



Required reading for HR, benefits, pension and investment executives

Benefits

CANADA

2023 TOP 50 DEFINED CONTRIBUTION PLANS REPORT

UNLEASHING THE POWER OF MEPPS

What can single-employer DC plan sponsors learn from the pooled assets and shared risk of multi-employer pension plans? p22

BENEFITSCANADA.COM

October 2023

PLUS!

How Redbrick's flexible holiday policy is supporting employee well-being, DEI p10

A closer look at how chronic conditions are impacting benefits plans p14

How are institutional investors approaching alternative credit? p30

Investment Innovation Conference



KEYNOTE SPEAKER

Daniel Kraft, innovation and health-care speaker



FEATURED SPEAKER

Michael Melvin, executive director, Kroner Center for Financial Research, University of California, San Diego

LAST CHANCE TO REGISTER

RANCHO BERNARDO INN

San Diego, Calif.

Nov. 15-17, 2023

Sponsors:



Academic Sponsor:



Keynote Sponsor:



Golf Sponsor:



The Investment Innovation Conference is an invitation-only event, however there are a limited number of invitations available upon request. To determine if you are eligible or interested in sponsorship opportunities, please contact:

Robert Martins at 416-847-5142 or robert.martins@contexgroup.ca

Contents

October 2023
Volume 48 Number 8



FOLLOW US

 @BENCANMAG

 BENEFITS CANADA PAGE

 BENEFITS CANADA GROUP

30



FEATURES

14 ■ **A CLOSER LOOK AT HOW CHRONIC CONDITIONS ARE IMPACTING BENEFITS PLANS**
Four plan members share their experiences with some of the top chronic diseases, including the effects on their working lives and coverage from their employers
BY SADIE JANES

22 ■ ■ **2023 TOP 50 DC PLANS REPORT: UNLEASHING THE POWER OF MEPPS**
What can single-employer DC plan sponsors learn from the pooled assets and shared risk of multi-employer pension plans?
BY KANUPRIYA VASHIST HANDA

COLUMNS

30 Investment Update
How are institutional investors considering alternative credit amid rising interest rates?
BY BLAKE WOLFE

34 Trailblazers
Sustainable investments key for York University's endowment fund
BY BRYAN MCGOVERN

14



Check out our colour-coding system to find the content you want

-  PENSIONS
-  BENEFITS
-  INVESTMENTS
-  HR

REGULARS

5 Editorial
Weighing the benefits of participation in a multi-employer pension plan
BY JENNIFER PATERSON

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

8 Head to Head
Is ROI the responsibility of human resources or finance?
COMPILED BY JENNIFER PATERSON

10 Employer Strategy
How Redbrick's flexible holiday policy is supporting employee well-being, workplace DEI goals
BY BLAKE WOLFE

38 Q&A
PepsiCo Canada's Jaye Calder discusses fostering an inclusive and supportive work environment and the importance of flexible benefits
BY LAUREN BAILEY

Group Publisher, Pension & Benefits Alison Webb

416-804-0186 | alison.webb@contextgroup.ca

Editor Jennifer Paterson 647-204-2952 | jennifer.paterson@contextgroup.ca

Art Director Natasha Brar | natasha.brar@contextgroup.ca

Managing Editor Blake Wolfe | blake.wolfe@contextgroup.ca

Associate Editor Lauren Bailey | lauren.bailey@contextgroup.ca

Associate Editor Sadie Janes | sadie.janes@contextgroup.ca

Associate Editor Bryan McGovern | bryan.mcgovern@contextgroup.ca

Director of Sales Francesca Allman | francesca.allman@contextgroup.ca

Director, Business Development, Client Relations & CIIN Subscription Sales

Robert Martins | robert.martins@contextgroup.ca

Manager, CIIN Database & Research Justin Graham | justin.graham@contextgroup.ca

Senior Manager, Marketing & Projects Christine Kinoshita | christine.kinoshita@contextgroup.ca

Senior Conference Editor & Project Manager Megan Lepage | megan.lepage@contextgroup.ca

Conference Editor & Marketing Coordinator Jada Lowe | jada.lowe@contextgroup.ca

Conference Editor & Project Manager Chloe Biel | chloe.biel@contextgroup.ca

Controller Jean-Sébastien Haché

President, Context Group Inc. Pierre Marcoux

HOW TO REACH US

Editorial: jennifer.paterson@contextgroup.ca | Advertising: francesca.allman@contextgroup.ca

Subscriptions and Single Copy Sales: www.benefitscanada.com/profile/newspaper-subscription/
or call 1-800-361-7215 or email benefitscanada@kckglobal.com

BENEFITS CANADA IS PUBLISHED BY

CONTEX content + experience

1100 RENÉ LÉVESQUE WEST, 24TH FLOOR, MONTREAL, QUEBEC H3B 4X9

PRINTED BY TRANSCONTINENTAL INTERWEB | 1603 BOUL. DE MONTARVILLE, BOUCHERVILLE, QUEBEC, CANADA J4B 5Y22

SALES AGREEMENT NO. PM 43697050. COPYRIGHT © 2018. ALL RIGHTS RESERVED.

POSTMASTER: PLEASE SEND ADDRESS CHANGES TO: 1100 RENÉ LÉVESQUE WEST, 24TH FLOOR, MONTREAL, QUEBEC H3B 4X9
ISSN: 0703-7732

SUBSCRIPTION PRICE: CANADA \$111.00 PER YEAR, OUTSIDE CANADA \$241.00 US PER YEAR, SINGLE COPY CANADA \$19.00.
BENEFITS CANADA IS PUBLISHED 10 TIMES PER YEAR EXCEPT FOR OCCASIONAL COMBINED, EXPANDED OR PREMIUM ISSUES,
WHICH COUNT AS TWO SUBSCRIPTION ISSUES. OCCASIONALLY, WE MAKE OUR SUBSCRIBER LIST AVAILABLE TO REPUTABLE
COMPANIES WHOSE PRODUCTS OR SERVICES MAY BE OF INTEREST TO YOU. IF YOU DO NOT WANT YOUR NAME TO BE MADE
AVAILABLE, PLEASE CONTACT US AT 1-866-453-5833 OR EMAIL TCMCONTACT.CA@KCKGLOBAL.COM OR UPDATE YOUR PROFILE
AT BENEFITSCANADA.COM/MICROSITE/SUBSCRIBE.

BENEFITS CANADA RECEIVES UNSOLICITED MATERIALS (INCLUDING LETTERS TO THE EDITOR, PRESS RELEASES, PROMOTIONAL
ITEMS AND IMAGES) FROM TIME TO TIME. BENEFITS CANADA, ITS AFFILIATES AND ASSIGNEES MAY USE, REPRODUCE, PUBLISH,
REPRODUCE, PUBLISH, STORE AND ARCHIVE SUCH UNSOLICITED SUBMISSIONS IN WHOLE OR IN PART IN ANY FORM OR
MEDIUM WHATSOEVER, WITHOUT COMPENSATION OF ANY SORT.

THIS PUBLICATION MAY MAKE AVAILABLE CERTAIN INFORMATION RELATED TO VARIOUS PROFESSIONAL FIELDS SUCH
AS (WITHOUT LIMITATION) LAW, ACCOUNTING, FINANCIAL PLANNING, PHILANTHROPY AND OTHER RELATED MATTERS
("PROFESSIONAL INFORMATION"). THE PROFESSIONAL INFORMATION PROVIDED SHOULD NOT BE INTERPRETED AS
PROFESSIONAL ADVICE AND DOES NOT REPLACE THE OPINION OF A QUALIFIED PROFESSIONAL.



Featuring a panel discussion about the
2023 FUTURE OF WORK SURVEY

Oct. 26, 2023
VIRTUAL EVENT

REGISTER NOW

FUTURE OF WORK SURVEY SPONSORS:

PARTNER SPONSOR:



Insurance

SUPPORTING SPONSOR:



FUTURE OF WORK SUMMIT SPONSOR:



FOR MORE INFORMATION, GO TO:
benefitscanada.com

FOR SPONSORSHIP ENQUIRIES:
Alison Webb
alison.webb@contextgroup.ca

FOR AGENDA INFORMATION:
Chloe Biel
chloe.biel@contextgroup.ca

Weighing the benefits of participation in a multi-employer pension plan

Whether it's in the magazine, on the website or at our various defined contribution pension plan events, *Benefits Canada* is regularly writing about how DC plans are evolving.

The pension industry has come a very long way in the last few decades. When my parents began their working lives in the early 1970s, they both had defined benefit plans, though the outcome for each was quite different. Since my mom retired, she's been drawing down an income from the Ontario Teachers' Pension Plan, while my dad spent the first decade of his retirement fighting for his pension after his employer Nortel Networks Corp. entered insolvency.

By the time I started working and saving for retirement, DB plans in the private sector were few and far between. I was very briefly in a DB plan before it was wound up and have since spent my career saving into either a DC plan or a group registered retirement savings plan.

As baby boomers retire, the levels of DB plan membership in Canada will continue to shift, so there's no doubt why the DC industry is evolving so quickly. DC plan account balances are growing and the industry has to figure out how to improve both the accumulation and decumulation phases to meet this reality.

In the Pension Feature accompanying our annual Top 50 DC Plans Report, on page 22, we looked into a specific breed of DC plan: the multi-employer pension plan.

While many of Canada's largest DB plans are designed for multiple employers — the Healthcare of Ontario Pension Plan, for example — DC plans have traditionally been single-employer plans.

But consider MEPPs' various benefits: economy of scale, pooled assets, reduced costs and shared risks. These benefits drew me to one of Canada's largest MEPPs, the Saskatchewan Pension Plan, which is No. 21 in the 2023 Top DC Plans Report.

Since I knew it was unlikely I'd ever have the security of a public sector DB plan, I opted for the next best thing when I started building my family a couple of years ago. Through my workplace, I only have a group RRSP with a very low employer match, so I looked into saving in the SPP, which had recently expanded beyond Saskatchewan to open up to all Canadians.

Since I typically prefer to have some level of control over my finances, I'm still a bit surprised how comfortable I am as an SPP member, where I've set my investment choices, picked a monthly contribution that comes straight out of my bank account and basically stepped away. But there are many unknowns in the world and so much to manage, I appreciate that the SPP team takes the reins and I trust the work they've put into their investment options.

"Members who don't like to select their investments might consider a managed plan a benefit, but those who like to be more involved may find it a disadvantage," says Eckler Ltd.'s Dianne Tamburro in the Pension Feature.

The SPP's focus on decumulation was another big reason I joined. For years now, I've been hearing about the Canadian pension industry's very slow approach to solving this problem — and also saw how the SPP has been leading the way.

When I eventually retire, I want the comfort of keeping my savings in the same plan and the same investments, benefiting from the same pooling and risk-sharing I did in the accumulation phase. I'm not interested in the isolation and exorbitant fees of the retail environment — and I don't think anyone near retirement who knows anything about finances should be comfortable with that transition.

In April 2023, the SPP removed its annual contribution and transfer-in limits, so the other bonus of my plan membership is that I can transfer my other savings — my group RRSP, for example — into the

plan when I'm ready to put all of my assets into one account.

I know everyone's savings journey is different and, as Jim Doornbos, the Christian Labour Association of Canada pension plan's benefits and retirement director, says in the Pension Feature, a MEPP may not be for everyone. But since I joined the SPP, I've been an advocate, promoting plan membership to all of my friends who either don't have a workplace plan or have an inferior one like I do.

Considering all of the benefits for plan members, I urge any employer that isn't able to offer a robust savings program to look into joining a MEPP or incorporating some of its unique characteristics into their own plans.



Jennifer Paterson

jennifer.paterson@contexgroup.ca

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



PENSION INVESTMENTS

- The **Ontario Teachers'** is acquiring a majority stake in a U.K.-based wealth and investment manager.
- The **OMERS** is backing a series D investment round for a U.S.-based lithium-ion recycling firm.
- The **CPPIB** is investing US\$30 million in reforestation efforts in Brazil's Amazon region through a private venture partnership.
- The **CPPIB**, the **IMCO** and the **OMERS** are all part of a US\$1.2 billion funding round for a Swedish car battery manufacturer.
- The **IMCO** and **PSP Investments** are part of a group that's acquiring a German renewable energy company.



COMPILED BY BENEFITS CANADA

TOP 5 STORIES OF THE LAST MONTH

- 1** Court of Appeal upholds decision in Brewers Retail pension case
- 2** 'Bare minimum' workdays helping employees relax, recharge after condensed workweek: expert
- 3** Updates to FSRA pension administration guidance will strengthen language around legal risks: expert
- 4** How recent Canada Labour Code updates are impacting federally regulated employers
- 5** Half of Canadian employers have finalized approach to balancing in-office, remote work: survey

PEOPLE WATCH

- **Michael Yang** is managing partner and head of ventures at the **OMERS'** venture capital arm.
- **Daniel Farina** is managing director and **Sophie Lussier** is executive vice-president and head of corporate services, organization performance and secretariat at the **Caisse**.

EMPLOYERS IN THE NEWS

- The union representing 3,700 frontline grocery workers at 27 **Metro** stores across the Greater Toronto Area has ratified a collective agreement that includes pension and benefits gains.
- **PwC Canada** is improving its parental leave policy with specialized coaching and leadership training for employees.
- **B.C. Transit's** Fraser Valley bus drivers are joining the CAAT's DBplus plan.

