down to how we work, how jobs are designed, how we operate day to day, how we create safety for people and how we show up for each other that matters.”

Jennifer Paterson is the editor (on leave) of *Benefits Canada* and the *Canadian Investment Review*.



“OUR TECHNOLOGY IS KNOWN FOR PROVIDING GREAT FLEXIBILITY WHEN IT COMES TO TESTING PORTFOLIO RESILIENCY AND ADOPTING SPECIFIC FUND POLICIES TO ANALYSIS.”



approach is important because we think it's a systemic challenge that affects whole asset classes, not just individual securities.

On the liquidity risk side, rising interest rates, geopolitical tensions and economic uncertainty are driving a lot of change in the markets, making cash flows scarcer than they have been in the past. So understanding liquidity risk is a huge component of ensuring a fund can be resilient and maximize returns for investors over the long term.

What are the benefits of integrating assets and liabilities within one system?

It gives pension funds and insurers a one-stop shop. Modelling both assets and liabilities simultaneously provides

We also want to expand our reach in the national endowment and insurance space with solutions that effectively meet the needs of institutional clients. I think this is a tailor-made group that will take advantage of Ortec Finance's products and services.

What are some of the challenges institutional investors tell you they're facing?

There are many—but climate risk and liquidity risk are at the top of the list. How do funds and institutional investors incorporate climate risk in their portfolio assessments? And as geopolitical issues arise, while interest rates and the global economy change greatly, how do they manage liquidity risk to ensure their portfolios remain strong and healthy going forward?

Climate scenario analysis is one way to understand where climate risk lies in a portfolio. It's an essential tool to help institutional investors take a top-down approach to the systemic issues pertaining to climate change; this

Headquartered in the Netherlands, Ortec Finance provides risk and return management solutions to 600 clients in more than 20 countries. Founded by econometrics and technology experts, the firm combines models with technology to improve asset and liability management, risk management, portfolio construction, as well as performance measurement and attribution.

Over the past five years, Richard Boyce has been building Ortec Finance Canada's profile as managing director and senior vice-president of sales. He provides financial technology tools and data to asset management and asset owner clients across the country; and tells lessons he's learned as an NCAA athlete and board director at Young People's Theatre in Toronto.

What's your vision for Ortec Finance in Canada?

Our vision is quite simple. We want to continue to service our Canadian clients and offer innovative solutions to help them on their risk management and investment decision-making journey.

THE PERFORMERS

× CANADA'S INFLUENTIAL THOUGHT LEADERS ×

RICHARD BOYCE *Managing director and senior vice-president of sales*

a consistent approach—rather than multiple teams using multiple systems and taking different approaches to the same problem. With multiple systems, you can get inconsistencies that lead to inefficiencies, increasing the potential for error. On the other hand, when you use a unified system to manage assets and liabilities, you get a lot more breadth on risk monitoring, as well as idea generation for investment strategies.

How does Ortec Finance's technology improve asset management decision-making?

Our technology helps in many ways. For example, our realistic economic scenarios provide a good long-term picture of where public and private asset classes are going. In these projections, considering both assets and liabilities at the same time gives pension funds and insurers a competitive advantage when making decisions on policies, investment strategies and managing liquidity risk. Our technology is also known for providing great flexibility when it comes to testing portfolio resiliency

“OUR REALISTIC ECONOMIC SCENARIOS PROVIDE A GOOD LONG-TERM PICTURE OF WHERE PUBLIC AND PRIVATE ASSET CLASSES ARE GOING.”



and adopting specific fund policies to analysis. Also, when an actuary and an investment team can use one system, it creates synergies that allow for better decision-making.

How does your team ensure that institutional investors get the most out of technological solutions?

What sets us apart is that we really listen to our customers and incorporate the major drivers they want to see into our technology. We understand every plan isn't the same. And while we're a global organization, we have a team in Canada whose sole purpose is servicing clients, ensuring support is effectively met. This team also models each plan, making sure all the nuances of managing both assets and liabilities are being taken care of within the software.

What did you learn from being an NCAA hockey team captain that helps you in your current role?

It was an amazing experience that taught me the importance of having a great work ethic, a constant drive to improve and a focus on uplifting teammates to perform at a high level. This translates into my present work and has been key to my success. Whether you're a college athlete or leader in tech, you must be resilient, have that work ethic, strive to get better and manage relationships with all your teammates. I still promote these values as board director at the Young People's Theatre in Toronto—a role that gives me the opportunity to inspire today's youth and offer them exposure to performing arts.

“WHETHER YOU'RE A COLLEGE ATHLETE OR LEADER IN TECH, YOU MUST BE RESILIENT, HAVE THAT WORK ETHIC, STRIVE TO GET BETTER AND MANAGE RELATIONSHIPS WITH ALL YOUR TEAMMATES.”



What's the next frontier for fin-tech in institutional asset management?

At Ortec Finance, we're always looking for innovation paths. We're always listening to our clients. We're always listening to the market. What we see as the next major frontier is incorporating artificial intelligence (AI) as a method of optimizing our modelling and methodology. One area we're testing is reinforcement learning. In simple terms, this type of AI models multiple paths simultaneously within a scenario to produce optimal solutions—and it does so very quickly and efficiently. This is just one of many opportunities we're exploring to leverage AI to improve our solutions.





A GLOBAL PERSPECTIVE

Comparing workplace mental-health supports around the world

BY SADIE JANES

Although mental health is approached differently in workplaces around the globe, most multinational employers want to ensure a continuity of care and maintain a similar experience for all employees, while respecting local cultural and legal considerations.

For Scotiabank, these considerations include focusing on what types of support are needed, what the employee experience is going to look like and how to balance that with the associated cost, says Ayman Alvi, the bank's vice-president of global pensions and benefits.

"A key piece as a multinational employer that we need to think about is how our programs interact with the local marketplace [and] local health-care structure — whether there's public support or not — and the socio-cultural piece, because it's not one size fits all. [With mental-health support], it's also about how it links with time off, disability and ensuring inclusion throughout the process."