SURVEY SAYS

21% of Canadian workers say they're considering leaving their job (Telus Health)

95% of U.S. 401(k) plan sponsors say they intend to change their plan design by the end of the year (Fidelity Institutional)

20% of Canadian employees reported working from home in May 2023 (Statistics Canada)

98% of Canadian institutional investors consider climate change a top ESG focus area (Millani)

45% of U.S. employees say they're feeling burnt out at work (Eagle Hill)

- **IKEA Canada** is supporting employees amid the rising cost of living by offering emergency relief grants and extra discounts on select products.
- **Organon** is encouraging its employees to volunteer by allowing them paid time off and partnering with organizations that reflect their values.



Benefits
HEALTHCARE
SURVEY 2023

THE 2023 BENEFITS CANADA HEALTHCARE SURVEY REPORT IS NOW AVAILABLE

DOWNLOAD THE REPORT NOW:

benefitscanada.com/BCHS



THANK YOU TO OUR SPONSORS

DIAMOND

beneva

canada **life**

Association
chiropratique
canadienne

Canadian
Chiropractic
Association

Desjardins
Insurance
Life • Health • Retirement

people
CORPORATION
Experience the Benefits of People

RBC Insurance

Sun Life

PLATINUM

BLUE CROSS

Equitable Life
of Canada

GreenShield

IAA
Financial Group

Manulife

Rexall

TELUS Health

FOUNDER

sanofi

! How will the Online News Act impact *Benefits Canada* news?

Dear readers,

The Online News Act, also known as Bill C-18, has been making headlines since its adoption on June 22. Meta, the parent company of Facebook and Instagram, has already started blocking access to news on its platforms in Canada. And unless a viable solution is found before the law comes into effect, Google said it will also remove Canadian news links from its search engine.

At *Benefits Canada* and the *Canadian Investment Review*, our news and information is freely accessible to everyone, with the aim of promoting healthy and respectful social debate and ensuring human resources, benefits, pension and investment professionals stay on the pulse of all the latest changes and developments in the industry.

In this sense, these threats to block access to quality news, written by credible journalists, is detrimental because they'll remove professionally produced information from some of Canada's most used virtual public spaces, paving the way for misinformation and the proliferation of fake news.

How can you keep up to date, efficiently and free of charge?

From now on, to access the news, we advise you to go directly to *Benefits Canada* and the *Canadian Investment Review's* distribution platforms:

- **Follow us on our social media channels**
 - in** LinkedIn – **Benefits Canada**
Canadian Investment Review
 - X** (formerly Twitter) – **Benefits Canada @BenCanMag**
Canadian Investment Review
@InvestReviewCA
- **Subscribe to our newsletters – scan the QR code below**

We look forward to continuing to provide you with industry-leading content from the country's original and most influential HR, benefits, pension and investment brands for key decision-makers in Canadian workplaces, as well as finance executives, pension board trustees and industry specialists.

Sincerely,
Jennifer Paterson
Editor
Benefits Canada and the *Canadian Investment Review*



Is return on investment the responsibility of human resources or finance?

While one HR professional says HR has the greatest impact on ROI, the other says it's a shared responsibility and a stronger measurement if the two interests are aligned

COMPILED BY JENNIFER PATERSON

ERIC FLAMHOLTZ

professor emeritus of management and organizations at UCLA Anderson School of Management



DIANA GODFREY

senior vice-president of HR at Fidelity Canada

My view is that, of these two important organizational functions, HR is responsible for, contributes to and has the greatest impact on ROI to a far greater extent than finance.

HR is the function that deals with human capital rather than financial capital. Financial capital is, of course, important; but human capital can be the source of sustainable competitive advantages that money can never achieve.

Just as the character of astronaut Gus Grissom said in the classic movie *The Right Stuff*: “No bucks, no Buck Rogers,” one can say in business: no bucks — no Starbucks. Money therefore, is — as Grissom asserts — a prerequisite to achievement and to organizational success.

However, borrowing from Gertrude Stein, money is money is money. Money is fungible. It can be invested and earn a return, but its impact is limited, while the impact of HR is virtually unlimited.

HR is responsible for the acquisition, development, motivation and retention of human capital. There are three forms of human capital: the knowledge, skill and motivation of people as individuals; the ability of people to function in cohesive teams or groups; and the climate and culture of an organization that's created by the efforts and methodologies of HR.

Taken together, these three forms or types of human capital comprise the true assets of an enterprise. Although people, per se, are tangible, the collective knowledge, skill and motivation of people as individuals is a true and intangible asset that can be very valuable, as is the ability of people to function in cohesive teams or groups. Finally, the climate and culture of an organization, which is created by the efforts and methodologies of HR, is also a true and intangible asset that can be very valuable.

When asked which group — HR or finance — is responsible for return on investment as it pertains to benefits and people, my answer is unequivocally both.

I firmly believe both HR and finance have vested interests in ensuring that a company's benefits programs — and how employees are compensated and rewarded — deliver ROI for both workers and the company.

There are many different aspects to consider when calculating ROI — it doesn't simply mean a bigger bottom line. At Fidelity, along with our finance colleagues, we look at many different factors, including (but not limited to) employee retention, employee satisfaction and vitality, our measure of employee health and well-being. These factors, along with financial measures, give us a much more complete picture of ROI at the firm.

It takes time and perseverance to build trust between the groups, but I believe it's this shared commitment that delivers the best return for our employees and our company. For example, our HR teams are responsible for developing industry-leading employee benefits programs that consider the needs and wants of our employees. We strive to be attuned to our workforce and industry (with an eye on what the competition is doing) to ensure our offering is competitive and attractive. At the same time, finance is an active partner in helping with the financial rigour and modelling that's required to deliver the programs as designed.

In my opinion, too often the (wrong) debate is which matters more — an attractive benefits program that's welcomed by employees versus being cost-effective and watching the bottom line. They're not mutually exclusive. In fact, they need to be in balance to deliver ROI for both the employees and the company.

Alzheimer's disease: Impact on the workplace



Alzheimer's disease (AD) is not just a disease of old age. The early stages of AD affect many working Canadians, both as individuals living with the disease or as care partners for people living with AD. As the Canadian population ages, people will be working longer and are more likely to be affected by AD during their career.

What is Alzheimer's disease (AD)?¹

- Progressive brain disease that impairs thinking, memory and independence
- Most common cause of dementia, accounting for **60 to 80%** of all diagnoses
- Not a normal part of aging and requires proper medical assessment and care

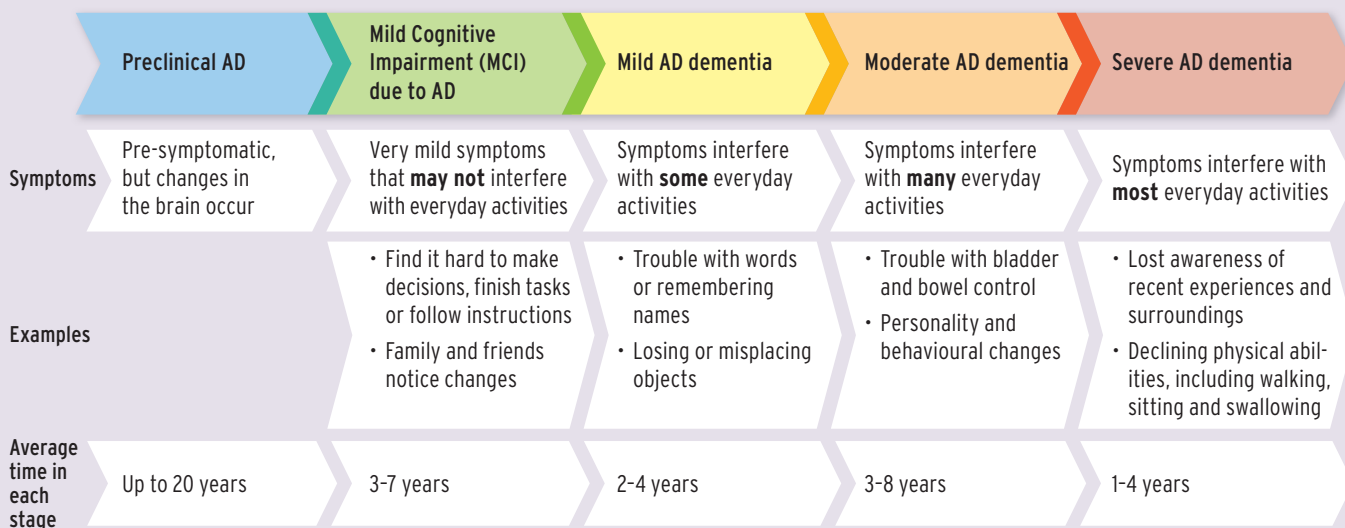
What is Mild Cognitive Impairment (MCI) due to AD?^{1,2}



1 in 5 people with MCI progress to mild AD within 1 to 2 years

1 in 3 people progress within 5 years

What are the stages of AD?^{3,4,5,6}



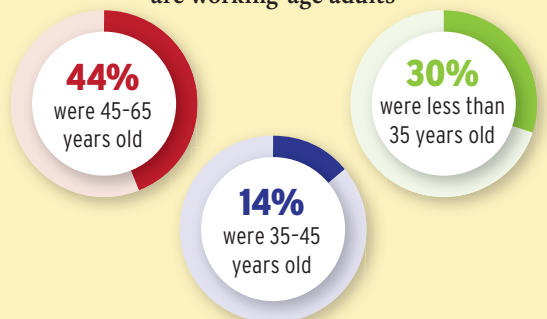
How does AD impact the workplace?

- Many people are still working when diagnosed with AD; they may have dependent children or major financial commitments
- About **5-6%** of AD diagnoses occur **before the age of 65**⁷

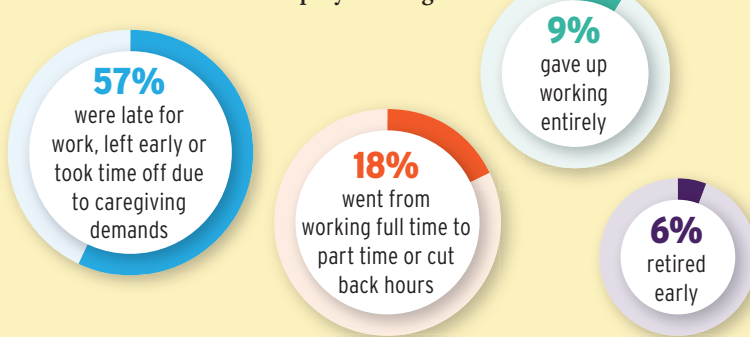
Caregivers in the workplace⁸

- There are **350,000** caregivers for people with dementia in Canada
 - This represents the equivalent of **235,000** full-time jobs
 - This number is projected to grow **188%** by 2050

Many caregivers of people living with dementia are working-age adults



Employed caregivers⁹



References

1 <https://alzheimer.ca/en/about-dementia/what-alzheimers-disease>
 2 Ward A, et al. *Dement Geriatr*. 2013;3(1): 320-332
 3 <https://www.alz.org/media/Documents/alzheimers-facts-and-figures.pdf>

4 El-Hyaeck YH, et al. *J Alzheimers Dis*. 2019;70(2):323-341
 5 <https://alzheimer.ca/sites/default/files/documents/Progression-Overview-Alzheimer-Society.pdf>
 6 <https://www.alz.org/alzheimers-dementia/stages>
 7 Kim J, et al. *Alzheimers Res Ther*. 2021;13:113

8 https://alzheimer.ca/sites/default/files/documents/Landmark-Study-Report-1-Path_Alzheimer-Society-Canada.pdf
 9 <https://www.alz.org/getmedia/dc0eda86-7ba5-4ade-96da-75187e26da84/alzheimers-impact-on-workplace.pdf>
 ILLUSTRATIONS: 123RF (ARCADY31, ELENABSL, HOBBITFOOT)

FLEXING WITH THE TIMES

How Redbrick's flexible holiday policy is supporting employee well-being, workplace DEI goals

BY BLAKE WOLFE



CHRISTINE TATHAM, REDBRICK'S VICE-PRESIDENT OF PEOPLE AND CULTURE

While Canadian culture has long been described as a mosaic, employers' holiday policies are more likely to tie statutory holidays to Christian celebrations than reflect the country's true multicultural identity.

In 2022, to better support an increasingly diverse workforce in both Canada and the U.S., Victoria-based software company Redbrick formalized its policy of allowing employees to take personal significance days in lieu of stat holidays throughout the year.

Christine Tatham, vice-president of people and culture at Redbrick, says the program is based, in part, on feedback from employees who weren't always able to celebrate religious and cultural occasions that fall outside of traditional stat holidays. Since the program's implementation, several employees have chosen to work on the stat holiday during long weekends in order to take a different day off.

“We’re really allowing them to have time with their family. For example, people who don’t celebrate Easter, having that time off really wasn’t of any personal benefit to them. . . . We have a very diverse team here at Redbrick — there are people from all different backgrounds working [in our offices] across Canada and the U.S.”

The conversation around Truth and Reconciliation also played a role in the program’s development, she notes. “At the time, the government was looking at Truth and Reconciliation Day and we were talking about, ‘What does that mean for us and how do we make it meaningful for people?’ And that led to, ‘How do we make all holidays meaningful for people?’”

Tatham points out personal significance days aren’t limited to religious or cultural celebrations. For example, several employees have opted to work on Labour Day in order to take off their children’s first day back at school.

Enhancing recruitment strategies

According to a recent survey by Arthur J. Gallagher & Co., 78 per cent of Canadian employers are enhancing their recruitment strategies by incorporating policies and programs that support diversity, equity and inclusion.

Farzeen Mawji, Gallagher’s national practice leader in inclusion and diversity, says programs such as flexible holiday policies can effectively demonstrate an employer’s commitment to DEI and assist in recruiting candidates from a wider talent pool.

“[Flexible holiday policies are] certainly gaining more and more prominence with [employer] clients. Some organizations are saying, ‘In addition to the statutory holidays, we’re going to give you a number of flex days to be used for however you want to use them.’ Other organizations are saying, ‘We’ll give you a number of flexible days for the whole year and you work with your managers to decide which days are important for you, that may not align with Christian holidays like Christmas and Easter.’”

For employers that are considering implementing flexible holiday policies, employee input and feedback is key to ensuring a smooth rollout of the program, he adds. “A lot of organizations will have a lot of great thought go into these policy updates and then they’ll start rolling things out with what they think is going to help and they might not get it

right. Employers need to ask their people what they need and then develop a survey that’s going to help them in the way they want to be helped. Once [the program has] been rolled out, employers need to get feedback to ensure it’s right and be ready to make any adjustments.”

For a minimal amount of effort, flexible holidays can also yield an outsized return on investment, says Mawji. “Beyond some system changes and maybe a little bit more coordination, it’s actually not that [difficult to implement]. Employees feel valued and heard, which increases their sense of belonging and they’re wanting to be engaged and be more productive. As a result, absenteeism and presenteeism [are likely to] decrease and the costs associated with turnover also decreases.”

Wider focus on DEI

While the prospect of employees switching around their holidays may pose some logistical challenges, it isn’t too different from planning around normal vacation schedules, says Tatham, noting any conflicts can be mitigated with proper planning.

“Whenever you’re going to take some time off, you always check in with your manager and make sure that day is OK before booking it off. Fortunately, I’ve never had to say no to anybody [taking a personal day of significance.]”

The program is part of Redbrick’s wider DEI effort, which includes a talent acquisition strategy focusing on diverse candidates and employee training on issues such as unconscious bias. The company’s DEI strategy is paying off: according to its latest pulse survey, 100 per cent of employees said they’d recommend Redbrick as a place to work, while 95 per cent agreed the company provides equal career advancement opportunities to people from all backgrounds and 94 per cent felt the company is committed to DEI.

“We’ve always been an organization that tries to really meet people where they’re at,” says Tatham. “We try to make sure that whatever we’re implementing fits with our team members. And it isn’t always easy, because everybody’s so different — we have everybody from co-op students to married professionals with families. Everybody’s on a different journey.”

**Blake Wolfe is managing editor at *Benefits Canada and the Canadian Investment Review*.
blake.wolfe@contexgroup.ca.**

DEI BY THE NUMBERS

- **91%** of plan sponsors believe they promote and support a diverse and inclusive workplace, according to the 2022 Benefits Canada Healthcare Survey.
- **72%** of global business leaders have increased their organization’s investment in DEI over the past 12 months, according to a report by the World 50 Group.
- Roughly half of Canadian employees say employers that are committed to DEI (**54%**) and Indigenous reconciliation (**48%**) inspire brand trust, according to a survey by Proof Strategies.



“MFS WANTS TO BE THE CAP MARKET’S ACTIVE MANAGER OF CHOICE. WE’RE VERY PASSIONATE ABOUT ACTIVE MANAGEMENT AND THINK IT’S CRITICALLY IMPORTANT, GIVEN THAT CAP PLANS SUPPORT THE LONG-TERM WEALTH OBJECTIVES OF PLAN MEMBERS.”



as our clients, recordkeeper partners, consultants and advisors.

TP: My top priority is to help grow the target-date business in Canada. But this doesn’t start and stop there. I want MFS to be top of mind when advisors see a challenge or want insights related to the markets or investments; my goal is for MFS to be the partner that helps them better prepare for emerging trends.

Why are you passionate about the target-date space?

TP: Target-date funds are an investment option that could help members in the accumulation phase of their careers. For MFS, having a suite of these funds allows us to be a part of that journey.

Taylor, how do you support the team’s efforts in relationship management?

TP: Collaborating closely with Nadia, my role primarily centres on the CAP market. My role transcends insurance companies; and my responsibilities encompass advisors, pension brokers and recordkeepers. Whether I’m engaging with client-facing investment staff at insurance companies or an advisor who works in the group retirement market, my mission is clear: to understand their responsibilities, uncover their challenges and provide options that may enhance their client-service capabilities. I love connecting clients with industry best practices and sharing insights that drive progress in different jurisdictions.

What are each of your top priorities for the upcoming year?

NS: MFS has an aspirational goal that guides us. MFS wants to be the CAP market’s active manager of choice. We’re very passionate about active management and think it’s critically important, given that CAP plans support the long-term wealth objectives of plan members. To realize it, we engage heavily with all our market sources, such

Nadia Savva and Taylor Pidgeon not only cultivate relationships with MFS Investment Management Canada Ltd. clients but foster global connections to stay ahead of industry trends, too. Here are some of their thoughts on their roles, priorities, diversity and the invaluable perspective of working for a global active manager.

Nadia, what are your responsibilities as managing director of platforms and subadvisory at MFS?

NS: I have overall responsibility for our key accounts and largest relationships: clients who use our funds for third-party business. This includes insurance companies that use commingled funds on a capital accumulation plan (CAP) platform or wealth management platform. I grew up working in an insurance company, so I feel very aligned with my clients and have a clear understanding of what they need. Also, on a personal level, being able to connect with clients is extremely important to me. Our strong working relationships keep me motivated. It really doesn’t feel like a job.

THE PERFORMERS

× CANADA'S INFLUENTIAL THOUGHT LEADERS ×

NADIA SAVVA CFA, *Managing Director of Platforms and Subadvisory*
TAYLOR PIDGEON CFA, *Relationship Management – Institutional*

Being in this role also provides me with an opportunity to observe upcoming developments, like the evolving CAP landscape that will help members in reaching their long-term investment objectives, and how offerings will adapt over time.

How important is diversity, equity and inclusion (DEI) in your work?

NS: It's very much a priority for me. We've come a long way as an industry, but we still have some distance to go. It's important we embrace what diversity has to offer and make the workplace a more collaborative and inclusive environment. People need to feel like they belong. You can put as many diverse people as you want in a room, but if they don't feel like they can thrive, you're not going to get the best outcomes. There's such a strong business case for diversity. If you give people a voice and seat at the table, you're going to gain unique perspectives, which will make your organization

stronger. As a manager, I actively mentor my team, encourage them to approach me with any questions and find ways to apply their ideas and opinions within our daily engagements.

TP: We have the privilege of collaborating with many stakeholders in the CAP market, such as plan sponsors, advisors and consultants—and more stakeholders are placing greater emphasis on DEI initiatives. This provides us with the opportunity to share insights from MFS employee resource groups, sparking conversations that extend beyond CAP investments.

How can organizations benefit from cognitive diversity?

NS: Everyone talks about social diversity and, to me, that's a subset of cognitive diversity, which brings together diverse analytical perspectives. At MFS, one of our three investment pillars is collective expertise. We believe seeking diverse views provides better insights into stocks because we're analyzing and seeing things that others may not—and helping to eliminate group think. Achieving cognitive diversity requires us to break away from hiring individuals with identical degrees from the same schools. Instead, it makes sense to recruit talent from different generations and educational backgrounds. Not every analyst needs an MBA, finance degree, or CFA certification. Engineers, information technology experts or political science graduates offer fresh perspectives and can question assumptions and enhance decision-making.

“IT'S NOT JUST ABOUT BEING GLOBAL; IT'S ABOUT HARNESSING THE ADVANTAGES OF A GLOBAL NETWORK.”

×

What are the advantages of working for a global firm?

TP: Being part of a global firm affords us the opportunity to learn from peers working in more mature CAP markets. We engage with peers in different jurisdictions frequently and participate in annual or semi-annual formal interactions. This enables us to identify emerging trends in other markets and critically assess how those trends might impact the Canadian market. The best part is I can share these insights with our clients.

NS: It's not just about being global; it's about harnessing the advantages of a global network. Our culture of collaboration, with our boots on the ground in diverse markets, enables us to freely exchange ideas and deeply understand companies—especially multinational ones. This global insight empowers our investment teams to make informed decisions, seeking to differentiate Company A from Company B. That's the true strength of our global presence.

Sponsored by:



“ENGINEERS, INFORMATION TECHNOLOGY EXPERTS OR POLITICAL SCIENCE GRADUATES OFFER FRESH PERSPECTIVES AND CAN QUESTION ASSUMPTIONS AND ENHANCE DECISION-MAKING.”

×

A CLOSER LOOK AT HOW CHRONIC CONDITIONS ARE IMPACTING BENEFITS PLANS

BY SADIE JANES

BY THE NUMBERS

- 54% of benefits plan members currently live with at least one diagnosed chronic health condition, while 59% have been diagnosed at some point in their lives.
- Benefits plan sponsors estimated that 43% of their workforce has a chronic condition, a rise since 2016 when they estimated 32% of their workforce had a condition, but still not aligned with plan members' responses.
- The current top diagnoses were a mental-health condition such as depression or anxiety (18%), high cholesterol (12%), hypertension (10%), chronic pain (10%) and diabetes (10%).

Source: *The 2023 Benefits Canada Healthcare Survey*



Four plan members share their experiences with some of the top chronic diseases, including the effects on their working lives and coverage from their employers

In 2022, some of the top chronic conditions affecting group benefits plans were diabetes, obesity, depression and arthritis.

Diabetes was the No. 1 ranked condition for drug claims in 2022, knocking rheumatoid arthritis down to the No. 2 spot, according to Telus Health's annual drug plan trends report. And the 2023 Benefits Canada Healthcare Survey found the top current diagnoses among benefits plan members were a mental-health condition such as depression or anxiety (18 per cent), high cholesterol (12 per cent), hypertension (10 per cent), chronic pain (10 per cent), diabetes (10 per cent), asthma or lung disease (eight per cent), obesity (eight per cent) and eczema (six per cent).

The survey also found 54 per cent of benefits plan members currently live with at least one diag-

nosed chronic health condition, while 59 per cent have been diagnosed at some point in their lives.

In light of these findings, *Benefits Canada* spoke to four plan members to hear their view on how their chronic conditions are impacting their experiences at work and how their conditions are covered by their benefits plans.

Diabetes

Erika Clark developed type 1 diabetes as a toddler and has many considerations so she can properly manage her condition in the workplace.

"I have a pretty typical office job with project management and people management responsibilities. In terms of activity, sitting down all day is hard on blood sugar so you have to adjust insulin for that. Also, depending on whether my blood sugar is higher or lower, it can really affect my food, my attention span and my ability to think clearly. If I'm really high or low, I tend to get frustrated very quickly and I'll start rushing through things."

Currently, Clark is going into the office one day a week. The commute and time in the office

is much more active than working at home, she says, noting she likely needs less insulin and has to bring in more food.

“I’m really fortunate now because my benefits plan covers 100 per cent of everything I need, but this is the first time I’ve had that experience. I’ve gone through a couple of different insurance companies through my employers that have ranged from [offering] no coverage to 100 per cent coverage. Apparently, this is quite rare. Other people I talk to who have type 1 don’t have [full] coverage.”

When looking at diabetes management, there are two devices to consider, she adds. “Insulin pumps — which is what I use — have been around for a long time. They’re partly covered by the government so insurance companies are more willing to pick up the cost. For the continuous glucose monitors, there’s no provincial coverage right now unless you have an extenuating circumstance.

“I’m very fortunate, but it’s frustrating to hear people say they’d love to be on a CGM but they can’t afford it or don’t have coverage for it.”

While Canada has made great progress with enhancements to public coverage for diabetes medications and devices, many people with the condition are still facing insurmountable costs, says Glenn Thibeault, executive director of government affairs, advocacy and policy at Diabetes Canada. “Over half of people living with type 1 diabetes — [and likely type 2] — either experience costs above three per cent of their family income or fail to adhere to the treatment due to financial burdens.”

Diabetes drugs saw an increased utilization of 12.9 per cent in 2022, up from 12 per cent the previous year, says Jason Kennedy, a registered pharmacist at Telus Health, referring to the organization’s annual report. “What was interesting with diabetes was the number of claims remained unchanged at 7.7 per cent [in 2022]. What we take from that is in the [three] tiers of therapy, . . . patients are moving to the second- and third-line therapies, which are typically more costly. So the same proportion of claims are getting a higher cost per claim.”

Obesity

One of the more notable drugs to recently come to market is Ozempic, says Kennedy, which is intended to be used for diabetes management, but its positive impact on obesity is driving some prescribing activity.

Ian Patton, director of advocacy and public engagement at Obesity Canada, knows firsthand the obstacles to accessing treatments for obesity, so he can understand the increase in demand for a drug like Ozempic.

“Last year, at the Diabetes Canada conference, there was a change in tone with how [people] were talking about diabetes and obesity. They were talking more about obesity treatment as a form of diabetes prevention. [Now we’re] looking at obesity management as an earlier approach to treating and preventing other chronic conditions.”