In Canada, employer-sponsored benefits plans typically supplement provin-

cial health coverage, but in other countries, that support will often look different. Multinational employers have to consider how local tax implications work and whether public support is available. "Some countries put limitations on certain things and they have different laws than . . . Canada. We need to be very mindful of that to make sure we're not offside of anything [while] still trying to meet employees' needs."

Silvia Pothoven, national manager of corporate benefits for Arthur J. Gallagher & Co. in Australia, agrees the biggest difficulty for multinational employers is understanding what is culturally acceptable to address as well as the underlying issues around the causes of mental health.

"Employers have to consider cost and access of support in each country, as well

as the delivery. It's important to take a global approach to a program and ensure the same employee experience for everyone. This can be achieved through clear communication and transparency on how to access support when it's needed."

However, barriers to mental-health support exist in many global markets, says Alvi, noting in Canada, many people have difficulty finding counselors that fit their specific needs. "Employers need to be mindful of what the conversation looks like locally, but at the same time, being an advocate and pushing where it makes sense. I think finding that balance is critical to ensuring we're moving forward."

Multinational employers can maintain equitable mental-health coverage by having a global strategy or clear objectives for employees, says Paula Allen, global leader and senior vice-president of research and client insights at Telus Health, adding this approach varies from market to market. For example, in markets where crisis services see the highest rates of utilization, plan sponsors focus on communication and ease of access to support prevention.

Differing approaches to diagnosis and treatment also provide challenges for multinational employers, says Luke James, workforce health consultant leader for Europe at Mercer. "For example, [some countries may take the approach of] psychiatry first as opposed to psychological therapies. In addition, and unfortunately, there remain cultural issues in terms of stigma around mental health in some regions of Europe, making it all the more important that companies employ strategies to recognize mental-health issues and support the affected employee before the issue becomes acute."

While many countries are just starting to discuss mental-health support, Canada has advanced the conversation dramatically in the last several years, says Alvi. "There's always room for improvement, but in Canada we have some excellent social programs, whether it's our foundational health care or the recent launch of the 988 [suicide crisis helpline]. Things like that don't necessarily exist everywhere for people to access when they're vulnerable."

Global comparisons

When comparing global mental-health support, one of the biggest differences is the level of support that organizations provide, says Allen, noting while employee assistance programs are fairly standard in Canada and the U.S., they're not widely available in all markets.

"[Depending] on who you're analyzing, about 90 per cent of organizations have it either directly or through an insurance carrier. That's certainly not the case in Latin America, the Caribbean, Asia and some parts of Europe."

While she notes there are changes happening — particularly in Asia, where EAPs are becoming increasingly available as part of a push to support mental health — the reason behind providing EAPs varies between markets, as does Telus Health's approach to delivering the service in each country where it operates.

"We have to be very sensitive to the culture and what's accepted. In Japan, coaching of a manager would be your entry point more than anything else. [In some countries] you wouldn't talk about it as a mental-health service, you would talk about it with different language. How an organization matches with the culture of the population is probably the biggest success factor."

Telus Health also found an interesting pattern when comparing mental health in different countries, says Allen, explaining while the percentage of people who were at moderate mental-health risk was consistent across markets, there were differences in the percentages of individuals at high mental-health risk versus low risk.

According to the organization's 2023 mental-health indexes, Poland's high-risk population was the largest at 49 per cent, while its low-risk population was 10 per cent. By comparison, the Netherlands' high-risk population was the smallest at 19 per cent, with a low-risk population of 32 per cent. Canada's high- and low-risk populations stood at 32 per cent and 25 per cent, respectively.

"This speaks to the extent of preventative services and if you have more people moving into high risk, then you're not

catching them early on and that's showing up in our research."

In some countries, employers don't play the same role as they do in Canada, says Alvi, noting while Scotiabank provides \$10,000 a year fully paid for its Canadian employees for mental-health coverage, that's not necessarily provided to employees in other global markets. In 2023, the bank launched its global inclusive standards of care to equalize the employee experience and bridge gaps in systemic issues.

Canada's approach to mental health

Despite the availability of mental-health resources, employees continue to experience burnout, says Katharine Coons, national workplace mental-health specialist at the Canadian Mental Health Association.

"Many workers don't have access [to] or aren't given time to utilize programs, training or mental-health supports at

GLOBAL MENTAL HEALTH BY THE NUMBERS

In 2023, Telus Health's monthly mental-health indexes found:

- Among countries included in the index, the U.S. had the highest average mental-health score of **68.9 out of 100**, followed by Australia (**64.5**) and Canada (**64.3**)
- Average scores among Asia-Pacific countries were considerably lower, including Hong Kong (**59.9**), Malaysia (**59.6**), Japan (**58.1**) and Korea (**57.8**)
- Canada reported a high mental-health risk population of **32%** and a low-risk population of **25%**

THE IMPACT OF MENTAL-HEALTH ISSUES

According to the World Health Organization's guidelines on mental health at work, an estimated **15%** of working-age adults have a mental-health disorder at any point in time. Globally, as of 2019, **301 million** people were living with anxiety, **280 million** were living with depression and **1.6 million** were living with schizophrenia or bipolar disorder. It also noted the most prevalent mental-health conditions, such as depression and anxiety, are estimated to cost the global economy **US\$1 trillion** each year, with the cost driven predominantly by lost productivity.

work. Organizations need to go beyond the standard to create wrap-around support for their employees."

Although employers feel the effects of poor mental health on their business, many organizations still don't have a workplace mental-health strategy in place, she adds. "[Employers] should provide access to programs and training for mental health and enhance psychological benefits. But most importantly, [it starts] with understanding your employees' unique needs."

To ensure psychological safety for employees, Canada implemented the National Standard of Canada for Psychological Health and Safety in the Workplace in 2013, which set the tone and led the way by developing the first standard of its kind in the world.

"[The standard] contains a robust set of voluntary guidelines, tools and resources for organizations to lean on when promoting mental health and preventing psychological harm at work," says Coons. "It has been around for 10 years now and organizations outside of Canada frequently refer to it as well. So, the conversation has been

happening for a while now within Canadian workplaces and we are seeing more and more organizations using the standard as a resource."