Patton struggled with obesity before receiving treatment and the effects had a significant impact on his ability to work. “I had issues with my energy levels, my productivity and I had a lot of health concerns that were top of mind. I had severe sleep apnea, hypertension and other issues related to obesity so all of that made it difficult to focus and be productive at work the way I wanted to be.”

Being overweight can also create mobility issues, adds Patton, so accessibility is another consideration in the workplace when it comes to obesity. “I’ve been lucky enough that most of my work is remote so I can set up my environment in a way that’s useful for me. But for overweight people who don’t have that flexibility, the work environment can be very inaccessible. Everything from the chairs in the office to the spaces in the bathroom. [If they’re not properly set up], it can make it a very unwelcoming or unsafe environment for them to access.”

As a part-time professor at York University, Patton receives a benefits plan, but it doesn’t cover any of the Health Canada-approved obesity medications. “I’d have limited coverage for things like [cognitive behavioural therapy] and working with a dietitian; however, it wouldn’t cover medically supervised treatment programs, costs

associated with having bariatric surgery (pre-surgery diet, bariatric vitamins) or anything related to excess skin, which is a common issue for those of us who experience successful obesity treatment.”

Since obesity treatments and medications aren’t covered under many plans, most people living with the condition face barriers in access to effective treatment. “They’re struggling without any real direction or guidance or appropriate means of managing the disease,” says Patton. “They’re often just being told to go lose weight and it’s not that simple. It’s a more complicated equation.

“I think there’s also clearly going to be some downstream impacts or progression of other diseases related to obesity — everything from diabetes and hypertension to cardiovascular disease and sleep apnea. There will be higher costs and impacts on plans for treating these other conditions.”

Kennedy also calls obesity a chronic condition that’s in flux from a coverage perspective, so any data Telus Health is looking to pull out on obesity is commingled with other conditions.

Depression

Ken Porter, national program manager at the Mood Disorders Society of Canada, has battled with depression since his late teens, so it has always been a part of his work experience.

“I remember when I first started working, it wasn’t something you ever brought up. There was never any discussion of depression or anxiety or anything like that. There was just a generalized term when you needed assistance called ‘stress leave.’ That shows the level of stigma that was associated with it back then.”

Indeed, while Porter has seen major improvements, including around workplace awareness, he notes some employers still aren’t supportive. Porter recalls an incident from a previous job where he was going through an episode of depression. His manager told him that, because his performance was slipping, maybe the job wasn’t right for someone with his condition, instead of accommodating or helping to find treatment.

ALOPECIA AREATA IS MORE THAN JUST HAIR LOSS

Alopecia areata can have a significant impact on mental health and productivity.



Alopecia areata:

- is an autoimmune disease where the immune system attacks hair follicles at the root, leading to bald patches or total hair loss on the scalp, eyebrows, eye lashes or anywhere body hair grows;
- is similar to other autoimmune conditions like psoriasis or atopic dermatitis;
- is different than male pattern baldness, which is more prevalent in men, and is caused by a combination of genetics and hormones, leading to non-patchy hair loss;
- affects approximately **2%** of Canadians—of all genders and agesⁱ; and
- impacts the working age population, with **40%** of patients diagnosed by age 20 and **80%** diagnosed by age 40ⁱⁱ.

The psychosocial effects of hair loss can be devastating. Patients with alopecia areata reported:

- spending an average of **10.3** hours per week concealing their hair lossⁱⁱⁱ;
- **95%** felt uncomfortable or self-conscious^{iv};
- **65.2%** avoided social situations^v;
- **85%** found coping with alopecia areata a daily challenge^{vi};
- **62%** made significant life decisions that negatively redirected the trajectory of their lives^{vii};
- **47%** reported anxiety and/or depression^{viii};
- **40%** of children with alopecia areata reported being bullied and **50%** limited their participation in activities and had prolonged absences from school^{ix}; and
- **40%** of women with alopecia areata experienced marital issues and **63%** experienced career issues^x.

A recent Canadian survey of group benefits plan sponsors^{xv} indicated that:

- **80%** felt alopecia areata impacts employee productivity and should be covered by group health benefits plans; and
- **90%** thought coverage for potential alopecia areata treatments should be treated like other autoimmune conditions like psoriasis or atopic dermatitis.

Workplace impact of alopecia areata

- 45% reported missing work^{xi}
- 57% reported work impairment^{xii}
- 56% higher risk of absenteeism^{xiii}

Treatments:

- no medications are currently approved by Health Canada to treat alopecia areata;
- current medications are used off label and might not be appropriate for long-term use; and
- discontinuation of current medications are common due to lack of efficacy and negative side effects^{xiv}.



References

- i <https://onlinelibrary.wiley.com/doi/10.1111/jdv.18926?af=R>
- ii <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4521674/>
- iii <https://www.sciencedirect.com/science/article/pii/S1087002420300174>
- iv <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10334944/>
- v <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10334944/>
- vi <https://www.sciencedirect.com/science/article/pii/S1087002420300174?via%3Dihub>
- vii <https://www.sciencedirect.com/science/article/pii/S1087002420300174?via%3Dihub>
- viii <https://www.sciencedirect.com/science/article/pii/S1087002420300174?via%3Dihub>
- ix <https://pubmed.ncbi.nlm.nih.gov/28879186/>
- x <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1261195/>
- xi <https://www.sciencedirect.com/science/article/pii/S1087002420300174?via%3Dihub>
- xii <https://www.ncbi.nlm.nih.gov/pubmed/36484916>
- xiii <https://onlinelibrary.wiley.com/doi/10.1111/jdv.18926?af=R>
- xiv <https://www.sciencedirect.com/science/article/pii/S1087002420300174?via%3Dihub>
- xv Benefits Canada survey - data on file.

Sponsored by:



PARTNER CONTENT

“It was quite disheartening. But now I’m fortunate enough to work at Mood Disorders where we’re very open with our discussions about mental illness and depression. We encourage positive workplace habits in order to ensure employees have a positive work-life balance.”

With respect to treatment, Porter says there’s a huge gap between coverage for mental-health treatments compared to other chronic diseases. “Being able to access not just a psychologist, but any type of therapist in different provinces and territories is important.”

Mood disorders can affect individuals in a variety of different ways in the workplace, but common issues include difficulty concentrating, a decline in work performance, absenteeism and presenteeism, he notes. “We still have plenty of work to do. It’s great there are campaigns encouraging people to talk and share stories because that’s so important, but it’s not enough to just talk about it. Especially in the workplace, you need to have proactive policies that create a safe working environment for everyone.”

The coronavirus pandemic’s significant impact on people’s mental health has increased demand for mental-health programs and resources in the workplace, adds Porter, noting several studies have shown depression and other mental illnesses are the most dominant causes of disability claims.

Telus Health’s 2023 report found the increase in usage for depression medication was more common in Canadians under the age of 19, from 15.9 per cent to 19.3 per cent. “There are two ways to look at that,” says Kennedy. “One is to say there’s less stigma attached and people are [asking for] help, which is good. The other way is that the pandemic did take a toll on people’s mental health and development at really formative years in this group.”

Arthritis

Julia McNally has personally experienced episodic and permanent disabilities because of her arthritis, but she calls the

short- and long-term disability coverage under her benefits plan life changing.

“When I wasn’t covered, I lost wages, it caused difficulties for my employer and the stress I experienced further hindered my ability to work.”

Along with a solid benefits plan, McNally highlights the importance of a flexible workplace for people living with arthritis and the need for employers to reasonably accommodate their employees requiring remote work or hybrid work, when possible.

“Things like medication, access to physiotherapy, psychological support, acupuncture, occupational therapy and adaptive devices covered under paramedical support all make a tremendous difference to the overall health and well-being of those of us living with arthritis.”

Arthritis is technically a group of more than 100 diseases characterized by inflammation in the joints or other parts of the body, says Siân Bevan, chief science officer at the Arthritis Society of Canada. “Arthritis is a leading cause of disability and work limitations in Canada. Employees with arthritis are twice as likely to report not participating in the workforce compared to their peers without arthritis. Significantly reduced participation is seen as young as age 35, which highlights an increased need for [prolonged] support at work.”

Working with arthritis can affect an employee’s energy levels, she adds, noting the severe pain, fatigue and mood changes can impact people’s mental health as well. “Many Canadians have taken sick days and short-term disability leave because of their chronic pain or reduced their work hours. The many misconceptions about arthritis can leave individuals feeling isolated and struggling to advocate for themselves.”

A variety of drugs are often required to manage pain and other symptoms related to arthritis, adds Bevan, so the sheer number of drugs along with their high cost can create a large burden on group benefits plans. “Thankfully, there are now more innovative drugs available to treat

the variety of rheumatic diseases and, with effective treatment, patients can find significant relief.

“While arthritis drugs are expensive, access to them is life changing. The right treatment at the right time can make a significant impact on a patient’s prognosis.”

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



KEY TAKEAWAYS

- While Canada has made great progress with enhancements to public coverage for diabetes medications and devices, many people with the condition are still facing insurmountable costs.
- Depression and other mood disorders can impact employees in a variety of different ways in the workplace, with common issues including difficulty concentrating, a decline in work performance, absenteeism and presenteeism.
- Obesity as a chronic condition is a bit in flux from a coverage perspective because many benefits plans don’t currently cover anti-obesity medications.

PLAN MEMBER POINT OF VIEW

EMPLOYEE EXPERIENCES AND INSIGHTS

Alzheimer's disease—a progressive and irreversible neurodegenerative brain disease—impairs thinking, memory and independence. The Alzheimer Society of Canada states unequivocally that it's "not a normal part of aging"¹ and can affect people during their working lives. Many people are still working when they're diagnosed with Alzheimer's disease and may have dependent children or parents, as well as major financial commitments. Geoffrey (a pseudonym) is one of these individuals; and his struggles to retain information at work started his path to diagnosis with mild cognitive impairment (MCI) due to Alzheimer's disease.

How did you learn you were at higher risk of developing Alzheimer's disease?

My mother, who lived until she was 94, developed dementia. After she died, I volunteered for clinical trials every few years. I had never shown any of the early signs of dementia. But then I was asked to join a clinical trial that was studying drugs based on their genetic components. The test was simplicity itself: a mouth swab. It turns out I have a genetic marker (ApoEε4) that's linked to a higher incidence of Alzheimer's disease.

When did you first notice changes that alerted you to the feeling that something wasn't right?

I was reassigned to a new product line at work and there was a lot of new information to learn—but I was unable to recall much of anything I read or heard at meetings with the team. This was incredibly stressful and I ended up telling my manager about it, who advised human resources. I was then contacted by a third-party occupational health company that informed me (a bit too excitedly) that I was approved for 26 weeks of

disability leave. I would have preferred to have been offered other options.

One of the unexpected surprises following my diagnosis has been the realization that I no longer have an income—and that I likely never will again. After a lifetime of working and supporting my family, those days are in the past. For many reasons, an employer is unlikely to hire someone with MCI/Alzheimer's disease, along with all its attendant liabilities.

How has MCI due to Alzheimer's disease impacted your day-to-day functioning?

When I was employed, I relied on continuous help from colleagues to understand what we were being tasked to do—and I spent hours in the evenings trying to catch up. I wish my employer had inquired about my performance issues and asked me, "Are you OK? What's going on? How can we help you?" It was a lonely experience, doing my very best but always falling behind.

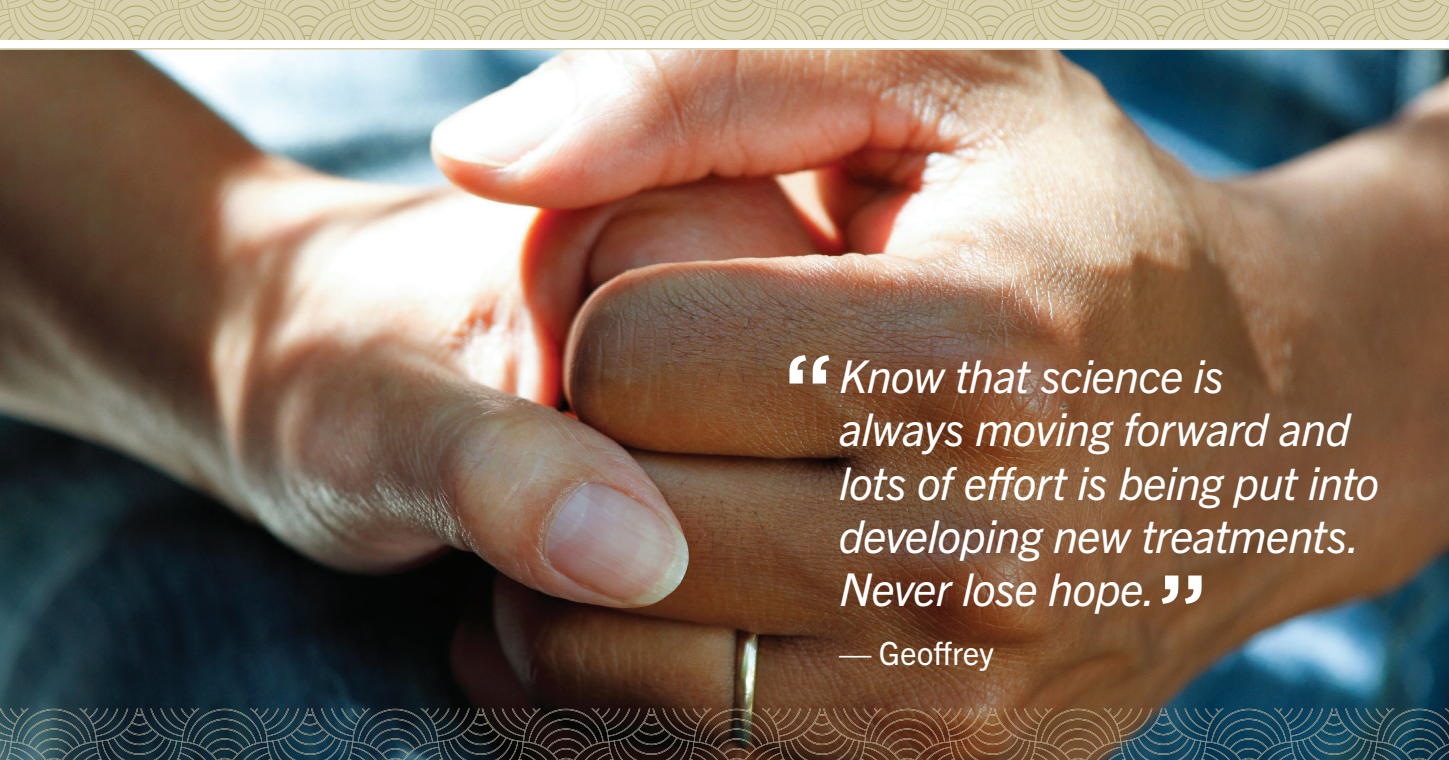
At home, losing my short-term memory means I can't remember where I've been physically a few

minutes after I change locations. I sometimes find myself somewhere in the house and am not sure why I'm there or even where I am. I also can't recall my most recent thoughts to help me find items I've mislaid. That said—and this is really important—my mid-term and long-term memory are excellent. It's very easy for me to appear mostly normal to other people. The downside here is that sometimes people think I'm just being difficult rather than experiencing the effects of my condition.