Canada can improve by having more of a keen focus on psychological health and safety at the workplace level, says Allen, adding some countries in Europe are a little further ahead with this.

"There are clear laws in some countries in Europe and there are expectations in terms of psychological safety that are sometimes more embedded in certain countries compared to North America. We have our own standard in Canada, and Quebec is implementing procedures that are a bit more stringent in terms of the expectations of employers, but Europe is further ahead in that respect."

The European perspective

In Europe, one of the main focuses for employers when it comes to mental health is ease of access, whether through a digital "front door" or in person, says James.

"Digital channels can help overcome some of the stigma associated with the initial check-in around mental-health challenges and virtual cognitive behavioural therapy can help teach employees coping skills for dealing with different problems."

European employers have also embraced manager training as an essential part of helping employees who are experiencing mental-health concerns and some larger employers also offer in-house counselling and psychological support, with some expanding these services to cover employees' dependants, especially children.

While there aren't many significant differences in mental-health coverage between Canada and Europe, he notes the strain on public health systems across Europe is resulting in greater use of employer-provided benefits.

Australia's approach

Employers in Australia are moving away from the reactive approach of simply keeping in touch with employees on mental-health leave to focus on the causes of mental-health issues and what can be done from a preventative and inclusive space, says Pothoven.

"They're putting more of a focus on education and training with things like mental-health first-aid training, harassment training, financial coaching and enhancing internal communications on benefits to increase utilization."

In Australia, Pothoven says employers often overlook financial health when considering their mental-health coverage and need to be encouraged to take a more holistic approach.

A study by NobleOak Life Insurance in March 2023 found 35 per cent of Australians said their mental health has declined since before the pandemic. In addition, diversity, equity and inclusion is playing an increasingly larger role in mental-health support, given the country's vast multicultural makeup.

Sadie Janes is an associate editor at Benefits Canada and the Canadian Investment Review: sadie.janes@contexgroup.ca



KEY TAKEAWAYS

- The best way to approach global mental-health coverage is by ensuring a seamless experience for all employees.
- Local cultural and legal aspects must be taken into consideration for multinational employers in each country.
- When it comes to mental health, the main difference between countries is the percentage of people at high risk versus low risk.

BUILDING RESILIENCY

How active management strategies are helping institutional investors' portfolios stay afloat amid a volatile global marketplace

RISK BY THE NUMBERS

- **60%** of global institutional investors view higher inflation as the new normal and **61%** expect rates to remain higher for longer, though **51%** – including **40%** in Canada – expect rate cuts in 2024.
- **40%** of global institutional investors – including **54%** in Canada and **52%** in Asia – are divesting holdings in China, due to its geopolitical ambitions (**73%**) and regulatory uncertainties (**79%**).
- **56%** are actively de-risking their portfolios, while **69%** are bullish on the performance of bonds and **62%** are calling for longer-duration bonds to outperform short ones.

Source: Natixis Investment Managers' 2024 outlook survey

BY LAUREN BAILEY

As global markets navigate turbulent economic waters, active management is proving once again to be a lifeline for institutional investors to ensure their portfolios ride out the storm.

Pension funds are currently operating amid uncertainty and potential risk, says Ruslan Goyenko, an associate professor of finance at McGill University's Desautels Faculty of Management. "There are [many] uncertainties that are going to affect financial markets, with the biggest challenge being the impact of interest rates."

He says the financial world is seeing the immediate impact of increased rates on the Canadian housing market, which will be followed by intermediate adjustments to company valuations.

Interest rates were initially increased to control inflation, especially in the developed world that grew heavily reliant on stimulus applied to offset the effects of the coronavirus pandemic, says Amy Chang, managing director of active global fundamental at the British Columbia Investment Management Corp., noting it will take time for these dynamics to play out.

"U.S. interest rates have increased the fastest in the last 25 years. We're really entering unknown territory. If interest rates do stay relatively high, and therefore discount rates, companies that have more cash flow today . . . should fare better."

The surprise in 2023 was how growth was more resilient than expected, even in Canada amid high household debt, says Hafiz Noordin, vice-president and director for active fixed-income portfolio management at TD Asset Management. "There was a lot of expectation that with this rapid rate hike cycle . . . we would see a more protracted decline in growth given that the world was used to very low borrowing rates and suddenly had to adjust to higher rates."

That unexpected growth has been helping to keep the labour market tight, which he believes

LOOKING AHEAD

Among 22 global public pension funds, the top factors impacting their investment approaches over the next 12 to 24 months include:

- Inflation (roughly 20%)
- Climate change (roughly 20%)
- Geopolitics (nearly 10%)
- Technological change (roughly 5%)

Source: *Official Monetary and Financial Institutions Forum survey*

will persist. But labour markets are now showing signs of loosening, which may lead to an environment where traditional fixed income can do well, with inflation trending back to target. “Still, risk assets may see a bit of a tougher time compared to this year, given the starting point for valuations.”

An active approach

As institutional investors rebalance their portfolios, they’re seeking ways to better match assets and liabilities and for some, that means putting active management front and centre in their diversification strategies, says Noordin.

In this volatile market environment, a number of scenarios could play out and it’s hard to gauge which one will prevail, he says, noting adopting an active management framework that provides more flexibility and tools is a good value proposition going forward.

Many institutional investors seeking long duration and liquidity in an active management framework gravitate toward a conventional fund structure, he adds.

“Some of the larger [institutional investors] are also looking for more customized solutions and more of their interest recently has been around liability-driven investing frameworks, particularly for more segregated types of mandates that can fit in their risk frameworks.”

Inflation has been a persistent challenge in the post-pandemic market. One way to hedge inflation is to view it as a composite of different parts — unit, labour, cost, consumer price index and producer price index — says Monica Defend, a member of Amundi Asset Management’s executive committee and head of the Amundi Investment Institute.

“Once you detect the single determinant of inflation, . . . your equity allocation [will flow] into sectors that allow you to navigate inflation. So again, looking at inflation, not as a monolith, but in its subcomponents might prove valuable for investors.”

A steady hand

The key to navigating these macroeconomic challenges is to block out the noise and operate from a bottom-up perspective with a heavy long-term outlook, says Chang.

Realizing various market challenges are out of their control, her team stays focused on finding competitive advantages of prospective companies that can provide consistent returns in any economic environment. “That means looking at the individual attributes of companies, including their business models, operations and ability to generate free cash flow. Within the BCI’s internal active global fundamental strategy, we have a mandate that’s focused on quality at a reasonable valuation. So opportunities, such as whether the company is underappreciated by the market, drive our investment decisions.”

Private credit as an asset class is still appealing in this environment, given what was happening in the traditional banking system, says John Wilson, co-chief executive officer and managing partner at Ninepoint Partners. But with increasing regulatory demand for more capital to be held by the banks, he’s seeing borrowers seek out private capital to meet their financing needs, which may lead to a higher quality of borrowers. “With interest rates up . . . the return [that investors] can generate . . . on a private loan are much higher.”

Canada’s Maple 8 — the country’s largest eight public pension plans that manage a total of about \$2 trillion in assets — are famous for being very advanced in their use of alternative assets, particularly private assets, and they saw significant benefit from that class, he says, noting institutional investors are staying the course on alternatives because the class has performed really well over the long term.

While Canadian pension funds have invested strongly in Canadian commercial real estate, many found they were over-allocated in this area when the pandemic began, says Wilson, noting they’re now right-sizing their allocations to include more infrastructure, warehouses and data centres or other alternative asset classes, including in international markets. “When we talk to small- and mid-sized pension plans, real estate was generally their only significant exposure to alternative assets and they’re seeking to grow their allocations to other alternatives . . . for better diversification and/or inflation protection.”

Chang also sees opportunities in the industrials market, particularly in the U.S. Due to a huge backlog of projects, there will be a lot of investment in vital infrastructure, such as airports,

roads and bridges that will largely be supported by bipartisan legislation.

“We think there’s probably upwards of \$1 trillion of spend that needs to occur over the next decade in the U.S. There’s been a huge amount of under-investment and just a very small number of projects have been started in terms of shovels in the ground.”

She notes another area that’s gaining traction in the market is health-care innovation, such as glucagon-like peptide-1 agonists, a diabetes treatment that has also been indicated for weight loss. Because these drugs can help individuals realize substantial weight loss, they’re increasingly being covered under medical plans and, as a result, they’re in high demand.

Global disorder

Geopolitical disorder is causing even more uncertainty for institutional investors, says Defend, noting this may call for a pivot back to the 60/40 balanced approach.

“For the first time, after 20 to 30 years, we are living in a supply shortage, [as a] result of the various crises and wars we have [endured]. This will leave us with winners and losers, particularly in the emerging markets where the . . . supply chain [is shifting] from China to India, Indonesia, Vietnam, Brazil and Mexico.”

In addition, discussion surrounding onshoring versus nearshoring will continue, particularly when it comes to the climate transition sector. In the U.S., tax incentives and infrastructure bills will provide further momentum in this sector. “Any investments related to the clean transition are opening up investment opportunities,” she adds.

Indeed, a recent survey by the Official Monetary and Financial Institutions Forum found more than a third (35 per cent) of pension funds said they expect to increase their allocations to green bonds and green real assets over the next 12 to 24 months and most expect to increase investments in renewables.

Global markets will see fragmented growth, with emerging markets growing

faster than advanced economies, Defend says, citing data that shows gross domestic product slowing in developed markets, particularly in the U.S., where many economists are predicting a recession in 2024. Over the longer term, more growth will take place in emerging markets. “It is true that China is slowing, but it is slowing because they are targeting a more balanced and sustainable growth rate. But there are other countries such as India or Indonesia, that eventually will have to contribute, so we estimate the growth will likely be there. These are the asset classes [pension funds] should have in [their] portfolios.”

The OMFIF survey also found 40 per cent of institutional investors selected India as the most attractive emerging market due to its government’s investment in infrastructure. Investments in the country’s digital infrastructure may boost its productivity level, but this is contingent on it being socially well managed, says Defend, noting education will be critical.

The next Industrial Revolution

While the world is bracing for a global recession, there’s also optimism that a Second Industrial Revolution — the rise of artificial intelligence — will increase the productivity lost during the pandemic, says Goyenko, noting this will spur growth and lead to high valuations.

“It will create a lot of jobs and a lot of opportunities. In all sectors, AI brings improvement because it will replace manual work to increase efficiency and reduce delays and, therefore, costs. It will optimize the supply chain, which is a very important part of any business model. Basically, the technology will allow companies to cut a lot of production costs.”

In finance, he says AI will help investors produce better forecasts.

“It’s the most powerful tool I’ve ever seen applicable to investments. . . . It makes the current investment book obsolete. It’s excellent at anticipating crises and increases in volatility. A couple years ago

AI was a good solution, but now it’s really a salvation.”

The BCI is exploring AI tools to help with day-to-day functions and it’s also being used to decipher unstructured data. “We have a quantitative team within active equities and they found it very useful to write Python code, for example, in terms of their systematic strategies,” says Chang.

“We’re probably [in an] early stage at this point, but I definitely see the day-to-day benefits [with] just the sheer amount of volume of information that we have to process [in our decision-making] for our clients.”

AI isn’t a crystal ball, but it’s better than a human, in terms of the amount of data it can analyze at once, says Goyenko. “However, in volatile times like now, where there is so much uncertainty, it would be socially irresponsible for pension funds to not use AI in their investment strategies.”

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KEY TAKEAWAYS

- Interest rate volatility will continue to be a main challenge for institutional investors in 2024.
- Pension funds are staying the course in fixed income, though private credit investments that can provide long-term duration are becoming more appealing.
- A geopolitical reorder is underway, with a focus on emerging markets and regions that will benefit from a shift in supply chains.



Canadian Investment Review

On Nov. 15-17, the *Canadian Investment Review* hosted a group of delegates – including defined benefit pension plan sponsors, fund managers and academics – at the Rancho Bernardo Inn in sunny San Diego, Calif. for its annual Investment Innovation Conference.