How have your family and friends reacted to your diagnosis?

It's been difficult for my family because this is a condition with no near-term cures. The additional effort needed to live with someone who has a slowly deteriorating condition requires a special level of patience.

I've only told a few friends about my diagnosis. They were sympathetic, but I haven't heard from them since. There's still a lot of stigma associated with Alzheimer's disease and I think people have trouble knowing what to say and do, so they avoid saying and doing anything.



“ Know that science is always moving forward and lots of effort is being put into developing new treatments. Never lose hope. ”

— Geoffrey

Was it easy to access the information you needed to understand Alzheimer’s disease?

I was grateful to have access to medical expertise through my quarterly clinical-trial visits, as well as MRI monitoring. But I had to do a lot of researching myself to find the information I needed to know about my condition. Unfortunately, I got very little direction from my health-care provider. I had to track down tools, resources and support on my own.

What can employers do to better support people living with MCI due to Alzheimer’s disease?

It’s important for employers to communicate fully to employees what the treatment and employment process will look like. I wanted to know what the plan was for me. I would have liked an honest, early assessment of the situation from my employer—with a clear and open discussion of the options available to me. For example, if an employee is agreeable, their employer could offer a phased transition out of the workplace upon diagnosis.

This could include an opportunity to work with the employee’s incoming replacement for an allotted period, followed by appropriate assessment.

Also, I expected regular weekly or biweekly cognitive training, diet change recommendations and other support that I didn’t get from my employee assistance program. I think these would have given me more of a sense of control over my condition.

What would you tell someone who is newly diagnosed with Alzheimer’s disease?

I’d say two things. First, accept that this is not a curable condition. It’s hard, but that’s the reality. Second, don’t give up on your future. Enjoy everything you still can. Take advantage of opportunities to talk with others who are sharing your experience. Know that science is always moving forward and lots of effort is being put into developing new treatments. Never lose hope.

Looking to the future, what do you hope for the care, management and support of your disease?

I hope researchers will keep working on medications to help people with mild Alzheimer’s disease and that newer agents will be approved quickly and made widely available. I’d also like to see the development of more patient support programs that are accessible to the people who need them. This is a disease that affects so many people. We need to slow down its progression and help everyone affected by it live their best quality of life for as long as possible.

Sponsorship for this interview was provided by Eisai Ltd. The statements, opinions and viewpoints expressed are those of the interviewee and may not be representative of all patients, nor do they reflect the views of Eisai Ltd.

¹ <https://alzheimer.ca/en/about-dementia/what-alzheimers-disease>





REGISTER NOW

Dec. 5, 2023

Arcadian Court
Toronto



Sponsors:



FOR MORE INFORMATION, GO TO:
benefitscanada.com

SPONSORSHIP ENQUIRIES
Francesca Allman
francesca.allman@contexgroup.ca

FOR AGENDA INFORMATION
Jada Lowe
jada.lowe@contexgroup.ca



2024 DC PLAN Summit

Benefits
canada.com

SAVE THE DATE

Feb. 27-29, 2024

**Fairmont Waterfront,
Vancouver, B.C.**



KEYNOTE SPEAKER

Lisa Kramer, professor of finance,
Rotman School of Management,
University of Toronto

Sponsored by:



ECKLER



FOR MORE INFORMATION, GO TO:
benefitscanada.com

SPONSORSHIP ENQUIRIES
Francesca Allman
francesca.allman@contexgroup.ca

Robert Martins
robert.martins@contexgroup.ca

FOR AGENDA INFORMATION
Megan Lepage
megan.lepage@contexgroup.ca

The DC Plan Summit is an invitation-only event; however, there are a limited number of invitations available upon request. To determine if you are eligible, please email Alison Webb: alison.webb@contexgroup.ca

UNLEASHING THE POWER OF MEPPS

What can single-employer DC plan sponsors learn from the pooled assets and shared risk of multi-employer pension plans?

BY KANUPRIYA VASHIST HANDA

Increased volatility, stubborn inflation and erratic interest rates are making for financially uncertain times, where it can be more reassuring to seek safety in shared risk, rather than shouldering financial ambiguity alone.

Celebrated for their pooled assets and shared risk, multi-employer pension plans are gaining traction. Tami Dove, director of member experience at the Co-operative Superannuation Society pension plan (No. 2 on the 2023 Top DC Plans Report — see pages 24-25), calls MEPPs actively growing options supported by policy-makers as a reputed and favourable source of retirement income.

The promotion seems to be working. A recent annual survey by Saskatchewan's Public Employees Pension Plan (No. 1 in this year's report and Canada's largest defined contribution plan with nearly \$11.2 billion in assets under management), found 81 per cent of its more than 71,000 members are very satisfied with their plan.

So what are the benefits of MEPPs and what can single-employer DC plan sponsors learn from them?

Economy of scale

For MEPPs, the biggest driver for both employers and plan members is the economy of scale, which allows for greater risk-sharing, lower management fees and a reduced administrative burden.

The Christian Labour Association of Canada pension plan (No. 12 in this year's report) is a MEPP with nearly \$1.1 billion assets under management. The total cost of running the plan is less than one per cent, says Jim Doornbos, the CLAC's benefits and retirement director. "Fees are lower, administration simpler."

“You’re going to see more and more employers start to offer [in-plan] decumulation to their retirees, not just to take care of them post-retirement, but also to keep the funds in the plan.”

For the Canadian Baptist Pension Plan (No. 48 in this year’s report), the power of the collective unites more than 925 churches under one plan. “Some of the churches covered by this pension plan are so small they wouldn’t normally be able to receive a pension on their own,” says Loyda Ortiz Sinanan, the Canadian Baptist Ministries’ manager of pension and benefits.

Indeed, MEPPs are a good solution for organizations unable to meet the fiduciary requirements of maintaining their own plan. In addition to including small employers, they can also drive down administrative costs, says Adam Rennison, a partner and senior consultant at PBI Actuarial Consultants Ltd. “Do the math — if you can save even 50 basis points in expenses each year, that’s a big deal over the long run.”

Portability

Portability — essentially, a worker’s ability to maintain and transfer accrued pension benefits when changing jobs — is another big advantage of some MEPPs, as long as employees stay in the same sector or industry.

This flexibility and extended support is only fitting, given that MEPPs were born out of shared interests and needs, says Dove. “Sectors such as construction, retail and religion banded together to take care of their employees and their families right into their retirement.”

For Jeremy Phillips, assistant deputy minister of the Public Employees Benefits Agency, which manages the PEPP, says the ability to change jobs and still stay with the same MEPP is a big deal. “It’s

an even bigger deal to be able to leave the MEPP and still let your funds grow in it as an inactive member,” he adds, referring to decumulation.

Decumulation

Indeed, while the ability to accumulate funds in a pension plan is critical to achieving a decent drawdown in retirement, it’s equally critical to have a strategy for the decumulation phase.

Dianne Tamburro, principal of investments and DC at Eckler Ltd., underscores the need for DC plan sponsors to start thinking beyond accumulation and offer effective decumulation options for improved retirement outcomes.

As more baby boomers reach retirement, there’s a growing rumble among DC plan sponsors to consider letting members reap the benefits of pooling in the decumulation phase.

In 2006, CBM was one of the first Canadian plan sponsors to offer in-plan decumulation options, including registered retirement income funds and life income funds. “We tend to have what we call bookends,” says Ortiz Sinanan. “Those who are exiting the workforce and those who are entering it. And with so many boomers set to retire, the balance of funds could topple. We need to mitigate that because our plan is not just a savings plan, it’s also an income plan. So when boomers retire, even though no new money will come into the plan from them, we’ll still retain part of their money within the plan.

“You’re going to see more and more employers start to offer [in-plan] decumulation to their retirees, not just to take

care of them post-retirement, but also to keep the funds in the plan,” she adds.

The CSS pension plan offers two in-plan decumulation options — a fixed monthly pension and variable benefits payments.

It’s a win-win situation for plan sponsors and members that’s triggering a revolution of sorts with dynamic pension pools in the form of variable payment life annuities, which were proposed by the federal government in its 2019 budget.

When the accompanying legislation is set out, VPLAs will combine some of the features of a traditional fixed pension with those of a variable benefit payment, paying an annually adjusted retirement income for life. “Each year, the payment amount of a VPLA will increase or decrease based on the performance of its supporting assets,” says Dove. “As a result, members will receive a fluctuating income stream, similar to a variable benefit, but with a greatly reduced risk of running out of funds.”

Pooled risk and stability

While DC plan sponsors and members await the long-term financial security promised by VPLAs, they continue to cherish one of MEPPs’ biggest advantages — the stability of pooling risk.

But when it comes to the performance of these pooled assets and risks, Doornbos says a lot depends on a MEPP’s structure. “A lot of DC plans, even if they’re multi-employer, require an individual plan participant to make investment choices and decisions. While you’re gaining size, scale and reduced fees, you’re also leaving the responsibility of investment choices up to the individual.”

The CLAC pension plan’s focus is on trying to achieve the best possible returns for its members, he says. Its investment options include the CLAC balanced funds, the CLAC conservative fund and an investment glide path. The balanced fund is the default option, while the investment glide path kicks in at age 53 after which funds become incrementally more conservative until members reach age 65. Plan members have the choice to opt out of the glide path.

The CSS pension plan has four investment options: a balanced fund, a money market fund, an equity fund and a bond fund. Plan members can use any or all four options to set an investment mix that meets their goals, risk tolerance and investment comfort, says Dove.