PHOTOS BY MICHELLE QUANCE

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PRUDENT PLANNING

What are the issues for savings when mental health becomes a burden in retirement?

BY BLAKE WOLFE

BY THE NUMBERS

- **32%** – The percentage of baby boomers with a chronic physical or mental-health condition who have changed or considered changing their retirement plans to pay for health-related costs
- **52%** – The percentage of millennials with a chronic physical or mental-health condition who haven't factored the cost of managing their condition into their retirement plans
- **47%** – The percentage of Canadian employees who say they're very worried about running out of money in retirement

Sources: Sun Life, the CPPLC

Since decreased cognition can impact retirees' ability to make sound decisions, the Canadian Union of Public Employees urges its members to discuss financial matters with their families long before exiting the workforce.

"If we wait until we're in distress, we either make very bad decisions or we don't make any decisions at all, which can be just as bad," says Troy Winters, the CUPE's senior health and safety specialist. "[It's important to have] those conversations with family, especially if there's a predisposition [for mental decline]. . . . [Many people] don't like to talk about money, but that's not healthy — if nobody's talking about it, nobody knows what to do or what their choices or decisions would be."

In addition to reducing retirees' capacity for financial decision-making, mental-health conditions can also impact cost of living. A November 2023 survey by Sun Life Financial Inc. found among baby boomers with a chronic physical or mental-health condition that requires medication or treatment (49 per cent), just a third (32 per cent) had changed or considered changing their retirement plans to pay for health-related costs.

Among millennials with a chronic physical or mental-health condition requiring medication or treatment (31 per cent), the survey found around half (52 per cent) said they haven't factored the cost of managing their chronic conditions into their retirement plans and women (61 per cent) were more likely than men (43 per cent) to say they haven't done so.

Conditions such as dementia and Alzheimer's disease pose the biggest risks to retirees' financial wellness, particularly through an increased vulner-

ability to financial scams, says Greg Hurst, a pension consultant and managing director at Greg Hurst & Associates Ltd.

"There are many stories where an elderly person has fallen victim to a scam and [is tricked into] taking large sums of money out of the bank. . . . In terms of managing your own finances, as you get older, it can become more challenging to do that — and the financial services industry isn't well set up to provide [adequate] services in that area."

It's also important for employees to mentally prepare for a drop in monthly income following retirement, says Carol Chow, chair of the Canadian Institute of Financial Planning's Retirement Institute. "You have to be prepared way in advance [and] know where the money is coming from because it is a drastic reduction, especially considering company pensions aren't like they used to be [and you] can't rely on the government either."

The role of retiree benefits

While retiree benefits typically focus on providing workers with continued coverage for routine medical and dental care, Hurst sees an opportunity for employers to provide increased mental-health coverage and paramedical support to retired workers. However, a lot of work needs to be done before this expanded coverage becomes a reality.

"Employers have become less and less willing to engage in [retiree benefits] because it creates a

future liability obligation on them that they may not be entirely comfortable with. The exceptions you'll find are in the public sector where those offerings are more common."

For defined benefit pension plan sponsors in particular, programs like retiree benefits and associations symbolize the ongoing relationship between the plan sponsor and retired members, he adds. "There is generally recognition that, to some extent, retired employees have a financial interest in terms of how the plan operates and certainly the employers do have a fiduciary duty to [retired members]."

Extended coverage for employee assistance programs could also help retirees who are balancing deteriorating mental health and ongoing financial responsibilities, says Winters, adding both employers and governments have a role to play in providing ongoing mental-health support. "I think, [for employers], it would be worth putting it to [retired] employees as, 'For an extra \$5 a month, you can keep engaged with our EAP program.' [They could even] work out some kind of deal where [all employees receive] a discount because they have a whole group of people staying in the pool."

Retirees and their families can mitigate any negative impacts of declining mental health through financial products that provide consistent retirement income. Hurst recalls his mother converted her retirement assets into life annuities, a move that provided guaranteed income and removed financial decision-making from the equation. Since annuities must be purchased by age 80 due to income tax rules, it's important for retirees to discuss this strategy as soon as possible, he notes.

"If you start to decline in your mental health, you're not going to have the capacity to make good decisions about how your retirement assets are looked after. So that's where a tool like a life annuity is very useful. The thing is, you have to plan ahead."

Flipping the script

Conversely, retirement preparedness can have a positive impact on employees' financial wellness and mental health before they leave the workforce.

A July 2023 survey by the Canadian Public Pension Leadership Council found nearly half (47 per cent) of Canadian employees said they're very worried about running out of money in retirement and more than a quarter (28 per cent) of all respondents said stress related to retirement planning has had a large impact on their personal health.

Indeed, enhancing employees' financial and mental wellness is one reason employers opt to offer retirement savings plans, says Sabeen Purewall, director of pension solutions and partnerships at the Colleges of Applied Arts and Technology pension plan.

"[Employers are] recognizing there's a direct link between retirement planning and employee mental health — 60 per cent of employers currently participating [in the CAAT's DBplus pension plan] said they joined because they wanted to support their employees' satisfaction and wellness."

Blake Wolfe is the interim editor of *Benefits Canada* and the *Canadian Investment Review*: blake.wolfe@contexgroup.ca.

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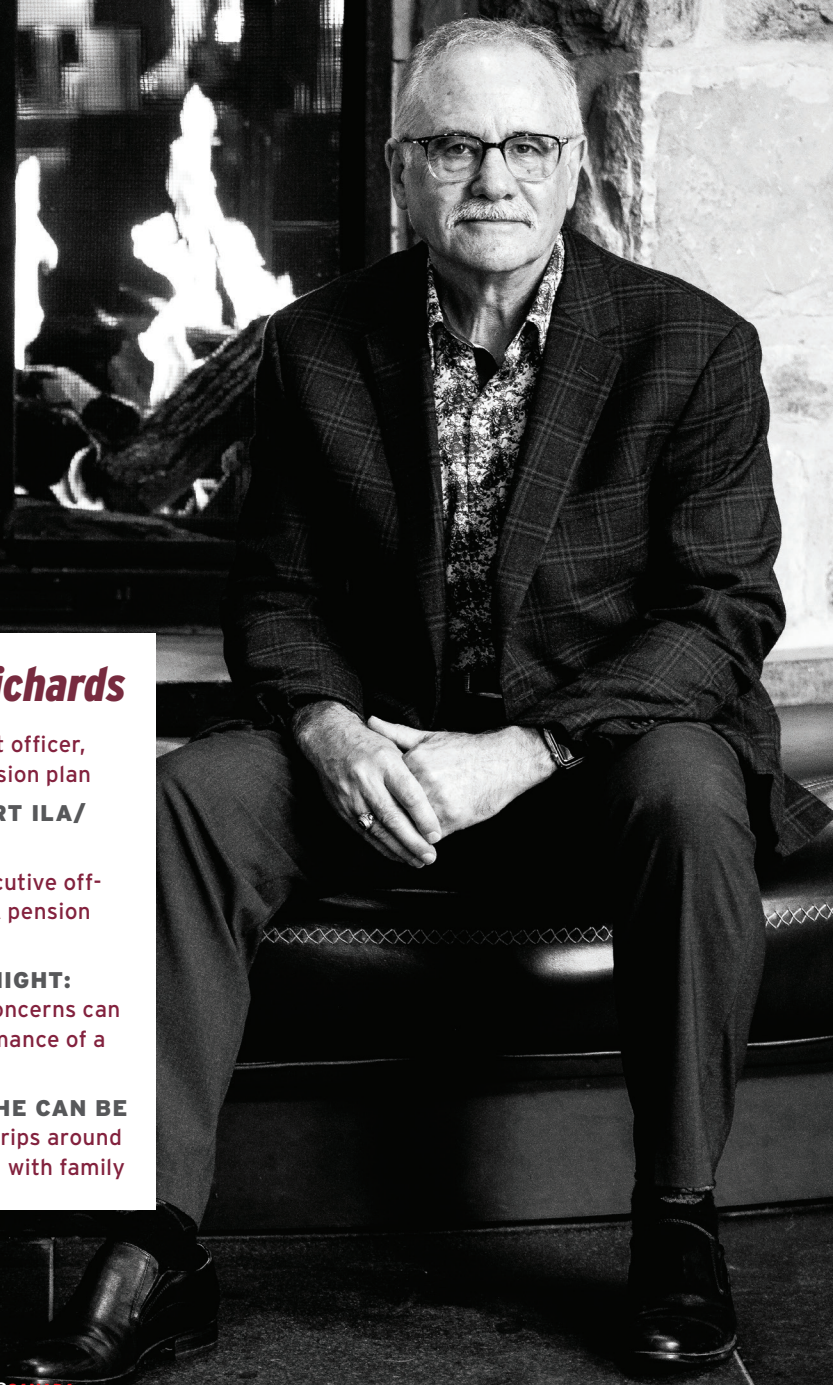
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GETTING TO KNOW *Blair Richards*

JOB TITLE: Chief investment officer, the Halifax Port ILA/HEA pension plan

JOINED THE HALIFAX PORT ILA/HEA: 1984

PREVIOUS ROLE: Chief executive officer, the Halifax Port ILA/HEA pension plan

WHAT KEEPS HIM UP AT NIGHT: The impact that short-term concerns can have on the long-term performance of a pension plan

OUTSIDE OF THE OFFICE HE CAN BE FOUND: Making the most of trips around the world and staying in touch with family

PHOTO: MICHELLE QUANCE

HALIFAX PORT ILA/HEA ASSESSING PAST, FUTURE OF DB PENSION PLANS

BY BRYAN MCGOVERN

While Blair Richards understands why the industry is moving away from defined benefit pension plans, he worries about what may be lost in the process.

When Richards — the chief investment officer at the Halifax Port ILA/HEA pension plan — joined the institutional investor 40 years ago, DB plans were an attractive hiring and retention tool for private sector employers. Now, he says the risk associated with these plans has led to a widespread exit strategy.

The organization opted to keep its DB plan, which has been closed since 1984. “I have unfortunately lived through what I guess was the high point of DB plans and what will eventually be a complete loss. . . . I had hoped . . . [they’d] come back around. [They have] slightly, but [not] like . . . before.”

The Halifax Port ILA/HEA continues to manage the DB plan’s investments, but without further financial support from its employers, the investment team knew it had to take a conservative approach.

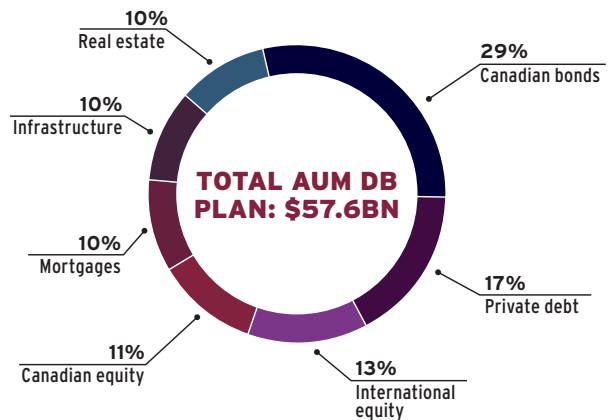
Due to its size, the breakeven point is low compared to most, which motivated the team to focus on alternative investments early on, says Richards, noting the plan has also reduced its allocations to fixed income over time.

“Now as the rates have come back up, the reason we got away from that high weighting is that if your breakeven is five per cent and your expected return around a 10-year bond is two per cent, you can’t sit on that position. You’re forced away from that very bond that has served you so well for decades.”

The development of advanced life deferred annuities and variable payment life annuities has helped the plan provide lifetime payments to members. Indeed, for more than 30 years, the plan has been providing raises to members, says Richards. “Not only did we increase pensions, we . . . increased those pensions by 155 per cent . . . above inflation over the period, so we’re sitting on a very successful plan here.”

While increasing pension benefits is a priority for the Halifax Port ILA/HEA, an internal policy on excess interest has prevented an increase over the last two years, during which the plan’s surplus grew to 134 per cent on a solvency basis as of the end of September 2023.