TOP 50 DEFINED CONT

<p>THE PUBLIC EMPLOYEES PENSION PLAN (SASKATCHEWAN) 1</p> <p>Rank 2021: 1 ▼-8.4%</p> <p>2022 PA: \$11,194.4 2021 PA: \$12,222.0</p>	<p>ROYAL BANK OF CANADA 6</p> <p>Rank 2021: 6 ▼-8.5%</p> <p>2022 PA: \$1,921.0 2021 PA: \$2,100.0</p>	<p>UNIVERSITY OF SASKATCHEWAN 11</p> <p>Rank 2021: 12 ▼-10.9%</p> <p>2022 PA: \$1,119.9 2021 PA: \$1,256.2</p>	<p>QUEBECOR MEDIA INC.* 16</p> <p>Rank 2021: 21 ▲8.0%</p> <p>2022 PA: \$725.4 2021 PA: \$671.7</p>	<p>SASKATCHEWAN PENSION PLAN 21</p> <p>Rank 2021: 24 ▼-2.8%</p> <p>2022 PA: \$588.2 2021 PA: \$604.6</p>
<p>CO-OPERATIVE SUPERANNUATION SOCIETY PENSION PLAN 2</p> <p>Rank 2021: 2 ▼-7.4%</p> <p>2022 PA: \$4,254.1 2021 PA: \$4,594.1</p>	<p>MANULIFE FINANCIAL CORP. 7</p> <p>Rank 2021: 7 ▼-9.3%</p> <p>2022 PA: \$1,498.0 2021 PA: \$1,652.0</p>	<p>CLAC PENSION PLAN 12</p> <p>Rank 2021: 13 ▼-5.7%</p> <p>2022 PA: \$1,086.7 2021 PA: \$1,152.5</p>	<p>TECK RESOURCES LTD. 17</p> <p>Rank 2021: 18 ▼-9.7%</p> <p>2022 PA: \$670.3 2021 PA: \$742.3</p>	<p>CANADIAN UTILITIES LTD. (AN ATCO CO.) 22</p> <p>Rank 2021: 23 ▼-9.2%</p> <p>2022 PA: \$587.8 2021 PA: \$647.4</p>
<p>UNIVERSITY OF BRITISH COLUMBIA FACULTY PENSION PLAN 3</p> <p>Rank 2021: 3 ▼-7.7%</p> <p>2022 PA: \$2,780.0 2021 PA: \$3,012.0</p>	<p>IBM CANADA LTD. 8</p> <p>Rank 2021: 9 ▼-24.0%</p> <p>2022 PA: \$1,248.0 2021 PA: \$1,642.0</p>	<p>SHELL CANADA LTD. 13</p> <p>Rank 2021: 15 ▼-11.4%</p> <p>2022 PA: \$923.0 2021 PA: \$1,042.0</p>	<p>SUN LIFE ASSURANCE CO. OF CANADA 18</p> <p>Rank 2021: 19 ▼-5.9%</p> <p>2022 PA: \$658.1 2021 PA: \$699.5</p>	<p>SOLLIO COOPERATIVE GROUP* 23</p> <p>Rank 2021: 26 ▲8.0%</p> <p>2022 PA: \$537.7 2021 PA: \$497.9</p>
<p>COSTCO WHOLESALE CANADA LTD. 4</p> <p>Rank 2021: 4 ▼-0.8%</p> <p>2022 PA: \$2,748.0 2021 PA: \$2,769.4</p>	<p>WESTERN UNIVERSITY 9</p> <p>Rank 2021: 10 ▼-12.6%</p> <p>2022 PA: \$1,237.1 2021 PA: \$1,415.0</p>	<p>NUTRIEN LTD. 14</p> <p>Rank 2021: 16 ▼-7.0%</p> <p>2022 PA: \$917.5 2021 PA: \$986.8</p>	<p>FINNING INTERNATIONAL INC.* 19</p> <p>Rank 2021: 20 ▲2.1%</p> <p>2022 PA: \$633.0 2021 PA: \$620.1</p>	<p>HSBC BANK CANADA 24</p> <p>Rank 2021: 27 ▼-5.5%</p> <p>2022 PA: \$444.2 2021 PA: \$470.3</p>
<p>BCE MASTER TRUST FUND 5</p> <p>Rank 2021: 5 ▼-4.8%</p> <p>2022 PA: \$2,448.0 2021 PA: \$2,572.0</p>	<p>THE CO-OPERATORS GROUP LTD. 10</p> <p>Rank 2021: 11 ▼-8.6%</p> <p>2022 PA: \$1,163.8 2021 PA: \$1,273.0</p>	<p>MANITOBA SCHOOL BOARDS ASSOCIATION* 15</p> <p>Rank 2021: 17 ▼-12.2%</p> <p>2022 PA: \$733.1 2021 PA: \$835.1</p>	<p>CENOVUS ENERGY INC. 20</p> <p>Rank 2021: 22 ▼-8.1%</p> <p>2022 PA: \$603.0 2021 PA: \$656.0</p>	<p>HUDSON'S BAY CO. 25</p> <p>Rank 2021: 25 ▼-18.4%</p> <p>2022 PA: \$426.7 2021 PA: \$523.0</p>

Notes: *2021 figure has been restated. ^Quebecor Media Inc. and Sollio Co-op Group's pension market value was unavailable at the time of reporting. Their totals are calculated using the average growth across the top 48 pension plans in 2022. 1. Formerly listed as George Weston Ltd., Loblaw Companies Ltd. is now the sponsor of the great majority of the plans previously reported to *Benefits Canada*.

Source: Companies participating in the 2023 *Canadian Institutional Investment Network's* pension fund survey or annual reports

Figures in this report are based on responses provided by the survey participants. *Benefits Canada* assumes no responsibility for the accuracy of the data provided. All totals are subject to +/- variance due to rounding.

2022 PENSION ASSETS (MILLIONS) ARE AS OF DEC. 31, 2022; 2021 PENSION ASSETS (MILLIONS) ARE AS OF DEC. 31, 2021

▲ ▼ Indicates an increase or decrease in assets from 2021 to 2022

RIBUTION PLANS

<p>ARCELORMITTAL DOFASCO 26</p> <p>Rank 2021: 36 ▲1.4%</p> <p>2022 PA: \$424.2 2021 PA: \$418.3</p>	<p>APOTEX INC. 31</p> <p>Rank 2021: 30 ▼-10.2%</p> <p>2022 PA: \$392.8 2021 PA: \$437.2</p>	<p>GLENCORE CANADA 36</p> <p>Rank 2021: 38 ▼-11.1%</p> <p>2022 PA: \$365.8 2021 PA: \$411.5</p>	<p>MICHELIN NORTH AMERICA (CANADA) INC. 41</p> <p>Rank 2021: 46 ▲2.8%</p> <p>2022 PA: \$311.8 2021 PA: \$303.1</p>	<p>PEPSI BOTTLING GROUP (CANADA) CO. 46</p> <p>Rank 2021: N/A ▼-12.0%</p> <p>2022 PA: \$268.8 2021 PA: \$305.5</p>
<p>CANADIAN YMCA RETIREMENT FUND 27</p> <p>Rank 2021: 28 ▼-8.5%</p> <p>2022 PA: \$421.7 2021 PA: \$461.0</p>	<p>KPMG LLP 32</p> <p>Rank 2021: 31 ▼-10.1%</p> <p>2022 PA: \$391.8 2021 PA: \$436.0</p>	<p>NOVA CHEMICALS CORP. 37</p> <p>Rank 2021: 41 ▼-5.2%</p> <p>2022 PA: \$348.7 2021 PA: \$367.7</p>	<p>ARCHDIOCESE OF VANCOUVER 42</p> <p>Rank 2021: 44 ▼-6.2%</p> <p>2022 PA: \$309.5 2021 PA: \$329.9</p>	<p>UNIVERSITY OF REGINA ACADEMIC AND ADMINISTRATIVE PENSION PLAN 47</p> <p>Rank 2021: 48 ▼-7.6%</p> <p>2022 PA: \$265.6 2021 PA: \$287.5</p>
<p>GOVERNMENT OF NEWFOUNDLAND AND LABRADOR 28</p> <p>Rank 2021: 33 ▼-4.4%</p> <p>2022 PA: \$412.8 2021 PA: \$431.9</p>	<p>TOROMONT INDUSTRIES LTD. 33</p> <p>Rank 2021: 32 ▼-10.6%</p> <p>2022 PA: \$387.0 2021 PA: \$433.0</p>	<p>MAPLE LEAF FOODS INC. 38</p> <p>Rank 2021: 39 ▼-9.9%</p> <p>2022 PA: \$345.0 2021 PA: \$382.9</p>	<p>SCOTIABANK GROUP MASTER TRUST FUND 43</p> <p>Rank 2021: N/A ▲25.7%</p> <p>2022 PA: \$308.0 2021 PA: \$245.0</p>	<p>CANADIAN BAPTIST MINISTRIES 48</p> <p>Rank 2021: 47 ▼-10.6%</p> <p>2022 PA: \$265.5 2021 PA: \$297.0</p>
<p>SHAW COMMUNICATIONS INC. 29</p> <p>Rank 2021: 34 ▼-2.9%</p> <p>2022 PA: \$407.0 2021 PA: \$419.0</p>	<p>PCL CONSTRUCTION GROUP INC. 34</p> <p>Rank 2021: 35 ▼-8.1%</p> <p>2022 PA: \$384.8 2021 PA: \$418.9</p>	<p>AON CANADA INC. 39</p> <p>Rank 2021: 40 ▼-10.6%</p> <p>2022 PA: \$337.7 2021 PA: \$377.6</p>	<p>CAMECO CORP. 44</p> <p>Rank 2021: 43 ▼-12.8%</p> <p>2022 PA: \$293.0 2021 PA: \$336.2</p>	<p>FARM CREDIT CANADA 49</p> <p>Rank 2021: N/A ▼-3.8%</p> <p>2022 PA: \$243.6 2021 PA: \$253.3</p>
<p>BÂTIRENTE* 30</p> <p>Rank 2021: 37 ▼-2.5%</p> <p>2022 PA: \$405.4 2021 PA: \$415.7</p>	<p>LOBLAW COMPANIES LTD.† 35</p> <p>Rank 2021: 29 ▼-12.8%</p> <p>2022 PA: \$382.1 2021 PA: \$438.3</p>	<p>NIAGARA CASINOS 40</p> <p>Rank 2021: 42 ▼-7.4%</p> <p>2022 PA: \$315.0 2021 PA: \$340.2</p>	<p>CARGILL LTD. 45</p> <p>Rank 2021: 45 ▼-9.8%</p> <p>2022 PA: \$276.4 2021 PA: \$306.4</p>	<p>INTACT FINANCIAL CORP. 50</p> <p>Rank 2021: N/A ▼-3.9%</p> <p>2022 PA: \$234.5 2021 PA: \$244.0</p>

POWERED BY
CANADIAN
Institutional Investment
NETWORK

2022 Top 50 total: **\$49,645.4**

2021 Top 50 total: **\$53,754.1**

VARIANCE: ▼ -7.6%

Community Living Algoma targets disability with proactive case management

In 2020 and 2021, like many organizations navigating the pandemic, Community Living Algoma (CLA) in Sault Ste. Marie, Ont., experienced higher than usual disability claims—especially relating to mental health. CLA also saw a resistance to returning to work among those already on short-term disability (STD) and long-term disability (LTD).

In search of a better way to manage disability claims, the organization partnered with sister companies Maximus Rose Living Benefits and Acclaim Ability Management Inc. in October 2021 to streamline its benefits program and implement a proactive, personalized, self-insured STD program. The switch to a self-insured model with Acclaim meant leaving behind an insured STD policy with the current insurance company. But the push to improve disability management aligned with CLA's day-to-day mission of helping people with disability or autism achieve independence to live their lives to the fullest.

CLA chose Maximus Rose and Acclaim for its own disability component because both these organizations had experience working with similar companies that were facing similar pandemic pressures, including long-term care facilities. Maximus Rose and Acclaim also had a proven record of reducing disability associated costs—and the partnerships paid off.

Within 12 months, Maximus Rose and Acclaim were able to reduce CLA's STD costs to \$96,136 (under the self-insured model) from \$210,422 (under the fully insured model). Before the new teams stepped in, CLA experienced 14 LTD claims rolled over from STD within a six-month period. In comparison, there were zero LTD claims during the first year under the new model, meaning Maximus Rose and Acclaim stopped the rollover to LTD from STD. The self-insured model also reduced or shortened average days lost and stabilized LTD premiums, which were becoming unsustainable due to the frequent STD to LTD rollover.



Photo: Michelle Quance

Tony Fasulo, chief executive officer (l) and Chris Sanderson, vice-president of operations (r) Maximus Rose Living Benefits

“Our field is very stressful, both physically and mentally. But moving to Maximus Rose has been incredible—it’s been easy, and anytime I had any worries or wasn’t sure of the process, there was always someone there,” says Judy Duffy, recently retired, who moved into the human resources manager role at Algoma Community Living shortly after Maximus Rose was engaged.

Duffy especially liked that a single claims manager was assigned to her organization, meaning she always knew who was picking up the phone, didn’t have to repeat a story several times and could let employees know in advance who would be reaching out to them when they started disability leave.

The contrast to the old carrier—that Duffy continued to work with on existing LTD cases—was stark. “I never knew who I was going to connect with when I needed information. But with Maximus Rose, there were no complaints and employees knew exactly who they were going to be communicating with.”

In addition, it was easy to keep tabs on the program thanks to Acclaim’s proprietary Acctrak digital network system that allows plan administrators to see live updates and the status of STD claims. “This robust technology means less back-and-forth with documents, makes administration more efficient and, when safe, speeds up return to

work.” Explains Tony Fasulo, chief executive officer of Maximus Rose Living Benefits.

“The experience was really good. I had no HR background whatsoever, but Maximus Rose made it easy to get to know the system and the lingo—and they were always there to support me,” Duffy says.

The mix of formal quarterly meetings and informal touch points were very helpful, she added. And since Acclaim and Maximus Rose are sister companies, they were able to share integrated data across benefits and disability.

From Maximus Rose’s perspective, vice-president of operations Chris Sanderson says CLA’s cost savings was possible because the organization was open to trying a different self-insurance model, as well as working with a third-party disability company rather than an insurance company.

“If an organization feels they’re not getting service from insurance companies, if they’re having a lot of employees roll over from short-term to long-term disability or if there’s broken communication between the case managers managing their disability files—we excel at streamlining all of that,” Sanderson says. “Then, essentially, you’re getting these employees back to work quicker, sooner and faster, so they can produce for their companies with fewer headaches for human resources.”