THE HALIFAX PORT ILA/HEA IN NUMBERS*



*AS AT SEPT 31, 2023

He says the plan has shifted away from this policy and increases are expected to begin again this year.

Employees enrolled in the Halifax Port ILA/HEA’s defined contribution plan can also purchase a pension from the DB plan. “At the point of retirement, they can take part of their balance, put it in the DB [plan] and create a floor between that and their government benefits — they can roll a portion into a registered retirement income fund or a life income fund to have the flexibility that a lot of people want.”

He credits much of the success of the DB plan with a long-term strategy, rigorous discipline and always asking questions from the perspective of members. “What we did was take that notion of fiduciary to heart. We wanted the best for the retirees in particular, but [for] pension members in general and we’ve proven that it is possible.”

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BALANCING ACT



How remote working is impacting employee mental health

BY BLAKE WOLFE

As the mental-health concerns of employees in remote working arrangements continue to evolve, Thomson Reuters Corp. is taking a flexible approach to supporting these workers.

“Overall, there’s less of a [mental-health] crisis now [than there was at the beginning of the coronavirus pandemic], when people felt they needed to always be on [their computers] and they were waking up in front of their screens,” says Mary Alice Vuicic, the media company’s chief people officer.

With many employees making a full or partial return to the workplace as the pandemic shifted to an endemic phase, she says the company is now focusing on helping its remote workers build and maintain connections with their colleagues as well as supporting mindfulness.

Among Thomson Reuters’ 27,000 global employees, roughly a quarter are fully remote — including its sales teams and some customer support personnel — while the majority are in a hybrid work arrangement. Early in the pandemic, the company opted to shorten video meetings and encourage employees to take a break from their screens.

“So, if it’s a half-hour meeting, it defaults to 25 minutes and if it’s an hour-long meeting, it defaults to 45 minutes. We encourage people to get up and take a walk outside or take care of something at home.”

In July 2022, the company expanded its remote working program to allow employees to work from anywhere in their country of residence for up to eight weeks or from anywhere in the world for four weeks, subject to local tax requirements.

Alongside the expansion of remote working, Thomson Reuters has also enhanced its mental-health offerings. Last October, it held a month-long ‘Courage to Connect’ campaign, which provided opportunities for workers to connect with each other and highlighted resources to support mental health.

Workers also have access to online counseling, wellness apps and an employee assistance program, along with two mental-health days per year that give all employees the chance to completely disconnect from work.

“These are the most popular days off that we have in the year because virtually everybody in the company shuts off,” says Vuicic.

“Unlike vacation, when you’re still getting pinged on your devices because others are working, most people have stopped working and so you can actually just disconnect from technology entirely.”

Employee feedback is key in developing and adapting Thomson Reuters’ mental-health strategy.

“[We had tremendous feedback from employees] on the chance to speak out about mental-health concerns and to make connections for support and allyship,” she says. “We’re also asking our leaders to share their stories and take the opportunity to [communicate] the resources that are available [to employees].”

REMOTE WORK AND STRESS

Gallup’s 2023 state of the global workplace report found employees in hybrid working arrangements reported the highest levels of daily stress (45%), followed by fully remote workers (43%) and on-site workers (38%). Employee engagement levels were also highest among hybrid workers (34%), followed by their fully remote (32%) and onsite (29%) colleagues.

The ups and downs of hybrid working

According to a 2023 report by Gallup Inc., employees who work in hybrid arrangements reported higher levels of stress than their remote and onsite colleagues.

However, it also found hybrid workers said they felt more engaged and productive than when they worked in-person full time. This conundrum has resulted in employers trying to strike a perfect balance between employee well-being and productivity, says Louisa Jewell, founder and president of the Canadian Positive Psychology Association.

“What we’re finding is that employers are taking many different approaches that work for them, but the [companies] where people are much happier are the employers where there isn’t a one-size-fits-all answer for everybody. They’re really listening to what their employees have to say and they’re creating programs that can be modified depending on the needs of their employees.”

She agrees employee feedback and consistent communication are keys to developing this flexible approach to the post-pandemic workplace. “A lot of companies [conduct an engagement survey] once a year, but that really doesn’t give you the information you need. To [truly] understand an employee’s experience, [employers need to conduct surveys] more frequently. It’s about listening, but it’s also about doing something with the information.”

Returning to the workplace

As more companies shift to onsite and hybrid arrangements, there will likely be a temporary spike in mental-health issues

among employees who haven’t regularly worked in person over the last three years.

While many employers are enhancing mental-health benefits, it’s equally important for companies to ensure their employees know what supports and resources are available. “[Employers] are also expanding benefits, such as offering coverage for more time with psychologists and online cognitive behavioural therapy, but one of the problems is that people don’t know what is available, so they don’t think that their employer is doing anything around well-being. [By increasing visibility] of these programs, it lets employees know that their employer is doing something and they feel supported.”

Manager training and communication are important factors in meeting these well-being needs, as are enhanced mental-health benefits, says Jewell. “As people come back to [the workplace], I think we’re going to see a rise in anxiety levels as people get used to live interactions again. It’s important that managers are trained in how to have mental-health conversations.”

With employees in multiple working arrangements, that type of flexible communication approach is already in place at Thomson Reuters, says Vuicic. “It is equally important across all of our groups, whether they’re fully in-office or fully remote or hybrid. A lot of our focus on mental health involves working with leaders on understanding the unique needs of our people.”

Blake Wolfe is the interim editor of *Benefits Canada* and the *Canadian Investment Review*: blake.wolfe@contexgroup.ca.



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2023
FACE TO FACE
DRUG PLAN MANAGEMENT

Forum

Benefits
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The 2023 Face to Face Drug Plan Management Forum was held on Dec. 5 at the Arcadian Court in Toronto. This event has been running for almost 20 years and is the industry's most popular drug benefits conference.

Nearly 200 delegates were in attendance to hear from expert speakers on a wide range of topics, including innovative new drugs, new drug plan design insights, cost drivers, various disease states, the patient perspective and much more.



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PHOTOS BY MICHELLE QUANCE





How First West Credit Union is supporting employee health, well-being

BY: KELSEY ROLFE

Data analysis, education and early intervention are the key components of First West Credit Union's Live Well employee health program, according to Liz Bailey-Connor, the organization's chief people and culture officer, speaking during a session at Benefits Canada's 2023 Mental Health Summit.

"We were hearing from employees that they felt overwhelmed and, in some cases, anxious, about the changing landscape [due to the coronavirus pandemic] and they didn't know where to go for support. Through individual conversations and roundtables, we heard there was a lack of clarity about available tools and resources."

The company's annual pulse check survey also found employees' mental-health scores were declining. She noted the data revealed an increase in mental-health disability claims, both short and long term, with a specific rise in anxiety, mood disorders and adjustment disorders.

Also speaking during the session, Kabir Bhagaria, the credit union's manager of employee health and safety, said that after analyzing the survey findings, First West

decided to look at wellness from a holistic perspective and focus on the connection between physical and mental health.

"The idea behind this is if you're not feeling physically well, your mental health will likely suffer and vice versa. "We developed a three-year vision for the program and set targets to meet each year. Using our plan and survey data, we created initiatives and bucketed them into three areas: education and awareness, tools and resources and early intervention strategies."

The organization also introduced Live Well champions to help spread awareness and educate colleagues about the program. "This is a voluntary position to help promote mental and physical health through direction from the health and safety team," noted Bhagaria.

"When we advertised for the position, we had an overwhelming response and we currently have one champion in every location. Our goal was for them to serve as a point of contact for employees who may be struggling."

In terms of tools and resources, First West used data from its wellness app to

target topics that were being frequently accessed, including sleep and anxiety. More than half (56 per cent) of employees have registered for the app, which has an engagement rate of more than 80 per cent. The credit union also offers loans to employees for expenses related to mental or physical health and established a compassion fund that supports employees who are experiencing severe financial stress.

Research has shown early intervention is key to reducing the onset of mental-health issues, said Bhagaria. "This is what we call a warm transfer — having our EAP directly reach out to a struggling employee. Employees don't always seek out assistance, so we arranged for a counsellor to connect with them and offer support, [to hopefully] allow them to remain at work. It's important we aren't trying to minimize the need for [short- or long-term disability], rather our goal is to support as early as possible as part of the treatment process."

Since implementing the Live Well program, the credit union has seen a roughly 40 per cent reduction in mental-health claims, a 70 per cent reduction in claims going to long-term disability and a reduction in the duration of claims.

"As we know, both the number of clients and duration [of claims] are important factors when renewing our contracts, so all this resulted in a reduction in our latest contract," said Bailey-Connor. "We also set targets for our [wellness app] usage and we're well above the benchmark rate and performance leaders have reported feeling more supported."

To read more coverage from the 2023 Mental Health Summit, visit benefitscanada.com. Please save the date for the 2024 Mental Health Summit, which will be held in a virtual format on June 6.



LIZ BAILEY-CONNOR



KABIR BHAGARIA

Q&A

with **KPMG in Canada's Denis Trottier**

The organization's chief mental-health officer discusses sharing lived experiences, a new employee and family assistance program and maintaining his own mountain biking trail

BY JENNIFER PATERSON



CAREER CRIB SHEET

2017 – 2023

Chief mental-health officer,
KPMG in Canada

1998 – 2017

Partner, KPMG in Canada

1986 – 1998

Accountant to senior
management progression,
KPMG in Canada

1982 – 2008

Owner, Trottier's Valu-mart

Q What top challenges do you face in your role?

A In a professional services firm, where the demands on people's time are significant, it can be challenging to find the proper integration for mental-health sessions. We've accomplished a lot to break stigma, but in a culturally diverse team, everyone's starting bar for mental health is different — it's an ongoing challenge to ensure our employees recognize that so they can be in a better position to support each other. That being said, I don't see this as a challenge; to me, it's an opportunity.

Q What new programs or initiatives are you looking to implement?

A Since human connection is critical to our mental health, I'd love to implement a network where employees can pick a new friend or confidant in another office with whom they can exchange ideas, feelings and be there for one another. When people recognize their role in the mental-health space — to listen and encourage others to access resources — it becomes easier to be there for one another. Another initiative for this year is to have numerous lived-experience videos on our mental-health portal so employees can find a mental-health ally within the organization. The ability to connect with a colleague who has the same lived experience and has accessed help would be very powerful.

Q How do you judge the success of a program or initiative?

A I'm an accountant first so I love numbers, data, analysis and other concrete information I can rely on. In the mental-health space, it can be difficult to have the perfect key performance indicators. Our employee engagement surveys include a number of mental-health questions and our employee and family assistance program utilization, which is always above the industry average, is a big one. In addition, I'm so fortunate in my role to have many employees who allow me into their circles of care — the volume of people

reaching out is another way I judge the success of our initiatives. For example, I just visited with our teams in Montreal and I was booked solid for two days of amazing interactions.

Q What key mental-health issues do you expect in the coming year?

A One big challenge is the number of Canadians without a family doctor. When I look at this through the lens of mental-health support, it's a difficult scenario when considering the need for medications and who's monitoring those medications if an individual is using a walk-in clinic and seeing different medical practitioners each time. Another issue is aligning benefits with providers that offer holistic health services that comprise both mental and physical health. And it's also important to stay current, since the role of leaders in this space is evolving faster than ever.

Q What do you like to do in your free time? What are your hobbies?

A My free time is focused on family and travels in our small recreational vehicle. I enjoy activities like mountain biking, stand-up paddle boarding and downhill skiing. As for hobbies, designing and maintaining my own mountain bike trail, which has more than two kilometres of skinny elevated bridges, rock gardens, berms and even a teeter-totter. This keeps me young and contributes to my mental and physical health.

Q What's your favourite employee benefit and why?

A Hands down, it has to be our brand new EFAP program, which is fully integrated with our \$3,000 mental-health coverage to ensure ongoing care. For example, it now includes a clinician who works with employees right away versus an administrative person. You have a choice of clinician to ensure a cultural fit and can also get ongoing care.

Jennifer Paterson is the editor (on leave) of Benefits Canada and the Canadian Investment Review.



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