SPONSORED BY:



TOP 10 | HYBRID PLANS

2022 PENSION ASSETS (MILLIONS) ARE AS OF DEC. 31, 2022; 2021 PENSION ASSETS (MILLIONS) ARE AS OF DEC. 31, 2021

	2022 PA	2021 PA	Variance
1 Quebec Construction Industry	\$28,400.0	\$30,500.0	▼-6.9%
2 Suncor Energy Inc.	\$5,246.0	\$6,035.3	▼-13.1%
3 Syncrude Canada Ltd.	\$3,816.5	\$4,566.1	▼-16.4%
4 York University	\$3,070.8	\$3,470.7	▼-11.5%
5 United Food and Commercial Workers Union Pension Plan	\$2,552.4	\$2,949.9	▼-13.5%
6 Loblaw Companies Ltd.*	\$1,908.3	\$2,554.4	▼-25.3%
7 McGill University Pension Plan	\$1,749.9	\$1,943.7	▼-10.0%
8 University of Victoria	\$1,552.8	\$1,724.2	▼-9.9%
9 Carleton University	\$1,521.0	\$1,676.0	▼-9.2%
10 ArcelorMittal Dofasco	\$1,454.1	\$1,916.4	▼-24.1%
Top 10 total	\$51,271.8	\$57,336.8	▼-10.6%

Notes: 1. Formerly listed as George Weston Ltd., Loblaw Companies Ltd. is now the sponsor of the great majority of the plans previously reported to *Benefits Canada*. *The change was primarily due to market movement in 2022. Source: Companies participating in the 2023 *Canadian Institutional Investment Network's* pension fund survey or annual reports. Figures in this report are based on responses provided by the survey participants. *Benefits Canada* assumes no responsibility for the accuracy of the data provided. All totals are subject to +/- variance due to rounding.

The CSS plan's balanced fund — a multi-asset fund — is its default fund and is designed to protect downside risk with its longstanding tilt toward value. According to Dove, about 90 per cent of members are currently in the balanced fund. The money market fund is focused on providing more fluidity and access to cash in the retirement years. Of the CSS' 55,000 members, 8,000 are retirees.

The PEPP portfolio offers a customized steps fund, a lifecycle investment fund with 13 steps that applies a three-pronged approach involving equities, fixed income and private markets. "That's not something you can typically get in other DC plans," says Phillips. "Members don't move within funds. Instead, when they reach the next step, we move them on their birthday. There's more risk at the beginning and it tapers off towards the back half of their career."

Depending on what step plan members are in, the administrative fee fluctuates between 55 and 88 basis points.

The underbelly

Even though MEPPs offer some unique benefits to employers and employees, they may not be for everyone.

"An employer that views control as being important — in a whole host of aspects — will probably have less desire

to participate in a multi-employer plan," says Doornbos. On the other hand, some employers may be more comfortable being hands off. "[An employer that] just wants to make their contributions and then not have to think about them."

The multi-employer landscape can pose other challenges for fund administrators, says Ortiz Sinanan, referring to some churches within the CBM plan that aren't great at communicating payroll changes. "Sometimes, employees of the church get salary increases but [the church] forgets to let us know, which impacts the amount they should be contributing into the plan. Then we have employers that do their payrolls differently and have different pay cycles. It's hard to keep track. The onus to educate

them and apprise them of our expectations is on us."

The plan member perspective is an important one as well. "Members who don't like to select their investments might consider a managed plan a benefit, but those who like to be more involved may find it a disadvantage," says Tamburro.

The benefits of a managed approach to pension plan design could become even more pronounced as the risk of longevity plays out, making the financial future a lot more unsettled and retirement planning a lot more complex.

Kanupriya Vashist Handa is a freelance writer.



KEY TAKEAWAYS

- DC MEPPs offer a compelling framework for retirement savings that capitalizes on shared risk, pooled assets and reduced costs.
- By providing the benefit of pooling through both the accumulation and decumulation phases, MEPPs can help to ensure a secure and financially sustainable retirement.
- Dynamic pension pools like VPLAs are the newest innovations in retirement planning that could help revolutionize the landscape by offering low-cost income for life.

Defined Benefit Investment Forum

Dec. 6, 2023

Malaparte - TIFF Bell Lightbox
Toronto



KEYNOTE SPEAKER

Eric Lascelles, chief economist,
RBC Global Asset Management

REGISTER NOW

SPONSORS:



SUPPORTING SPONSORS:



FOR MORE INFORMATION, GO TO: benefitscanada.com

FOR SPONSORSHIP ENQUIRIES:
Robert Martins
robert.martins@contexgroup.ca

FOR AGENDA INFORMATION:
Megan Lepage
megan.lepage@contexgroup.ca

Canadian Investment Review, alongside the Beedie School of Business at Simon Fraser University, is pleased to present the:



Global Investment Conference



SAVE THE DATE

April 10-12, 2024

Fairmont Banff Springs Banff, Alta.

Sponsored by:



William Blair

The Global Investment Conference is an invitation-only event; however, there are a limited number of invitations available upon request. To determine if you are eligible or if you are interested in sponsorship opportunities, please contact: Robert Martins at 416 509-1991 or robert.martins@contexgroup.ca

AN ALTERNATIVE APPROACH



How are institutional investors considering alternative credit amid rising interest rates?

BY BLAKE WOLFE

While the University of British Columbia's staff pension plan already boasts a sizable investment in alternative credit, it still has room for more.

"Overall, we have a favourable outlook for alternative credit and intend to continue growing our exposure in 2023," says Josh Kruse, associate director at UBC Investment Management. "Rising policy interest rates and widening credit spreads have pushed up yields significantly, while retrenchment among lenders is driving tightening lending standards. We see this as an attractive risk-return profile where it's possible to earn equity-level returns from debt while having much greater certainty of return."

Currently, the pension plan's alternative credit investments comprise roughly a fifth of its fixed income portfolio. Balancing capital preservation

with earning an outsized risk-adjusted return, its alternative credit strategy is concentrated in three areas: corporate direct lending, which has been the core of the plan's alternative credit strategy since the program's inception; asset-based strategies, such as real estate lending, equipment leasing and specialty finance; and investments in the secondary market through the purchase of existing positions in private credit, either directly from other investors or in processes led by fund sponsors.

Double-edged sword

Rising interest rates are a double-edged sword for alternative credit — while they translate into stronger returns on private credit loans, which are almost always floating rate, they also mean higher payments for borrowers, which increases their risk of default, says Kruse.

"This trade-off highlights the critical importance of disciplined investment structuring, where the overall amount of leverage extended by the lender — as well as covenants and other negotiated protections — can provide the means to manage default risk."

THE UBC STAFF PENSION PLAN BY THE NUMBERS*

\$2.3 billion –
Total plan assets

\$185 million –
Assets in private debt

\$114 million –
Assets in infrastructure debt

Source: Canadian Institutional Investment Network

* Data as at Dec. 31, 2022

In addition to higher borrowing costs and deteriorating economic conditions, the broader slowdown in global mergers and acquisitions has also elevated refinancing as a key risk faced by private equity sponsor-backed borrowers, he adds.

“Given these risks, we’re currently focusing on asset-based lending at the expense of corporate lending. We believe some of the structural features of these deals — such as short duration, principal amortization and collateral secured by cash-flowing assets — offer potentially greater downside protection in uncertain conditions.”

Favourable conditions

The compression of credit spreads at the beginning of 2023 also helped create favourable conditions for alternative credit returns, says Steve Guignard, senior director of client solutions at Sun Life Capital Management.

“We have high-yield bonds which, as of July 31, have returned close to seven per cent. We have bank loans, which are floating rate securities, that have returned close to eight per cent and are yielding 10 per cent. From a performance perspective, I think [alternative credit] delivered on what it was supposed to do.”

Among Guignard’s institutional investor clients, interest in alternative credit is growing, due in part to higher

yields. “With the starting yields we have right now, it’s basically an opportunity to produce equity-like return with less volatility. I think a lot of investors we work with are coming around to that narrative and the demand remains high.”

For the UBC pension plan, alternative credit also helps diversify its investment portfolio, says Kruse, noting private credit exhibits low correlation to both long-duration fixed income investments and the more growth-oriented equity and real asset allocations, while also enhancing the plan’s total return.

When assessing how each asset class contributes to risk and return under different stress scenarios, he notes private credit is also useful as a counterbalance to traditional fixed income in inflationary economic conditions, where rising real interest rates are the primary driver of risk.

“Our portfolio benefited from these characteristics last year to help offset negative returns from our long-term bond and public equity exposures and we expect alternative credit to continue to serve as a hedge against the possibility of lingering inflation and elevated rates.”

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



Nov. 7, 2023

VIRTUAL EVENT

REGISTER NOW



SPONSORS:

beneva

 **Desjardins**
Insurance
Life • Health • Retirement

 EHN CANADA

 MEDAVIE
BLUE CROSS

 RAPIDS

 Sun Life

FOR MORE INFORMATION, GO TO:
benefitscanada.com

SPONSORSHIP ENQUIRIES
Francesca Allman
francesca.allman@contexgroup.ca

FOR AGENDA INFORMATION
Jada Lowe
jada.lowe@contexgroup.ca

PLAN MEMBER POINT OF VIEW

EMPLOYEE EXPERIENCES AND INSIGHTS

Ulcerative colitis (UC) is a type of inflammatory bowel disease (IBD) that affects the large intestine (the colon). This disease causes a range of symptoms, including abdominal pain, bowel urgency (the sudden and immediate need to have a bowel movement), diarrhea and blood or mucus in stool. IBD, which includes both UC and Crohn's disease (CD), affects more than 230,000 people in Canada. Every year more than 4,500 new cases of UC are diagnosed.¹ Gene Yoo was one of those new cases in 2017.

What are the most disruptive symptoms of UC?

This depends on whether I'm in an active flare or not. At the height of a flare, when it's really bad, I have 20 plus bowel movements a day and there's a lot of blood in the stool, so I tend to get anemic and feel very tired and weak. It's not like you feel when you haven't had enough sleep. The best way I can describe how tired I am is that I only have the energy to lie down and watch TV. I can't read. I can't play video games, which is something I enjoy doing in my free time. I'm pretty much stuck at home.

My flares usually last about three months, slowly ramping up to more bowel movements, more blood and more pain, then peaking and tapering off. The recovery can be as bad as the flare itself because you lose muscle mass and have to build it back up.

When I'm in remission, I get closer to having a normal life. Generally, the mornings are when the most disruptive symptom happens: bowel urgency often after I eat or drink something—even just a small amount of breakfast. I wouldn't call it super-high urgency, but it's enough that

I tend to plan my mornings around it. If I'm out, I'm careful about when and what I eat. If I'm at home, I plan for the extra time I need in the morning.

"When I was first diagnosed, I was working in an office. I didn't know what was going on, so I tried to keep working around my first flare. I would never do that again."

After I was diagnosed, I wanted to know if there were any foods I should avoid eating, but the answer from doctors and people in the support group I joined tended to be, "It depends." UC affects everyone differently. For me, I generally don't eat a lot of salads or raw fruits and vegetables. I also avoid popcorn, corn and lentils. Initially, I had trouble with steak but that's no longer the case. Then earlier this year I had to give up green beans (one of my favourite vegetables) because I noticed I wasn't digesting them as well.

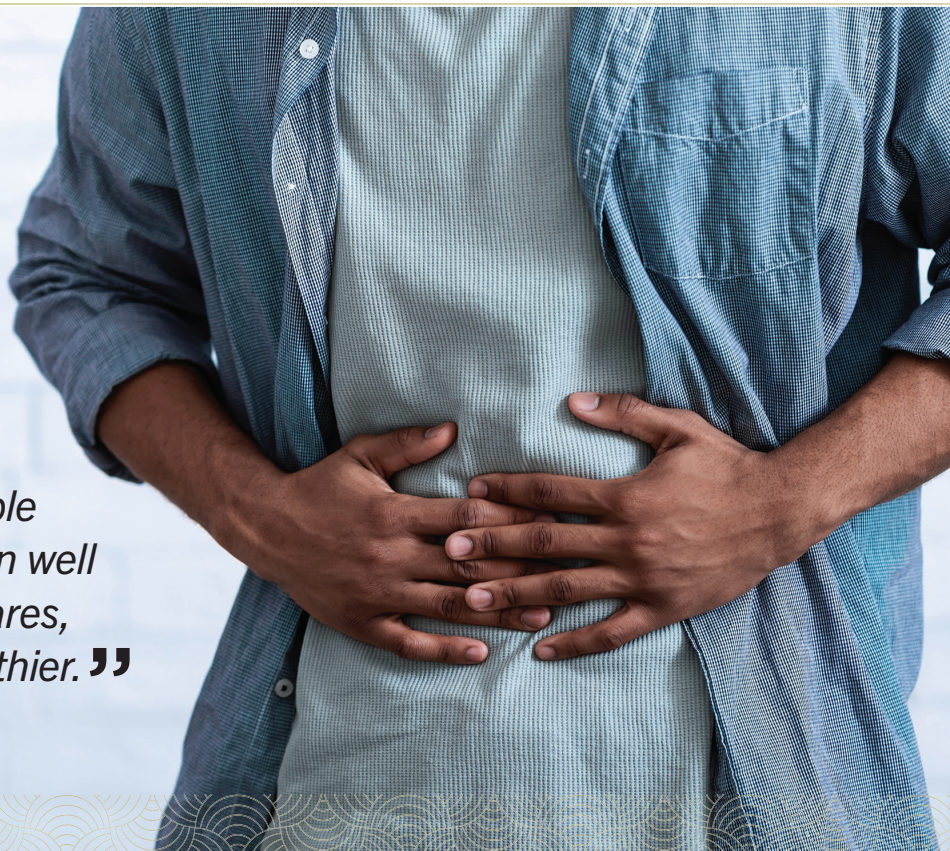
How has bowel urgency specifically impacted your ability to do your day-to-day work?

I'm lucky that I work remotely from home so I can manage bowel urgency

relatively easily. However, I've heard stories of people having to hold it in and not use the washroom, which for me isn't physically possible. UC can be very uncontrollable. I've also read about people having to quit their jobs because they couldn't do their work with limited access to a washroom.

When I was first diagnosed, I was working in an office. I didn't know what was going on, so I tried to keep working around my first flare. I would never do that again. But at the time I figured out my body's rhythm in terms of bowel movements and was able to time everything. For example, I knew it took me 20 minutes to get to the office and that I could make it there if I didn't eat or drink a lot.

Fortunately, the companies I work for as a software engineer are pretty flexible; and the teams I work with are supportive when anyone is having a medical issue. I tell them, "I need to take a little bit of a break," and everyone is okay with that. We all pick up the slack for one another.



“Something employers should keep in mind is that when someone is able to manage their condition well and not have as many flares, they’re happier and healthier.”

How has bowel urgency affected other aspects of your life?

As just one example, I wanted to do a hike an hour north of Vancouver near Squamish. With any hike they say, “Get there early in the morning to beat the crowds and beat the traffic.” But mornings can be challenging for me, so it took some planning. I woke up, took a medication I have to take an hour before any food, then I started driving. I had checked ahead of time that the hiking site had a toilet I could use when I arrived. When I got there, I ate, used the washroom and enjoyed the hike. I’m glad that everything went according to plan—it may have been a different story if the washroom had been closed or there was a lot of traffic getting there.

I need to know where the closest washroom is wherever I go because the urgency can be medium-high to high.

I also must plan in case I have a second bowel movement throughout the day, which can happen when I’ve had a bit too much food. I need to know where the closest washroom is wherever I go because the urgency can be medium-high to high. However, now that I’ve been living with UC for seven years, I have a better grasp of the warning signs.

What would you like employers to know about UC? What can they do better?

Between my employer and B.C.’s Fair PharmaCare, I don’t have to worry about how I’ll pay for the medications I need—some of which are expensive. But depending on where you work and where you live that may not be the case. Something employers should keep in mind is that when someone is able to manage their condition well and not have as many flares, they’re happier and healthier. Many companies say

they want to take care of their employees. My employer has proven that this is more than a tagline for them.

In addition, when you’re in a flare you have no energy—but employers need to understand that even when you’re in remission you can be tired. Earlier this year, I wasn’t in a flare, but I was constantly tired even though I was getting enough sleep and exercise. There’s a big difference between being tired because of UC and being tired because you were up too late—it’s more chronic fatigue. That said, employers should give employees flexibility when it comes to taking some extra time off.

¹ <https://cdhf.ca/en/digestive-conditions/ibd-ulcerative-colitis/>

Sponsored by:

The Lilly logo, featuring the word "Lilly" in a red, cursive script font.

POWERED BY:



Canadian Investment Review



GETTING TO KNOW *Arijit Banik*

JOB TITLE: Treasurer, York University

JOINED YORK UNIVERSITY: 2018

PREVIOUS ROLE: Senior manager, pensions and asset liability management, Royal Bank of Canada

WHAT KEEPS HIM UP AT NIGHT:

The increasing divisiveness found in the current political climate and the lack of middle ground found between people at opposite ends of the political spectrum

OUTSIDE OF THE OFFICE HE CAN BE

FOUND: Trying his best, little by little, to improve his way around a tool box

PHOTO: MICHELLE QUANCE

SUSTAINABLE INVESTMENTS KEY FOR YORK UNIVERSITY'S ENDOWMENT FUND

BY BRYAN MCGOVERN

According to York University's Arijit Banik, there's only one way forward for environmental, social and governance standards: it's time for an evolution.

The treasurer responsible for overseeing the university's endowment fund wants to go beyond simply investing in wind and solar energies to tick a box. Instead, his investment team has pushed towards sustainable infrastructure by being more critical with its investments.

Thanks to a background in chemical engineering, Banik applies an analytical approach to the endowment fund's investment strategy. He ensures the team's approach is matched by consultants when performing due diligence. "That whole questioning and analytical part just informs the way we do things."

He has taken the scenic route into the institutional investing industry. "Nothing was scripted out for me. This whole area of investments — treasury, asset allocation — is a second career for me."

An uneasiness with Ontario's manufacturing sector in the late '90s pushed Banik towards an exit strategy. In 2001, he went back to school part time to pursue an economics degree at what's now known as York University's Schulich School of Business.

Before joining the university in his current role in July 2018, he was part of a treasury team formed through a joint venture between the Royal Bank of Canada and Dexia Group. In that role, he cut his teeth in preparation for the responsibilities of overseeing York University's endowment fund, which is designed to finance the university's faculties, programs, chairs and scholarships through investments totalling \$597 million at the end of July 2023.

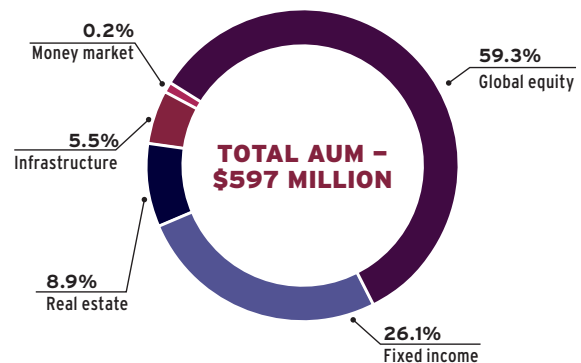
"That was the first time I was looking at things like solvency ratios, asset allocation from the perspective of an institution [and] getting the mix correct in terms of fixed income versus equities versus others. That was my first foray into it."

The university also has more than \$1 billion in investable operational funds. Forty-four per cent of these are managed professionally, while the rest are overseen internally in order to meet liquidity requirements.

Banik is intrigued by the evolution of ESG, from a trendy buzzword to a recognized standard to now, as it potentially faces real pushback. He says ESG's social component is more difficult to quantify and other environmental metrics are ripe for increased efficiency. However, he's still committed to sustainability and says ESG detractors shouldn't get in the way of that goal. "My view is that it's not going to go away."

Working in the education sector, with a wide assortment of stakeholders, means Banik knows what it's like to answer to tough

YORK UNIVERSITY'S ENDOWMENT FUND IN NUMBERS*



*AS AT JULY 31, 2023

critics. One example is when the investment team was asked about completely divesting from one contentious category: fossil fuels. He says the category didn't register a 0.2 per cent stake in the endowment fund's investment strategy. "Our current equity investments in fossil fuels isn't even a rounding error. It's very, very small."

However, Banik is opposed to closing off entire categories. "We don't want to make [an official negative screening] the standard practice because, once you start closing yourself off to one thing, then there's no argument against never closing yourself off to other things."

The carbon footprint for the university's investments has been reduced by 80 per cent since it began tracking this measurement in 2017, he adds.

Compared to the private sector, Banik has found the world of investments in a university has a far slower pace. Decisions can take longer to approve and, if decisions aren't made at one quarterly investment committee meeting, they're rolled over for next time.

York University's investment team is also smaller than what's typically found in the private sector. "In terms of the actual pure investment side, it's myself and my analyst. That's why we run very lean."

Bryan McGovern is an associate editor at *Benefits Canada* and the *Canadian Investment Review*: bryan.mcgovern@contexgroup.ca.

Under the vast and looming Laurentian Mountains, a group of delegates converged in August at the Fairmont Tremblant, in Mont-Tremblant, Que. for the *Canadian Investment Review's 2023 Risk Management Conference*.

Throughout the three-day conference, delegates – including defined-benefit plan sponsors, endowment fund investors, asset managers and academics – discussed investment trends, opportunities and risks that lie ahead for institutional investors amidst both a challenging credit environment and a rapidly changing geopolitical landscape.

From presentations on inflation-proofing portfolios, establishing interest-rate boundaries, navigating political and global uncertainty to contending with the politicization of ESG strategies, speakers and delegates left no stone unturned in analyzing the issues driving investment decisions today.



SPONSORS





Register now for the 2023 Investment Innovation Conference, Nov. 15-17 in San Diego!



ACADEMIC PARTNER

ACADEMIC SPONSOR

GOLF SPONSOR

KEYNOTE SPONSOR

Schroders

TREZ CAPITAL

Roman School of Management UNIVERSITY OF TORONTO

Manulife Investment Management

Russell Investments

Lincluden

Q&A

with **PepsiCo Canada's Jaye Calder**

The food and beverage company's manager of pension, benefits and wellness discusses fostering an inclusive and supportive work environment, the importance of flexible benefits and the soothing silence of swimming

BY LAUREN BAILEY



CAREER CRIB SHEET

July 2021 – Present

Manager, pension, benefits and wellness, PepsiCo Canada

April 2019 – July 2021

Senior analyst, North America retirement plans, PepsiCo Canada

April 2017 – April 2019

HR health and wellness benefits associate, PepsiCo Canada

November 2014 – March 2017

HR disability analyst, PepsiCo Canada

April 2011 – November 2014

HR analyst, HR benefits delivery, Rogers Communications

March 2010 – June 2011

HR analyst, HR program delivery, Rogers Communications

September 2008 – March 2010

Administrator, pension and benefits, Unilever Canada Inc.

Q What top challenges do you face in your role?

A In the realm of total rewards, simplification versus personalization is the challenge I experience every single day. We want our plans and communications to be tailored to individual needs and preferences; however, we also want them to be easy to understand. Often, those two priorities conflict and require us to strike a balance between understanding our employee needs and avoiding unnecessary complexities.

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

A We're committed to fostering an inclusive and supportive work environment that celebrates diversity, prioritizes the well-being of our employees and encourages a healthy lifestyle. For 2024, we're investing in our benefits to make them more inclusive and ensure they better serve the evolving needs of our employees and their families. Some of these additional benefits include fertility coverage, breast pump coverage, gender affirmation coverage and further increases to our current physiotherapy and mental-health coverage.

Q What programs do you consider the most successful?

A I am personally passionate about the design of our defined contribution pension plan. I consider it successful because it's designed in such a way that gets our young employees excited about retirement. For example, they can save for what's important to them (vacation or emergency fund) in their tax-free savings account and PepsiCo Canada matches the employee contributions and puts the employer match in their DC plan to save for their retirement. It's a win-win.

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

A In order to judge the success of a program or initiative, we first determine the goal. For some programs, our goal is pure utilization and,

for others, it's to ensure our employees understand and value the programs. Often in this field, we may jump to the data or metrics to judge the success without first determining what success looks like. Once we determine what success looks like, we then review the corresponding metric or data point.

Q What key human resources issues do you expect in the coming year?

A I think managing the workforce and labour shortages will be challenging in the coming year. A large portion of our population will soon be eligible for retirement, so we'll need to start thinking differently. For me and my role, it means continuing to focus on flexibility within our plans. We need to ensure our plans can adapt to the workforce as it changes.

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

A This year, I got back into swimming for fitness. The silence of the water is soothing. With my husband and two sons (ages seven and 10), we enjoy travelling and exploring new cities. My kids love researching the destination and making lists of their top experiences before we leave. Recently, we explored Chicago and Quebec City.

Q What's your favourite employee benefit and why?

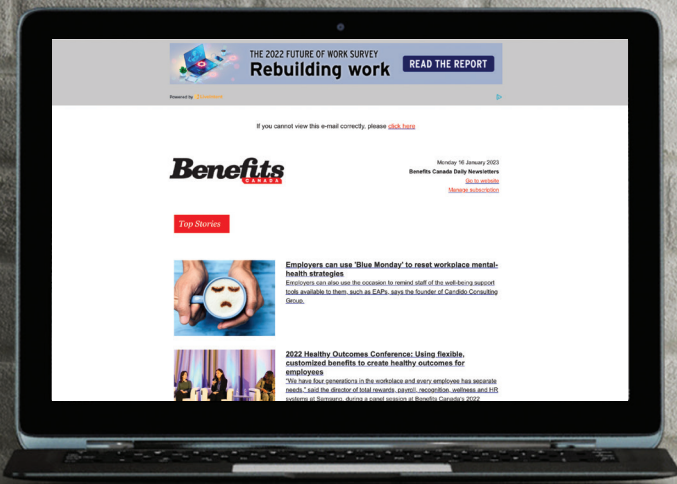
A Our sabbatical leave program. We offer the opportunity for our salaried employees to take one year of pay and spread it over a year and a half, so you can take time off and get paid. Eligible employees can take six months of paid time off to do whatever is important to them, whether it's to renovate a house, travel with friends or volunteer overseas — whatever they want to do.

Lauren Bailey is an associate editor at Benefits Canada and the Canadian Investment Review: lauren.bailey@contexgroup.ca.



Join the over **20,000 Canadians** who start their day with ***Benefits Canada***.

**SUBSCRIBE TO OUR
DAILY NEWSLETTER
TO ENSURE YOU
NEVER MISS A BEAT**



Benefits Canada is the country's original and most influential pension and benefits publication for key decision-makers in Canadian workplaces. **For 45 years, it has helped professionals make informed decisions about their pension and benefits plans.** Every day, benefitscanada.com keeps you informed with breaking industry news, expert opinions and perspectives and special reports on current issues.

Scan the QR code above or visit benefitscanada.com to subscribe today!

LET'S TALK PROCESS

At Picton Mahoney Asset Management, we've been managing alternative investment strategies for institutional investors for 18 years.

Our **unique investment process** combines ideas from our independent quantitative and fundamental research teams to help **manage risk, hedge it, and generate uncorrelated sources of returns – in all market conditions.**

Learn how Picton Mahoney walks the talk

Email Institutional@pictonmahoney.com or visit pictonmahoney.com

